



BAYER Supplier Instruction

CUSTOMS AND FOREIGN TRADE TERMS AND CONDITIONS

If the provisions differ from the BAYER Delivery Conditions the customs and foreign trade terms and conditions shall take precedent.

The content of these terms and conditions does not release the supplier from its obligation to comply with, in principle, the respective generally applicable regulations and legal provisions on subjects in the context of deliveries.

1.1 REQUIREMENTS UNDER CUSTOMS AND FOREIGN TRADE LEGISLATION

The supplier is obligated to provide all necessary documents for import, transit and export. Customs clearance is usually carried out by BAYER or a customs broker nominated by BAYER. If the supplier carries out customs clearance without obtaining prior written consent from BAYER, he will bear the costs incurred as a result himself. If "Delivered Duty Paid" delivery has been agreed between the supplier and BAYER, the supplier is responsible for customs clearance when importing goods and, if applicable, export them in accordance with the current legal regulations. BAYER reserves the right to charge the supplier for all subsequent costs incurred as a result of documents relevant for customs clearance are not being properly issued. BAYER may charge import duties, due to missing customs documents (especially origin and preference documents) back to the supplier in such cases.

The supplier is obligated to monitor and to adhere to the legal, official or otherwise legally binding standards and directives that are valid in each case and applicable to him and his products, especially with regard to customs and foreign trade legislation. This is regardless of the stage of the supply chain at which the supplier is situated.

1.1.1 INTRA-COMMUNITY DELIVERIES

We require delivery of goods with preferential origin if the supplier is established in a country or the delivery of the goods is from a country that has concluded a corresponding Preferential Agreement with the European Community / European Union. In this case, the supplier commits to issue a Long-term supplier's declaration in accordance with the Union's Customs Code (UCC) to BAYER. Should comparable free trade agreements be applicable between the exporting and destination country, we require the local content of this agreement to be implemented to minimize import duties for BAYER. Here, too, the supplier must hand over the corresponding declarations to BAYER. Please see Section 1.1.5 for more information.



1.1.2 ACCOMPANYING DOCUMENTS FOR IMPORTS

Depending on the mode of transport, delivery term and delivery country, the relevant documents accompanying the consignment of goods must be attached in accordance with the current legal provisions in each case. These include:

- **Commercial Invoice**
- **Packing list**
- **Proof of preference** (EUR.1, EUR-MED, A.TR – just for Turkey, (each as original), REX, declaration of origin on invoices, statement of origin, or similar declarations on the statement of a specific preferential origin)
- **Certificate of Origin** (of the respective national Chamber of Commerce) in the original
- **Customs declaration / tax assessment** (if “Delivered Duty Paid” delivery has been agreed between the supplier and BAYER, it is compulsory to carry evidence of whether duty has been paid on the goods, which is confirmed by the customs authority, with the goods. By this means, the supplier ensures that duty and tax has been properly paid on the goods)
- **Waybills** (CMR/ CIM) - including a separate statement of the proportion of freight costs from the EU’s external border to the intra-Community destination (if “Delivered Duty Paid” delivery has been agreed between the supplier and BAYER)
- **Bill of Lading** (B/L) = master’s receipt (unless agreed otherwise with the supplier in the purchase contract, it is compulsory that this is made available by the supplier for deliveries. BAYER must be notified of any delays in issuing these documents immediately)
- **SeaWayBill** - the consignment note for all goods from overseas must be made available by the supplier or his nominated agents, unless a B/L has been agreed between BAYER and the supplier)
- **AirWayBill** (AWB) = air consignment notes (only required for air freight shipments)
- **Delivery note** – please see BAYER Delivery Conditions for more information
- **IPPC standard ISPM 15** – marking on wooden load carriers (e.g., pallets) and dunnage and if required by the IPPC, a non-wood-declaration on the packaging used (separate document or alternatively printed on the delivery note)
- **VOC certificate** for goods containing volatile organic compounds (abbreviated to VOC), to determine the control levy, in the movement of goods with Switzerland, for example
- **Other** import documents required on the basis of international barriers to trade (e.g., EU-CE certification, etc.); if applicable, safety data sheets; certificate of analysis



1.1.3 INVOICING

Unless stated otherwise in the order, the invoice (commercial invoice) is to be provided in electronic format (e-invoicing). Paper-based invoices must, upon request by BAYER, be sent without exception to the address shown in the order. Free of charge deliveries must also be reported by invoice (proforma invoice / customs invoice). In addition to the content prescribed by law, invoices must contain the following details at least for the purpose of customs clearance:

- BAYER supplier number
- BAYER purchase order no.
- Bayer product no. with an exact product description
- Delivery note number, date of shipment
- Quantity, unit
- Customs, actual value of the goods (individual and total price) – free of charge deliveries or services must be marked with the note “free of charge – value for customs purposes, only” or “value for customs purposes only”. However, for free of charge deliveries, artificial or fictitious values are not allowed
- Price unit, currency unit
- Intended use for free of charge deliveries
- Price of packaging (for excl. packaging delivery term)
- INCOTERM of the underlying transaction
- Separate statement of the proportion of freight costs from the EU’s external border to the intra-community destination (if “Delivered Duty Paid” delivery has been agreed between the supplier and BAYER)
- Number of packages, cardboard (master cardboard), weight (gross mass, net mass) per item
- Delivery address / unloading point
- Full detailed supplier’s address (if it differs from the supplier’s order address and/or invoice address of the supplier)
- For returns, the delivery note / invoice number of the original consignment

Costs not included in the price, such as commissions, license costs, packaging costs must be shown separately in the invoice.

