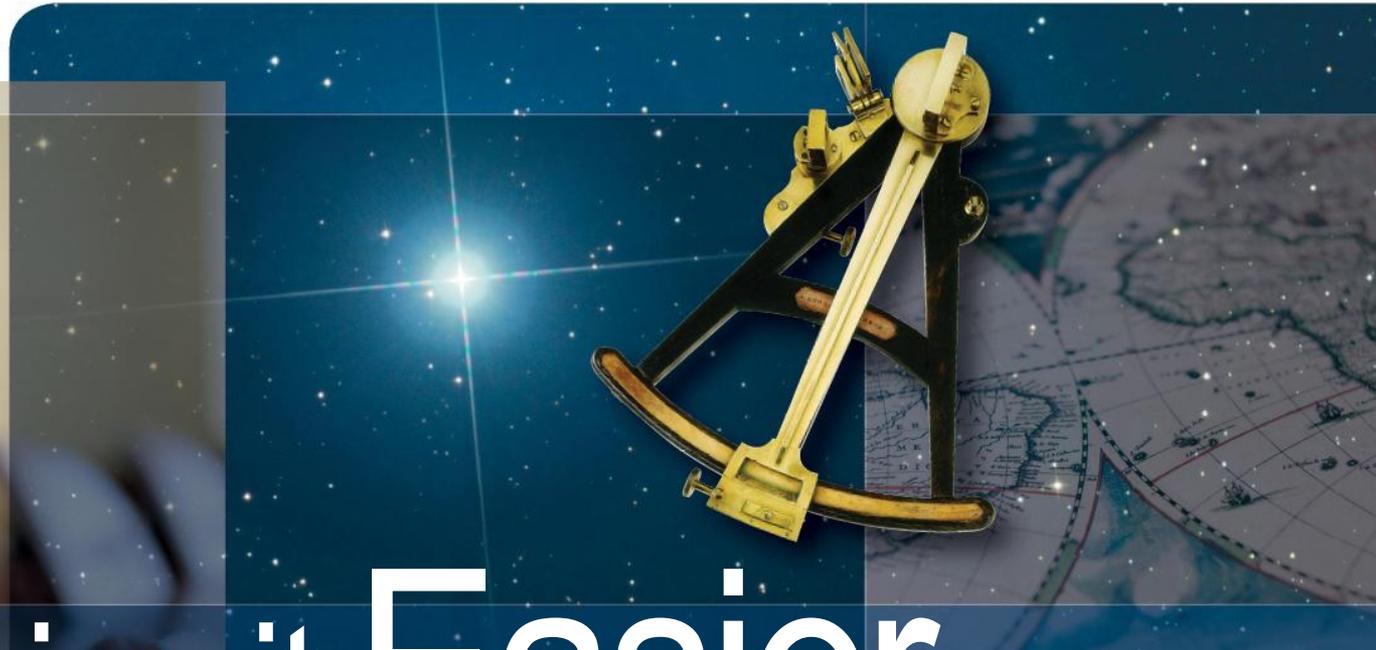


3M Business Transformation

3M Supplier Communication Tool Kit

December 2013



Making it Easier
Making it Better



Introduction

- Some SAP software systems and processes are being implemented for the **3M Bedford European Distribution Centre (EDC)**. The 'Go Live' date is 5th November 2013
- As a supplier of Purchased Finished Goods, Materials or Manufacturing Services to the 3M Bedford EDC, we are now contacting you to advise you of the changes you need to be aware of to support the transition

Purchase Orders

Current

- You receive 3M United Kingdom plc Purchase Orders by either fax or post with a ship to address of 3M United Kingdom plc, Bedford EDC
- Your invoice is billed and posted to 3M United Kingdom plc
- 3M United Kingdom plc pays the invoice in the agreed currency stated on the Purchase Order (GBP, EURO, USD etc)

Future State – after Go Live

- You will receive Purchase Orders from 3M EMEA GmbH either by fax, post or email. The Purchase Order will confirm the ship to address which may vary from order to order, but will typically continue to be the Bedford EDC
- Your invoice should be billed to and posted to 3M EMEA GmbH, Kirchbergstrasse 190, CH-3401, Burgdorf, Switzerland
- 3M EMEA GmbH will pay the invoice in the agreed currency stated on the Purchase Order (GBP, EURO, USD, etc)

