



2020 3M Canada Terms and Conditions of Sale

Effective: January 2020

For Channel Partners in the Industrial and Safety Markets
Centre (ISMC)

CONFIDENTIAL

Table of Contents

Terms	3
Minimum Order	3
Suggested Resale Prices.....	3
Deviated Price Quotation (Deal)	3
Transportation and Freight Charge	4
Freight Claim Policy	4
Drop Shipments	5
Invoicing	5
Eligible Payment Methods	5
Channel Partner Returns: Standard Stock.....	5
Channel Partner Returns: Non-Standard Products.....	6
Channel Partner Returns: Natural Disasters and/or X-Factors.....	6
Cancellation: Natural Disasters and/or X-Factors	6
Quality Complaints.....	6
3M Error	7
Safety Data Sheets Policy	7
Tapes and Adhesive Certification and Shelf-life.....	7
Repackaging and Consumer Sales	7
Stated Shelf Life.....	8
Product Warranty and Limitation of Remedies	9
Limitation of Liability.....	9
Compliance with Laws.....	9
Functional Discount Structure.....	10
Point of Sale Data (POS) Requirement.....	11
Chargeback Requirements.....	12
EXHIBIT A – Compliance with Laws	14
SCHEDULE 1 TO EXHIBIT A.....	18
3M Canada Locations.....	20

The following Terms and Conditions of Sale are not applicable on 3M Fall Protection purchases.

For 3M Fall Protection Terms and Conditions of Sale please refer to the 3M Fall Protection Terms and Conditions document.

Terms

Net 30 days.

Credit card payments will be processed at the time of order.

Minimum Order

The minimum requirement per single order is \$500. A Channel Partner may combine any products they are authorized to purchase to meet the \$500 minimum. The minimum does not apply to replacement orders attributable to 3M's error.

Suggested Resale Prices

Where suggested resale prices are available, the person to whom these price pages/files are directed is not obligated to accept the suggested resale prices and may sell at any price they choose. If they choose to sell at prices other than those suggested, they are not to suffer in any way in its business relations with 3M Canada or with any other person over whom 3M Canada has control or influence.

Deviated Price Quotation (Deal)

A Deviated Price Quotation (Deal) is a deviation from the published price that 3M Canada may extend for product(s) to an Authorized Channel Partner for a particular end-user under certain circumstances. It is only a temporary price concession, i.e. 3M and the Channel Partner will strive to revert to published price as early as possible.

A Deal is valid only for sales to the specified end-user. 3M reserves the right to audit Channel Partner in its sole discretion to confirm compliance with the terms of the Deal.

A Deal is always time-sensitive and will be revisited on expiry. As part of this process the Channel Partner involved:

- May be asked to provide 3M proof of sales of those products that are in the Deal to that particular end-user. This may be in the form of invoices, delivery slips, or a report/drop-shipment, if 3M agrees, and is subject to audit. If the Channel Partner claims back the price differential in the form of a Chargeback, then 3M's invoice number must be referenced. Please see the Chargeback section for detailed information on the information requirements for Chargeback claims.
- May not order more than the forecasted quantity that is specified in the Deal. If the

end-user needs additional quantity, the 3M Representative will investigate with the end-user before amending the Deal.

- Must maintain confidentiality of the deviated pricing. Under no circumstances will the Channel Partner divulge any details of the Deal to anyone other than its employees who deal with that specific end-user the Deal is intended for.
- Must reference the Deal number on any orders and/or communications with 3M in order to receive the Deal pricing.
- Must not deduct from payments on account. 3M reserves the right to take action including administrative fees and/or placing an account on credit hold until deduction issues have been resolved. The Channel Partner should contact Customer Service to resolve any questions around pricing.

3M reserves the right to decide whether a Deal needs to be renewed or not. Under no circumstances will a Deal be automatically renewed. The 3M Representative, Sales Manager and the Channel Partner must consult to decide whether a Deal needs to be extended or renewed. **It is the duty of the Channel Partner to contact 3M 60 days prior to expiry of the Deal to review the Deal.**

In the event that the Channel Partner orders products under the Deal and sells it to an unauthorized end-user or otherwise breaches the Deviated Pricing Policy, 3M will terminate the Channel Partner from the Deal and will invoice the Channel Partner the difference between the net Channel Partner price and Deal price. Also, the offending Channel Partner may be barred from obtaining any other Deals from 3M. 3M will also consider terminating the Channel Partner relationship with an offending Channel Partner.

