

Freight Invoicing Instruction

(Invoicing and dispatch for transportation services on behalf of BASF SE or a European group company.)

This instruction is not applicable for Barge Bulk & Parcel Tanker Transports!

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1 Where can I find the freight payer on the forwarding order?

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* What if there is no forwarding order?

If you do not receive a forwarding order with shipment number, please contact to the responsible transport manager before issuing the invoice.

2 What else must be considered when issuing the invoice?

2.1 Outbound freight

2.1.1 Single Invoicing

When the transport is started, all known costs are settled in the system to a shipment number and all deliveries belonging to this shipment number must be stated on one invoice.

Collective invoices with multiple shipment numbers are not accepted.

2.1.2 Separate Invoicing

Separate invoicing is necessary in case of more than one reference numbers belong to:

- Deliveries with purchase order (freight payer and all other information are sent via e-mail)
- Deliveries with cost center (freight payer and all other information are sent via e-mail)
- Deliveries with shipment reference

Separate invoicing is also necessary in case of different VAT numbers or services such as:

- National VAT
- VAT-free
- Reverse Charge
- Customs duties and import VAT

2.1.3 Invoice details

The following information should be stated on the invoice to identify the cargo:

- SAP R/3 shipment number (9 or 10 digits) or S4/Hana freight order number
- Gross weight of the cargo for packaged goods (different chargeable weights must also be indicated)
- Net weight for bulk goods
- Place of departure/place of delivery and delivery date (**at least the month info**)
- Destination with postal code and country (including name of recipient)
- Shipment information for collective loads
- Details of the invoiced costs
- One amount per unloading-point included with all surcharges (all deliveries within one transport for one consignee must be combined)

2.1.4 Required additional information: Freight Billing Basis (FAG) for special/additional costs

All costs that are not included in the current freight agreement at the time of transport assignment or that are additionally incurred during the transport execution (e.g., demurrage, rescheduling) must always be confirmed by the dispatching unit before invoicing. If the freight payer accepts the costs, you will receive the freight billing basis (FAG) form. **Invoices for unconfirmed additional costs including additional costs that are confirmed only via e-mail will be rejected.**

Note: Returns that are invoiced with the original shipment must also be declared as additional costs. Only the FAG is valid as confirmation.

2.2 Inbound freight

2.2.1 Separate invoicing

Separate invoicing is necessary in case of more than one reference numbers belong to:

- Deliveries with order number (freight payer and all other information are sent via e-mail)
- Deliveries with cost center (freight payer and all other information are sent via e-mail)
- Deliveries with shipment reference (see freight payer according to Part 2.)

2.2.2 Invoice details

To identify the cargo, the following information should be stated on the invoice:

- SAP R/3 purchase order number, cost center or shipment number
- Gross weight of the cargo for packaged goods
- Net weight for bulk goods
- Place of departure with postcode and country
- Place of receipt with exact delivery address
- Details of the invoiced costs

3 Export declaration for VAT purposes

As of 01.01.2020, new verification requirements for the tax exemption of intra-Community deliveries have been applied across Europe (Article 45a VAT-DVO). The legal regulations are implemented in our system. For the most part, the process is simplified and the need for the so-called AfU protocols is eliminated. However, there are also constellations in which additional documents are required, which we list below.

3.1 Intra-Community deliveries

The intra-Community supply and acquisition of goods occurs where goods are dispatched or transported between businesses in different Member States (MS) of the European Union (EU). Additional freight documents required for each individual shipment (CMR or B/L or AWB or railway bill). These documents must also include one of our references (shipment, delivery, purchase order, etc.), otherwise these documents cannot be assigned properly. If possible, please attach additional freight documents directly to your freight invoice.

Additional freight documents are required on the departure of the following countries:

AT	HU	IE	IT	LU	MT
LT	LV	PL	RO	EE	-

For all other **intra-Community deliveries for which BASF is the freight payer**, freight invoice (provided with all legal information) together with our payment document serve as proof of shipment.

3.2 Deliveries outside of European Union territory

Deliveries to outside of European Union (EU) remain unaffected by the above-mentioned legal changes and follow the usual verification process.

ATTENTION: For all deliveries ending outside the European Community territory, only **customs document** (preferred) and in exceptional cases Airway Bill, Bill of Lading or fully completed consignment note (CMR) which signed by the consignee are valid.

The freight forwarder is obliged to provide separate export certificates within the statutory retention period of 10 years.

4 What are the special features to consider?

4.1 Special features in maritime/air transport

There are two types of shipments:

1. The pre-leg
2. The main leg and on carriage

The shipment costs are recorded per shipment document and must therefore also be settled on a document-by-document basis. It should be noted that:

1. The pre-leg fee includes only shipment costs without flat-rate fees, e.g., B/L fees.
2. The main leg includes sea freight plus surcharges as well as all flat-rate fees, e.g., B/L fees.

4.2 Exception for tank containers in the overseas business

There is no separate freight cost calculation for pre-legs in tank containers for the overseas business. Therefore, the invoicing of the freight must be carried out with reference to the main leg document (point/point or point/port rates).

5 Further information for our cooperation

5.1 Invoicing type

BASF SE (including all European group companies) promotes to electronic freight invoicing. Please contact GBE/SL-P to discuss the details.

5.2 Freight forwarder assessment

We provide freight procurement and other operational units with our assessments after an internal evaluation about the invoicing quality of the freight forwarders.

5.3 Correction of mistakes on the invoice

If an error is detected on the invoice before sending it, the invoice must be reissued. Credit notes will not be accepted in such cases.

If the invoice has already been sent, it will be either rejected, or the position will be reduced upon inspection. In this case credit note is not required. If there are legal provisions that prevent the rejection or reduction of position, we will request credit notes accordingly. You will receive a complaint notice for each reduction with precise reason.

5.4 Unjustified reminders

In some cases, accounting departments are sending reminders for the invoices that have been rejected due to disputes. This often arises due to the miscommunication between branches and central accounting department in the large freight forwarding companies. Please ensure that disputed invoices are reported to your accounting department on time so BASF will not receive unjustified payment reminders.

5.5 Regular account reconciliation

It is encouraged to complete regular account reconciliation to eliminate high processing costs of old documents. If invoices are not paid for longer than six weeks and you have not received any correspondence from us, it is possible that the original invoices have not reached us and missing in our system.

The invoice status is available on our **BASF Supplier Invoice Portal**. For access request kindly contact accountspayable-emea@basf.com.

In case you have no access yet, please send your reminders by e-mail to the following address:

dunning-freights@basf.com

Yours sincerely,

Freight Cost Management Team Berlin

GBE/SL-P