Purchase Orders

Current

- Purchase Orders are in English
- 3M United Kingdom plc General Conditions of Purchase apply and are attached to the purchase order
- Supply Agreements and Contracts are between 3M United Kingdom plc and the supplier

Future State – after Go Live

- Purchase Orders will continue to be in English
- 3M EMEA GmbH General Conditions of Purchase will apply (attached to each purchase order) unless superseded by the conditions of an existing contract
- Existing signed Supply Agreements will be reassigned to 3M EMEA GmbH who will assume and perform all of the original 3M subsidiary's duties under the Agreement, as if 3M EMEA had been an original party to the Agreement. You will be contacted shortly with more information

Current

- The 3M United Kingdom plc VAT number is stated on the Purchase Order
- 3M uses an 11 digit stock number format as stated on the Purchase Order
- The agreed UOM and Payment Terms are stated on the Purchase Order

Future State – after Go Live

- The 3M EMEA GmbH VAT number that you need to quote on your invoice, will vary depending on the Ship To address, and will be stated on the Purchase Order
- 3M will use a 10 digit stock number format. Both the old 11 and the new 10 digit stock numbers will be stated on the Purchase Order and should be included in the description on your invoice
- Suppliers will be sent a conversion table to illustrate the old versus new stock numbers as soon as this is available
- The agreed UOM and Payment Terms will be stated on the Purchase Order

Purchase Orders

Current

- The 3M Buyer and their contact information is stated on the Purchase Order
- The agreed Incoterms are stated on the Purchase Order

Future State – after Go Live

- The 3M Buyer with their contact information, who is responsible for managing the transaction will be stated on the Purchase Order. They will be your first point of contact for any questions or issues related to the order
- 3M is working with its suppliers to change Incoterms to ***FCA Named Place***, where 3M will take responsibility for the transportation of goods from our suppliers to 3M. A member of our project team will contact you as we continue to roll this initiative out across our supply base during the next 2 years. Until you are notified otherwise, current agreed Incoterms apply



Accounts Payable Contacts

Current

- The Accounts Payable UK Help Desk can be contacted by:

Phone +44 (0) 1344 857377

Email 3mukaphelpdesk@mmm.com

Future State – after Go Live

- The 3M EMEA GmbH Accounts Payable Help Desk can be contacted by email:

Email 3mapemea@mmm.com

INFORMATION ON THIS PAGE HAS BEEN UPDATED

Current

- Suppliers can e-Invoice 3M using the Markit (formerly beX then Cadis) system

Future State – after Go Live

- Suppliers who submit e-Invoices via Markit will no longer be able to do so against 3M EMEA GmbH Purchase Orders
- All invoices will need to be posted to 3M EMEA GmbH, Kirchbergstrasse 190, CH-3401, Burgdorf, Switzerland
- Suppliers should contact the Markit Customer Support team to cancel the arrangement and request a refund for any remaining transactional credits:
MEDM-Hubsupport@markit.com
- We aim to deploy an alternative e-Invoicing solution – no confirmed date has been established



Peoplesoft eSupplier Connect

Current

- Suppliers can view the payment status of their invoices using the Peoplesoft eSupplier Connect system

Future State – after Go Live

- Suppliers will no longer be able to use the Peoplesoft eSupplier Connect system to view the status of invoices billed to 3M EMEA GmbH
- We aim to deploy an alternative solution in the future – no confirmed date has been established
- Suppliers will continue to be able to use the system for invoices billed to 3M United Kingdom plc



Advanced Shipping Notifications (ASN)

Current

- Very few suppliers provide 3M with a confirmation (or ASN) of the actual delivery date and quantity prior to shipment of their goods to 3M

Future State – after Go Live

- It will be a mandatory requirement for suppliers to provide an Advanced Shipping Notification prior to the shipment of goods to a 3M EDC
- The ASN process will improve the efficiency of the EDC receiving process and minimize the number of invoice matching errors and delays to supplier payments
- 3M Sourcing are contacting suppliers to discuss and agree the implementation of the ASN process