3M may terminate and/or amend a Deal at any time in its sole discretion.

In the event of any increase in the manufacturing costs associated with the manufacture of products referenced in a particular Deal, 3M reserves the right to raise the price of said products, at its sole discretion, by giving Channel Partner 30 days prior notice of such a price change.

Transportation and Freight Charge

Free on Board (FOB) Shipping Point: For orders equal to or greater than \$2,500, freight is prepaid and not charged via the least cost carrier and routing of 3M's choice. For orders less than \$2,500, freight is prepaid and billed as a separate line item on the Channel Partner's invoice and shipped via the least cost carrier and routing of 3M's choice.

Freight Claim Policy

3M Canada files all claims against 3M carriers for loss or damage in transit from 3M. Full credit is allowed to the Channel Partner, provided the necessary requirements are met enabling 3M to recover the loss. All claims should be made to the 3M Canada's head office in London, Ontario, with either of the following:

1. Proof of delivery from the carrier proving loss, damage or shortage of goods.
2. A certified copy of the delivery receipt showing a loss, damage or shortage of goods.

Following an investigation, an appropriate adjustment will be initiated if justified. 3M reserves the right to disclaim responsibility for reimbursement to any of its Channel Partners for loss and/or damage in transit if 3M is not notified within the time allowed by the regulatory bodies governing transportation for filing freight claims. These time limits differ between various modes of transportation and Canadian provinces; each Channel Partner is responsible for knowing its time limits.

Drop Shipments

Channel Partner Branches

For each purchase order equal to or greater than \$2500, per Channel Partner branch, freight is prepaid and not charged via carrier of 3M's choice. For pallet price discounts, where applicable, a minimum of one clean pallet drop shipment per destination is required.

End-user Locations

End-user drop shipments are generally not accepted. However, 3M reserves the right to drop ship to end-users for quote account tracking, or for other technical or commercial reasons.

When allowed, freight for end-user drop shipment orders will be via the least cost carrier and routing of 3M's choice at the expense of Channel Partner.

Invoicing

Actual invoicing is at net. Orders for immediate shipment are billed at the price in effect on the date the order is received by 3M. Unless covered by contract, orders specifying future-dated shipments are at the price in effect on the date of the shipment. Prices are for standard packaging and labeling only. Prices for non-standard packaging and labelling are available upon request. 3M reserves the right to ship $\pm 10\%$ on non-standard orders.

Eligible Payment Methods

3M Canada offers two types of payment methods: EFT (Electronic Funds Transfer) or cheque. For more information on EFT please contact 3M's accounts receivables department.

Channel Partner Returns: Standard Stock

1. 3M accepts the return of any standard stock item subject to conditions listed below. The value of each return is based on the original invoice.
2. The returned goods must be in original, unopened, full-case quantities, purchased within the previous twelve (12) months and have a minimum of 50% shelf life remaining wherever applicable. The goods must be in saleable condition; 3M

- reserves the right to judge salability.
3. Goods may not be returned until inspected and authorized by a 3M representative.
 4. Channel Partner is responsible to pay return transportation charges and must provide 3M with the original 3M order number.
 5. A restocking charge of 15% is applied to all standard stock returns.
 6. The maximum value eligible for return to 3M in any twelve (12) month period (January to December) is 1% of the Channel Partner's total purchase(s) of the corresponding 3M divisional product for the same twelve (12) month period.
 7. All above conditions apply. Channel Partner accepts transportation charges.
 8. 3M expects Channel Partners to pro-actively manage the returns to 3M. A full list of pending returns that are expected to be completed before year-end should be submitted to 3M no later than September 30th.

Channel Partner Returns: Non-Standard Products

Non-standard products are not returnable.

Channel Partner Returns: Natural Disasters and/or X-Factors

Orders for any product line affected by natural disasters and/or x-factors may not be returned once shipped and billed. These include, but are not limited to, acts of God, explosion, fire, flood, war (whether declared or not), accident, labour strike or labour disturbances, sabotage, order or decrees of any court or action of any governmental authority, any adverse regulatory changes or other causes whether similar or dissimilar to those specified which cannot reasonably be controlled by 3M.