Purchase Order, Invoice and Cut Over Transition

- ❑ ***This only applies to Purchase Orders with a Ship To Address of the Bedford EDC***
 - The Bedford EDC will be closed to supplier deliveries as of the **30th October** and is expected to re-open on the **5th November**. Please contact Bedford using the pre-delivery booking process, and you will be advised accordingly from when deliveries can be made
 - Suppliers are required to supply and invoice against 3M United Kingdom plc Purchase Orders dated on or prior to the **31st October** where the delivery date is up to and including the **13th December**
 - For 3M United Kingdom plc Purchase Orders dated on or prior to **the 31st October**, but where the delivery date is due on or after the **14th December**, a like for like replacement 3M EMEA GmbH Purchase Order will be issued after the **1st November** and will reference the old 3M United Kingdom plc Purchase Order. Only quote the new 3M EMEA GmbH Purchase Order number on your invoice
 - 3M will contact 'sub-contracting' suppliers directly to discuss the cut over transition where a more complex supply situation exists, for example where 3M free issues materials to a sub-contractor and/or where a supplier is integrated into current 3M systems

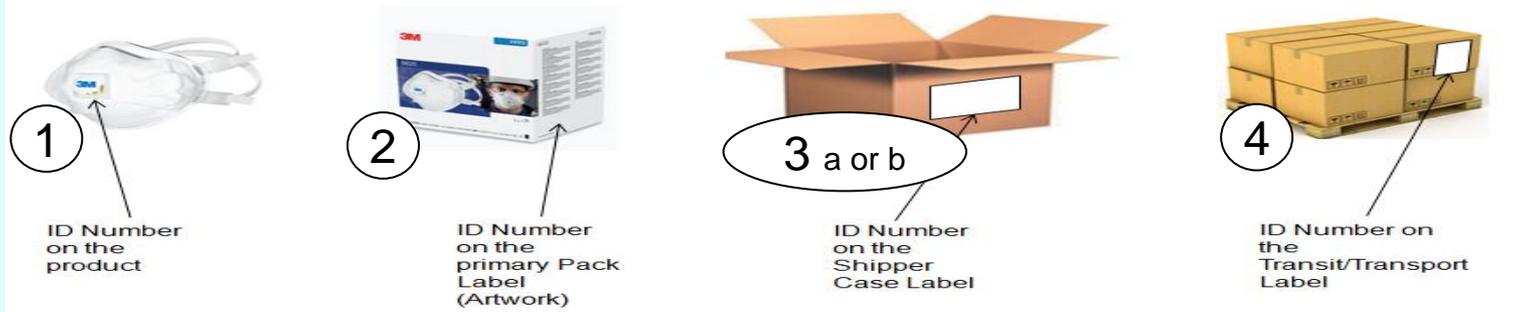
3M Strategic Sourcing and Supply Chain Contacts

- Some 3M Strategic Sourcing and Supply Chain team members are re-locating to the 3M EMEA GmbH office located in Switzerland
- Your current 3M Strategic Sourcing and Supply Chain contacts may or may not be impacted by this move, and as a consequence you may see a change to your 3M Contacts
- Your current contacts will inform you directly if there is to be a change in your Strategic Sourcing or Supply Chain contacts
- We define the Strategic Sourcing contact as the person who is responsible for the negotiation of prices & contracts and for supplier management activities

10 Digit Stock Numbers & Packaging Materials

- With the introduction of 10 digit stock numbers, there will be a transitional period where both the new 10 and the previous 11 digit stock numbers will be used within 3M systems & processes
- As stock numbers can be printed at different points in the packaging materials hierarchy, 3M requires Suppliers to introduce the new 10 digit stock number to the product labeling in a phased approach as explained on the next slide
- Suppliers are only required to introduce these changes to product labeling to products they will supply against 3M EMEA GmbH purchase orders
- Suppliers will start to receive 3M EMEA GmbH purchase orders from the 5th November 2013
- Contact your 3M buyer or packaging engineer if you have questions

Packaging Materials Transition to 10 Digit Stock numbers



- ① **Product Marking** - 10 digit number to be added in the next tool revision to be advised by 3M
- ② **Primary Packing** – 10 digit number to be added in the next revision of art work to be advised by 3M
- ③a **Shipper Case Label** - where the label is printed on site, typically using an ‘on demand’ printing solution, then the 10 digit number should be added underneath the existing 11 digit number in the same type font and strength – see example of label on next slide
- ③b **Shipper Case Label** - where the label is pre-printed and artwork may be provided by 3M, the 10 digit stock number will be added in the next revision of art work to be advised by 3M
- ④ **Transit/Transportation Labels & Documents** – incorporate the 10 digit number in addition to the current 11 digit number where ever it appears

Example Shipper Case/Carton Label

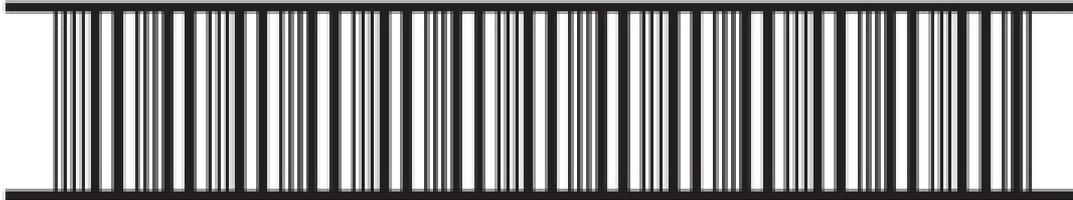
3M | Trademark™

Generic Product Name/Additional Descriptor
Generic Product Name/Additional Descriptor
Generic Product Name/Additional Descriptor
Generic Product Name/Additional Descriptor
Generic Product Name/Additional Descriptor

0000 mm x 0000 m / 0000 in x 0000 yd (total volume)

00000 	000  / 	000  / 	000  / 	B.U. 0000 
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LOT 200606AB  061201    80 Grit



(01)00000000000000(10)000000(17)000000

Address Line Information Other Declarations

Country of Origin Information EN-4123-4567-4

11 Digit Legacy ID

10 Digit SAP ID



Current

- You may receive 3M Purchase Orders for deliveries of Purchased Finished Goods, Materials or Manufacturing Services to other 3M European or Local Distribution Centres
- You may receive 3M Purchase Orders for deliveries of raw materials, semi-finished goods, components or manufacturing services to a 3M EMEA Manufacturing Plant

Future State

- The changes outlined for the Bedford EDC will be rolled out across all other 3M EMEA Distribution Centres during 2014. The implementation dates for these locations will be communicated during the course of 2013 and 2014
- There will be no change to the current Purchase Order or Invoicing process, but your 3M Strategic Sourcing Contacts may change. Your current contacts will advise you if this is the case

3M EMEA GmbH General Conditions of Purchase – Page 1



General conditions of purchase 3M EMEA GmbH

This set is a translated version of the German & French general conditions of purchase which takes preference over the English translated version. Upon your request a copy will be sent to you immediately free of charge.

1. Validity

The following Terms and Conditions of Purchase (hereinafter 3M) apply to all transactions between 3M EMEA GmbH as the purchaser and the supplier. By accepting the purchase order the supplier accepts the following terms and conditions. Deviating conditions or confirmations apply only as accepted with the express written permission of 3M. These conditions may be amended or supplemented at any time by 3M.

2. Prices and Ordering

2.1. The contract prices or offered prices are fixed prices, VAT not included. All other costs such as packaging, transportation, cargo insurance, customs duties and other taxes and fees are included in the fixed price.

2.2. Orders are only binding if they are made in writing and contain a purchase order number. If the purchase order is not rejected by the supplier within 5 working days in writing, it will be deemed accepted.

3. Subcontracting

3.1. This order or any part thereof must not be sub-contracted or assigned to third parties without 3M's upfront written consent.

3.2 Where consent to sub-contract is given, the supplier shall be liable for any acts and omissions of the sub-contractors as its own.

4. Materials provided by 3M

Materials provided by 3M remain the property of 3M and it is to be marked as 3M-owned and stored separately until production. The supplier must ensure that no improper use is made of the materials and insure it against fire or water damage and theft and use economically. When an order is to be executed according to drawing, the drawing is leading, any sample can only act as illustration of the drawing.

5. Lead-time, delays

The lead-time agreed with the supplier is binding (Due Date). The delivery date corresponds to the date when the goods arrive at the designated delivery address. As soon as circumstances become evident that make a timely delivery impossible, the supplier is obliged to inform 3M immediately in writing, stating details and reasons of the delay and refer to the 3M purchase order number. 3M can without setting a deadline insist on fulfilment or cancel the order. The legal compensation claims and rights are reserved by 3M.