Cancellation: Natural Disasters and/or X-Factors

Orders for any product line affected by natural disasters and/or x-factors (as above) are not eligible for cancellation after the order has been placed.

Quality Complaints

All suspected quality complaints are handled in the following manner:

1. Channel Partner must report suspected defective material to a 3M representative immediately. Under no circumstances may the Channel Partner return suspected defective goods to 3M without obtaining approval from a 3M representative.
2. A 3M representative arranges the return of a sample of the defective material, or the material itself, to 3M's Technical Department for analysis.
3. If a sample is taken, the Channel Partner must retain the balance of the goods while the sample is analyzed. If the Channel Partner wishes to use all or part of the

suspected defective material remaining in its possession while the complaint is investigated, they do so at their own risk.

4. Upon confirmation, the complaint is justified by 3M's Technical Department, a 3M representative will arrange for the return of any remaining balance of goods at 3M's expense.

3M Error

Should 3M ship the wrong goods to a Channel Partner, the return of such goods by the Channel Partner is accepted without question provided:

1. The error is brought to 3M's attention within sixty (60) calendar days from the receipt of goods.
2. The goods are in the original shipping container(s).
3. The goods are returned (collect freight) to 3M Canada Receiving Department, London, Ontario. No handling charge applies.

Safety Data Sheets Policy

Local 3M Channel Partners are responsible for ensuring end-users receive Safety Data Sheets (SDS). 3M will forward a SDS to each Channel Partner automatically when the Channel Partner purchases a Workplace Hazardous Materials Information System (WHMIS)-controlled product for the first time. If the SDS changes, the Channel Partner will automatically receive an updated SDS with the next purchase of the product. The Channel Partner is responsible for interpreting its involvement under the various regulatory acts such as WHMIS. Current Canadian SDS documents are also available online at www.3M.ca.

Tapes and Adhesive Certification and Shelf-life

Certification to 3M standard specifications (C of A) and test reports to customer specifications will be provided for end-users in the aerospace and automotive market segment. Should certification be required, the Channel Partner or the end-user must inform 3M in writing when placing the initial order. If certification(s) is requested after the initial order is placed, and if the certification(s) is available, a minimum charge of \$250 will be levied. For Channel Partners requesting certification or test reports for an end-user in a market segment other than Aerospace or Automotive, a charge of \$250 will be applied to the invoice.

If a Channel Partner requires a specific minimum remaining shelf-life on a stocked product and we are unable to supply that shelf-life from our inventory, the Channel Partner will be responsible for any freight charges incurred bringing material in from another location and will be charged \$250.

Repackaging and Consumer Sales

3M prohibits the repacking of any of its products unless authorized by 3M Canada. This is

especially applicable to Personal Safety Division's products due to the National Institute for Occupational Safety and Health (NIOSH) approval regulations. 3M intends, labels, and packages its occupational and industrial products for sale to trained occupational and industrial customers for workplace use. Unless specifically stated otherwise on the applicable product packaging or literature, these products are not intended, labeled, or packaged for sale to or use by consumers (e.g., for home, personal, primary or secondary school, recreational/sporting, or other uses not described in the applicable product packaging or literature), and must be selected and used in compliance with applicable health and safety standards, as well as all product literature, user instructions, warnings, and limitations. To the extent Channel Partner promotes or sells such products outside of occupational and industrial Channel Partners or to consumers, or subdivides, repacks, or sells products in units smaller than as packaged by 3M, Channel Partner bears sole responsibility for meeting all applicable requirements (including packaging and labeling requirements) and for any resulting claims, losses and damages.

Stated Shelf Life

A product's shelf life starts on the date of manufacture. Product beyond shelf life date should be evaluated before using.

Product Warranty and Limitation of Remedies

Unless a different warranty is specifically stated on the applicable product packaging or product literature (in which case such warranty governs), 3M warrants that each product meets the applicable 3M product specifications at the time of shipment. If a product does not conform to this warranty, then the sole and exclusive remedy is, at 3M's option, repair or replacement of the non-conforming product or refund of its purchase price. EXCEPT TO THE EXTENT PROHIBITED BY LAW, 3M MAKES NO OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND ARISING OUT OF A COURSE OF DEALING, PERFORMANCE, CUSTOM, OR USAGE OF TRADE. User is solely responsible for determining if a 3M product is fit for a particular purpose and suitable for user's method of application.