6. Packaging, shipping, transportation

6.1. The supplier is obliged to comply with 3M packaging requirements, unless otherwise agreed. Furthermore, the principle applies that goods must be protected from damage during transport and storage, and labelled with contents.

6.2. Shipping documents: Each shipment must be accompanied by a delivery note. The delivery note, as well as the invoice must contain the following data:

- The complete 3M purchase order number
- Name of contact at 3M and that of the supplier
- Accurate delivery quantity and description of goods
- Details of part- and final delivery
- The invoice must show the VAT separately.

Unless otherwise agreed, the goods must be delivered prepaid destination (Inco term DDP). Transport takes place, unless otherwise agreed in advance, at the responsibility and expense of the supplier. Benefits and risk will only pass to 3M at the time of delivery of the products at the agreed delivery address.

6.3. For deliveries made by foreign subsidiaries of suppliers the supplier has to obtain shipping instructions from 3M (Import Dept.) in a timely fashion. The supplier is responsible for the relevant accompanying documents.



3M EMEA GmbH General Conditions of Purchase – Page 2

7 Trade secrets / confidentiality / proprietary rights

7.1 All data, drawings, designs and other documents and information that have been handed over to the supplier linked to an order, need to be treated confidentially and are not supposed to be used for other purposes, copied or made available to third parties. This is also applicable for the period of the feasibility study, contract negotiations and even after the end of the contractual relationship. The documents and information provided by 3M must be available upon request or destroyed. For breach of these confidentiality and return obligations, the supplier has to pay a penalty equivalent to 10% of the value of the agreed total delivery. This payment does not exempt the supplier from the duty of confidentiality, but will be offset to the damages to be paid.

7.2. The supplier warrants that its goods and services do not infringe any intellectual property rights and manufacturing and business secrets of third parties. The Supplier shall indemnify 3M against any third party claims and at the request of 3M take the lead in a process.

8. Faulty goods, warranty claims / liability:

8.1. The supplier warrants that the goods are free from material and title defects, and has the prerequisite condition and warranty. The same applies to the observance of standards and legal and regulatory requirements to generally accepted engineering, occupational safety, accident prevention and environmental protection in the country of manufacture and in Switzerland. To comply with these provisions, the suppliers provides 3M with information in a suitable form for the components of the delivered goods and guarantee their accuracy. 3M is by reservation entitled to carry out supplier quality audits.

8.2. The supplier has to examine the goods in full before shipment. Statutory audit and complaint obligations of 3M are expressly excluded. .

8.3 Warranty claims of 3M expire, subject to a lengthy legal term, after 24 months from delivery. Neither the inspection nor acceptance of the subject matter of this order (nor the payment thereof) nor any failure on our part to insist upon the strict performance of any term(s) and/or condition(s) of this order shall be deemed to be a waiver either of any rights and/or remedies we may have by virtue of the terms and conditions of this order or of any subsequent default on your part.

8.4. If defective goods are delivered, 3M is in addition to the statutory claims entitled to demand free repair or replacement. When in a single delivery defects occur, 3M has the right to cancel the remaining outstanding quantities of the same product and / or to withdraw from the contract without an obligation to compensate. For repaired or replaced parts the warranty will start afresh.

8.5. The supplier has the obligation to act according to 3M provisions of the Swiss Code of Obligations. The supplier is obligated to indemnify 3M against product liability claims that are attributable to the supplier delivered goods.

9. Governing Law and Jurisdiction.

This contract shall be governed Swiss substantive law, excluding the UN Convention on Contracts for the International Sale of Goods. Place of performance and jurisdiction is Bern. The 3M EMEA GmbH has the ability to take action against the supplier before any other appropriate court.

Edition February 2013

3M EMEA GmbH, Jurastrasse 37a, CH-4901 Langental, Switzerland

Additional Information

- This presentation and future communication updates will be made available to download and view from our 3M Partners and Suppliers web page

http://solutions.3m.co.uk/wps/portal/3M/en_GB/Partners2/Suppliers/

- Your 3M Sourcing contacts