Limitation of Liability

EXCEPT FOR THE LIMITED REMEDIES STATED HEREIN, AND TO THE EXTENT PROHIBITED BY LAW, 3M IS NOT LIABLE FOR DIRECT, INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL LOSSES OR DAMAGES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS, LOST BUSINESS OPPORTUNITIES, OR LOST INVESTMENTS) THAT ARISE FROM OR RELATE TO THE PRODUCTS. This limitation applies regardless of the legal or equitable theory asserted, including without limitation breach of warranty, breach of contract, negligence, and strict liability in tort.

Compliance with Laws

Channel Partner agrees to comply with the provisions set forth in the attached Exhibit A.

Functional Discount Structure

Channel Partner net pricing will be measured at the Headquarter level based upon the following three specific discounts:

- Base Discount (34%)
- Electronic Order Entry Discount (2%)
- Point of Sale Discount (POS) (4%)

Each Channel Partner’s pricing discount begins at 34% off the 3M suggested list price outlined in the authorized Channel Partner price page. See the individual sections below for further detail on conformance requirements.

Conformance Element	Requirement	Functional Discount
Electronic Order Entry (EOE)	Submit 90% of Purchase Order Lines electronically	2%
Point of Sale (POS) Data	Submit within all requirements: <ul style="list-style-type: none"> • Uploaded On-time • Complete & Correct in 3M’s format • Accurate 	4%

To ensure discounts are calculated accurately, a status review of Electronic Order Entry and Point of Sale compliance is completed monthly. Channel Partners who fail to meet the stated requirements are designated as “non-compliant.” Initial and secondary notification to non-compliant Channel Partners is sent via email. Following the notifications, Channel Partner discounts will be adjusted accordingly on the first working day of the following month. Reinstatement of Channel Partner discount will not occur until the first working day of the month following compliance. Deductions for functional discounts will not be accepted by 3M Canada and will result in your account being put on hold, possibly affecting terms and year-end rebate eligibility.

Electronic Order Entry

Placing purchase orders electronically is one of the performance criteria that affect a Channel Partner’s pricing discount level. EOE is evaluated semi-annually at the HQ level using a running six-month average; it does not look at each month individually. An average of 90% of total lines must be ordered electronically on a monthly basis to meet the EOE performance requirements. Channel Partners must meet this conformance level to avoid a 2% price increase.

3M offers both Electronic Data Interchange (EDI) and web-based order entry via the 3M Canada bCOM at Eoc.3m.com/ca. For more information on electronic order entry, contact order@mmm.com or a 3M customer service representative.

Point of Sale Data (POS) Requirement

Providing Point of Sale data is one of the performance criteria that affect Channel Partner's pricing discount level and/or qualify for any incentive elements. Channel Partner must meet the POS conformance requirements outlined below to avoid a 4% price increase.

- Provide POS data covering all direct purchases from all 3M Canada (excluding those from Wholesaler, Global Channel Partner Services etc.) including any purchases that are either direct sale marked for or consumed internally by the Channel Partner
- Provide ePOS data for all transactions conducted online
- Have no missing monthly transmissions of data, beginning with January 2019 sales or upon Channel Partner signup date, whichever is later
- Uploaded on Time: Channel Partner to provide data transmission to 3M via EDI or upload on bCom Partner Portal by the 10th of each month for the entire previous month's sales activity; no partial months may be submitted
- Submit Complete and Correctly within the POS tables as shown below with no missing information
- Submit Accurately ensuring POS file does not contain mixed currency

Mandatory POS Fields:

Field Name	Description
Channel Partner Prefix	Unique Channel Partner Identifier (provided by 3M).
Ship to Customer Number Indicator	Ship to Customer Number Indicator (provided by 3M).
Ship to Customer Number (or DUNS Number)	Channel Partners Unique Identifier for the End Customer.
Ship to Account Name	Name of end Customer 3M product was shipped to.
Ship to Address	Address of end-user 3M product was shipped to.
Ship to City	City of end-user 3M product was shipped to.
Ship to Province or State	Province/State of end-user 3M product was shipped to.
Ship to Postal Code	Postal Code of end-user 3M product was shipped to.
Ship to Country	Country of end-user 3M product was shipped to.
Material Number	UPC, 3M Stock Number or Customer Item Number as it appears on the 3M Invoice.
Product Description	Channel Partner's description of 3M Product (product number, grade, colour, size or dimension).
Invoice Date	Date invoice was generated for bill-to by Channel Partner. Must be YYYYMMDD.
Quantity Shipped/ Returned	Total quantity of goods sold based on transactional unit of measure. Returned goods must be reflected.
Unit of Measure	Unit of measure order was placed in.
Unit Channel Partner Cost	Price paid for 3M product by Channel Partner. Price submitted must be for the UOM submitted as well. Returned goods must be reflected.
Extended Channel Partner Cost	The Unit Channel Partner Cost multiplied by the Quantity Shipped (or Returned).
ePOS	Indicator for commercial transactions where a customer has committed to a purchase online (EP)

3M requires that all POS data provided by Channel Partner be accurate and supported by back-up documentation. 3M reserves the right to audit POS data provided by Channel Partner. In the event that Channel Partner appears to have intentionally provided false or misleading POS data, 3M reserves the right to terminate the Channel Partner relationship.

For complete details on POS transmission formats and field definitions, please refer to the POS Implementation Manual, available by email from posinfo@mmm.com. Reminder: It is critical these resources are involved prior to any POS submissions to 3M.

Channel Partners should notify 3M prior to the monthly deadline if there are issues with data submissions.

Chargeback Requirements

To receive Chargebacks, if applicable, Channel Partners must provide qualified POS data in a manner that meets the following requirements:

- Provide POS data covering products purchased directly from 3M Canada and sold to end customers specifically identified on the Chargeback Agreement at the time of sale.
- Have no missing monthly transmissions of data, beginning with January 2019 sales or upon Channel Partner signup date, whichever is later.
- Uploaded on Time: Channel Partner to provide data transmission to 3M via EDI or upload on bCom Partner Portal by the 10th of each month for the entire previous month's chargeback activity; no partial months may be submitted.
- Submit Complete and Correctly within the table layout as shown below with no missing information.
- Submit Accurately: if providing full POS and chargeback details data must be merged together on one file with no duplication of transactions (POS lines submitted as chargeback lines must be removed)

Mandatory Chargeback Fields:

Field Name	Description
Channel Partner Prefix	Unique Channel Partner Identifier (provided by 3M).
Ship to Customer Number Indicator	Ship to Customer Number Indicator (provided by 3M).
Ship to Customer Number (or DUNS Number)	Channel Partners Unique Identifier for the End Customer.
Ship to Account Name	Name of end Customer 3M product was shipped to.
Ship to Address	Address of end-user 3M product was shipped to.
Ship to City	City of end-user 3M product was shipped to.
Ship to Province or State	Province/State of end-user 3M product was shipped to.
Ship to Postal Code	Postal Code of end-user 3M product was shipped to.
Ship to Country	Country of end-user 3M product was shipped to.
Material Number	UPC, 3M Stock Number or Customer Item Number as it appears on the 3M Invoice.
Product Description	Channel Partner's description of 3M Product (product number,

	grade, colour, size or dimension).
Invoice Date	Date invoice was generated for bill-to by Channel Partner. Must be YYYYMMDD.
Quantity Shipped/ Returned	Total quantity of goods sold based on transactional unit of measure. Returned goods must be reflected.
Unit of Measure	Unit of measure order was placed in.
Unit Channel Partner Cost	Price paid for 3M product by Channel Partner. Price submitted must be for the UOM submitted as well. Returned goods must be reflected.
Extended Channel Partner Cost	The Unit Channel Partner Cost multiplied by the Quantity Shipped (or Returned).
Unit Agreement or Deal Price	Contract cost of product sold to end customer.
Extended Agreement or Deal Price	Total contract cost of product sold to end customer.
Special Pricing Agreement Number	Contract number used to sell product to end customer. This field must be supplied if the 3M product was sold through contract.
Unit Rebate Claim	Amount of rebate claimed per unit. This field must be supplied if the 3M product was sold through contract.
Extended Rebate Claim	The Unit Rebate Claim multiplied by the Quantity Sold. This field must be supplied if the 3M product was sold through contract.

3M requires that all POS and Chargeback data provided by Channel Partners be accurate and supported by back-up documentation. 3M reserves the right to audit POS and Chargeback data provided by Channel Partners. Any catch up or delayed chargeback claims past 90 days from the current processing month, may result in not being paid.

Deductions for Chargeback credits will not be accepted by 3M Canada and will result in your account being put on hold, possibly affecting terms and year-end rebate eligibility. The standard practice for all Chargeback customers includes the monthly (by 10th business day) submission of Chargeback claims for analysis by the Chargeback analyst, who will proceed to reconcile and process the credits within 30 business days.

For complete details on Chargeback transmissions, formats and field definitions, please contact posinfo@mmm.com.

EXHIBIT A – Compliance with Laws

Compliance with Laws

For purpose of this Exhibit, all rights of 3M and all obligations (including all covenants, warranties and representations) owed to 3M will also inure to the benefit of all 3M affiliates, including, without limitation, all parent, subsidiary and other related entities.

SECTION 1. COMPLIANCE WITH LAWS.

1.1 Compliance. Channel Partner represents, warrants and covenants that Channel Partner and its affiliates, owners, officers, directors, employees, agents, subcontractors, consultants, and representatives (collectively referred to as “Representatives”) will perform all of Channel Partner’s obligations under this Channel Partner Incentive Program in compliance with all local, state, national, and international statutes, rulings, regulations, ordinances, and governmental directives, including, without limitation, those pertaining to anti-bribery (example: U.S. Foreign Corrupt Practices Act, U.K. Bribery Act), money laundering, competition, regulation of trade, the environment, transportation, safety, health, and employment (collectively referred to as “Laws”) that apply to 3M, Channel Partner, either party’s business, and the 3M products and/or services to which this Channel Partner Incentive Program relate. Channel Partner further represents and warrants that neither it nor its Representatives will take any action that might cause 3M to violate any Law. Channel Partner will advise 3M immediately if it learns, or has any reason to know, of (i) any violation of any Law by Channel Partner or its Representatives that occurred or may have occurred in performing Channel Partner’s obligations under this Channel Partner Incentive Program or (ii) any failure of Channel Partner or any of its Representatives to comply with Channel Partner’s obligations under this Exhibit.

1.2 Due Diligence. Channel Partner represents and warrants that any statements and other information provided by Channel Partner’s officers, directors and employees during 3M’s due diligence assessment of Channel Partner’s compliance history and practices, whether provided to 3M or to one of 3M’s Representatives, were accurate on the effective date of this Channel Partner Incentive Program.

1.3 Compliance Awareness and Training. Channel Partner will ensure that Channel Partner and its Representatives involved in the performance of Channel Partner’s obligations under this Channel Partner Incentive Program have been or, within a reasonable period of time, will be trained on and are knowledgeable about what is permissible and prohibited conduct under this Exhibit.

1.4 Compliance Investigation. During this Channel Partner Incentive Program’s term and for so long as 3M is subject to liability under an applicable statute of limitations period, 3M shall have the right to conduct an investigation into whether any such non-compliance has occurred and Channel Partner will assure that Channel Partner and its Representatives cooperate with any investigation by 3M or its representatives, including making available,

upon the request of 3M or its representatives, any of Channel Partner's and its Representatives' pertinent assets, books, accounts and records ("Records"), as well as interviews of their personnel.

In addition, during this Channel Partner Incentive Program's term, if 3M has reason to believe that Channel Partner and/or any of its Representatives may not be in compliance with their obligations in this Exhibit, then 3M will, in addition to all other available remedies including its termination rights, have the right, at 3M's sole discretion, to suspend its performance under this Channel Partner Incentive Program until confirmation that no breach has occurred. 3M will not be liable to Channel Partner and/or any of its Representatives for any claims, losses or damages related to that suspension.

1.5 Compliance Audit. As part of 3M's own efforts to ensure its business operations are conducted in compliance with the Laws, during this Channel Partner Incentive Program's term and for three years thereafter, 3M may choose to conduct audit(s) of Channel Partner's compliance with its obligations under this Exhibit. Channel Partner will cooperate in any such audit(s) by 3M or its representatives, including review of Channel Partner's and its Representatives' Records that relate to Channel Partner's obligations under this Channel Partner Incentive Program, and interviews of their personnel. 3M will incur the cost of any audits under this "Compliance Audit" provision and determine, in its sole discretion, the scope, method, nature and duration of an audit.

SECTION 2. ANTI-BRIBERY.

2.1 Prohibited Payment.

- a. The Parties intend that no Prohibited Payment (as that term is defined below) will be made with the purpose or effect of accepting or acquiescing in, public or commercial bribery, extortion, kickbacks, money laundering or other unlawful or improper means of obtaining, directing or retaining business. Accordingly, without regard to what any local law may permit or prohibit, Channel Partner represents, warrants and covenants that Channel Partner and its Representatives have not made, and will not make, authorize, or offer to make, in connection with this Channel Partner Incentive Program or any other business transaction involving 3M, either directly or indirectly, for the purpose of obtaining, retaining or directing business or securing any improper advantage in connection with this Channel Partner Incentive Program or any other business transaction relating to 3M, any loan, gift, donation or payment, or transfer of any other thing of value (collectively referred to as a "Prohibited Payment") to any person or entity, including but not limited to: (a) a "Government Official" (as defined below) or for the benefit of any Government Official; (b) any family member of a Government Official; (c) any

officer, director, employee or representative of 3M, an anticipated or current 3M customer, or any affiliate of either, for that person's personal benefit.

- b. This Section 2.1 will not prohibit modest business entertainment and gifts, provided those are: (a) lawful; (b) reasonable in the applicable industry, appropriate to the occasion, and directly related to 3M's business; and (c) accurately and completely described in Channel Partner's Records.

2.2 Government Official. "Government Official" means: (a) any employee or officer of a government, including, without limitation, any federal, regional or local department, agency or instrumentality of a government, or an enterprise owned or controlled, even in part, by a government; (b) any political party or any official or employee of a political party; (c) any official or employee of a public international organization (such as the World Bank or United Nations); (d) any candidate for political office; and (e) any person acting in an official capacity for, or on behalf of, any entity identified in subparts (a) (b), (c) and (d).

Channel Partner represents, warrants, and covenants that during this Channel Partner Incentive Program's term no owner, partner, officer, director, Key Employee (as that term is defined below), agent, subcontractor, consultant, or representative of Channel Partner, or any family member of any of them, (i) is a Government Official, (ii) has a direct business relationship with a Government Official, (iii) will become a Government Official, or (iv) will enter into a direct business relationship with a Government Official, in each case, who could influence a decision or action related to the purchase, prescription, or use of a 3M product or 3M service, or to any other governmental action that would benefit 3M's business. A "Key Employee" is any Channel Partner employee who has a position with decision-making authority in respect of Channel Partner's relationship with 3M under this Channel Partner Incentive Program or the 3M products and/or services to which this Channel Partner Incentive Program relates.

2.3 Channel Partner Agents. Channel Partner may use a third party Representative (collectively referred to as "Agents") only with 3M's prior written consent, which will be conditioned, among other things, on (i) Channel Partner's assistance in conducting 3M's due diligence/integrity assessment to verify the proposed Agent's identity, qualifications, ethical nature, compensation to be paid, services to be performed, and other relevant information ("Due Diligence"), or (ii) Channel Partner conducting its own Due Diligence process on a potential Agent, which process is substantially similar to 3M's process, the results of which are provided to 3M upon request, and 3M thereafter satisfies itself that the Due Diligence is adequate. If 3M consents to use of an Agent, Channel Partner will obtain Agent's written agreement to comply with all obligations in this Exhibit, including, without limitation, granting the 3M investigation and audit rights set forth in Sections 1.4 and 1.5.

2.4 Channel Partner Records. Channel Partner will maintain Records that accurately, fairly, and in reasonable detail, reflect all transactions and disposition of funds under this Channel Partner Incentive Program for the time period stated in Section 1.4 above. Channel Partner

will maintain a system of internal financial and accounting controls and procedures sufficient to provide reasonable assurances that transactions and disposition of funds are properly recorded and authorized.

2.5 Compliance Certification. Whenever requested by 3M, Channel Partner will sign and deliver to 3M a Compliance Certification in the form of the attached Schedule 1 to Exhibit A (the “Compliance Certification”) to confirm Channel Partner’s compliance with this Exhibit.

SECTION 3. GENERAL OBLIGATIONS.

3.1 Ongoing Obligations. Channel Partner covenants that: (a) all representations and warranties in this Exhibit will remain true and accurate during this Channel Partner Incentive Program’s term; and (b) Channel Partner will immediately notify 3M if there is any change in Channel Partner’s control or ownership.

3.2 Disclosure. 3M may disclose this Channel Partner Incentive Program’s existence and terms at any time to a third party that 3M determines has a legitimate need to know that information.

3.3 Termination. 3M may terminate this Channel Partner Incentive Program (a) immediately upon written notice of a breach by Channel Partner or its Representatives of any of their obligations under this Exhibit, or (b) without cause, provided that written notice is given at least 30 days before the effective date of termination.

SCHEDULE 1 TO EXHIBIT A

Compliance Certification

Channel Partner acknowledges that 3M intends that no Prohibited Payment (as that term is defined below) will be made with the purpose or effect of acceptance of, or acquiescence in, public or commercial bribery, extortion, kickbacks, money laundering or other unlawful or improper means of obtaining, directing or retaining business. Accordingly, a duly authorized officer of (“Channel Partner”), hereby certifies, on the Channel Partner’s behalf, that Channel Partner and its affiliates, owners, officers, directors, employees, agents, subcontractors, and representatives have not made, and will not make, authorize, or offer to make, in connection with this Channel Partner Incentive Program or any other business transaction involving 3M, either directly or indirectly, for the purpose of obtaining, retaining or directing business or securing any improper advantage in connection with this Channel Partner Incentive Program or any other business transaction relating to 3M, any loan, gift, donation or payment, or transfer of any other thing of value (collectively referred to as a “Prohibited Payment”) to any person or entity, including but not limited to: (a) a “Government Official” (as defined below) or for the benefit of any Government Official; (b) any family member of a Government Official; or (c) any officer, director, employee or representative of 3M, an anticipated or current 3M customer, or any affiliate of either, for that person’s personal benefit.

“Government Official” means: (a) any employee or officer of a government, including, without limitation, any federal, regional or local department, agency or instrumentality of a government, or an enterprise owned or controlled, even in part, by a government; (b) any political party or any official or employee of a political party; (c) any official or employee of a public international organization (such as the World Bank or United Nations); (d) any candidate for political office; and (e) any person acting in an official capacity for, or on behalf of, any entity identified in subparts (a) (b), (c) and (d).

The Channel Partner also confirms that:

- (1) Channel Partner will immediately notify 3M if Channel Partner makes or learns of any Prohibited Payment or if there is any change in the Channel Partner’s ownership or control.
- (2) All statements and other information provided by Channel Partner’s officers, directors and employees during 3M’s due diligence assessment of Channel Partner’s compliance history and practices remain accurate today.
- (3) No owner, partner, officer, director, or Key Employee of Channel Partner, or any family member of any of them, either (a) is a Government Official or (b) has a direct business relationship with a Government Official, in each case, who

could influence a decision or action related to the purchase, prescription, or use of a 3M product or 3M service, or to any other governmental action that would benefit 3M's business. A "Key Employee" is any Channel Partner employee who has a position with decision-making authority in respect of Channel Partner's relationship with 3M under this Channel Partner Incentive Program or the 3M products and/or services to which this Channel Partner Incentive Program relate.

3M Canada Locations

HEAD OFFICE:	Post Office Box 5757	Toll Free	800-265-1840
	London, Ontario	Local	519-451-2500
	N6A 4T1	Local Fax	519-452-6090

Customer Service Direct 1-866-866-3153

BRANCH OFFICES:

Montreal 7290 Frederick-Banting Street
Saint-Laurent, Québec
H4S 2A1

Toronto 2751 Peddie Road
Milton, Ontario
L9T 0K1

FALL PROTECTION OFFICES:

Mississauga	260 Export Blvd	Toll Free	800-387-7484
	Mississauga, Ontario		
	L5S 1Y9		

3M Fall Protection Training (FPG)		Toll Free	888-FALLPRO
	2889 Kingsview Blvd		888-325-5776
	Airdrie, Alberta		
	T4A 0E1		

3M Canada
Post Office Box 5757
London, Ontario N6A 4T1
1-800-3M Helps (1-800-364-3577)
www.3M.ca