Also, for free of charge deliveries (sample shipments, etc.) the actual value must be declared for customs purposes. Arbitrary or fictitious values are unacceptable. The note “free of charge – value for customs purposes, only” or “value for customs purposes only” must be added. In case a sample is shipped free of charge for the first time, the respective value for customs purposes must be agreed with BAYER in advance as part of a greenlight check. The relevant contacts will be provided upon request. The reason for the free of charge delivery must also be indicated on the invoice (e.g., free of charge sample shipment as part of an evaluation campaign). This also applies to such cases in which goods provided by BAYER are returned to BAYER (e.g., reason: “returned goods” or “returns” plus “reason for the returns”). False declarations will lead, if applicable, to tax evasion or tax crime in the destination country.



Invoices that do not contain the information required in this clause 1.1.3 may be rejected by BAYER. The seller will be notified of this; costs incurred as a result will be billed to the seller. In this case, the credit period will start from the day on which a new, auditable, properly issued invoice that meets the requirements of clause 1.1.3 is received.

Our “General Invoicing Requirements” also apply.

1.1.4 PROOF OF ORIGIN

The supplier undertakes to provide a written declaration about the origin of the imported items. This includes both the preferential and the non-preferential origin of the goods to be supplied to BAYER. BAYER must be notified immediately in writing when origin of goods change. The supplier must assume the costs associated with the change (if the preferential origin is lost, for example). This also applies equally to cases where the evidence transmitted subsequently proves to be inaccurate or false. If necessary, the supplier must provide evidence of his statements on the origin of the goods by means of an information certificate confirmed by the customs authority (e.g., INF 4). The supplier shall be liable for all disadvantages that BAYER suffers from the supplier’s declaration or the corresponding proof of preference not being submitted on time or being submitted late.

1.1.4.1 NON-PREFERENTIAL ORIGIN

The Union’s Customs Code (UCC) contains a uniform definition of non-preferential origin for all Member States of the European Union. The non-preferential origin of a product is determined by the law in which it was manufactured entirely or by the country in which it was subject to its final material or economically justified processing or conversion.

1.1.4.2 PREFERENTIAL ORIGIN

In principle, we demand deliveries of preferential goods.

1.1.5 PROOF OF PREFERENTIAL ORIGIN FOR INTRA-COMMUNITY DELIVERIES

For intra-Community deliveries, we expect to provide a Long-term supplier’s declaration (LTSD) in accordance with the currently applicable legal provisions in the original. Individual proofs that are attached to the consignment cannot be accepted. BAYER usually requires a pre-formulated LTSD, taking account of the legal deadlines. This must be used primarily and returned to the requester within a month. If the LTSD is submitted late, this will lead to a negative supplier rating.

For non-EU origin products, which have already been released into free circulation, the country of origin and the note “already released into free circulation” must be added to the shipment documents (if “Delivered Duty Paid” delivery has been agreed between the supplier and BAYER).



1.1.6 PROOF OF PREFERENTIAL ORIGIN FOR DELIVERIES FROM OUTSIDE THE EU

For deliveries from outside the EU (non-EU Members) or consignments from EU suppliers on which duty is unpaid, the preferential origin must be confirmed by a corresponding proof of preference. Examples of proof of preference are as follows: EUR.1, EUR-MED, A.TR, (each in the original), REX, declaration of origin on invoices, statement of origin (EzU).

1.1.7 IMPORT AND EXPORT CONTROL PROVISIONS

The supplier undertakes to comply with all import and export laws and administrative requirements, including all applicable laws, provisions, certifications and registrations connected with the import or export of the supplier's products. On request from BAYER, the supplier will immediately provide all information needed for the export, import and transit of products, including export control classification numbers (ECCN) and subtitles or certifications and/or test results connected with the products or services and notify BAYER in writing of changes to the information provided by the supplier for the export, import and transit of products.

In principle, the supplier is obligated to observe the prohibitions and restrictions applicable in each case both for import and export and in some cases also for transit and to make all information required available in writing.

The export control provisions of the EU must be observed for goods that can be used for both civilian and military purposes (dual-use goods). It is immaterial here whether the company manufactures products solely for civilian purposes. A uniform list of goods requiring authorization and the procedure for obtaining such authorization has been defined for all EU Member States. The supplier undertakes to indicate any obligation to obtain an export license for his goods without being prompted. In such cases we expect a precise and detailed product description and designation of the export list category.

1.1.8 SECURITY IN THE SUPPLY CHAIN

The European Union has introduced a series of measures to boost security standards in the cross-border movement of goods. More rapid, targeted checks aim to guarantee protection of the internal market and the international supply chain. The creation of an Authorized Economic Operator (AEO) is one of the changes that was required in response to more stringent security requirements in the cross-border movement of goods. As an AEO holder, BAYER is obliged to guarantee end-to-end security of international supply chains to prevent access to goods by unauthorized parties and the misuse and risks resulting therefrom. We assume that our suppliers are either certified as AEO themselves or have taken and documented suitable security measures to guarantee the supply chain is secure. Our suppliers are obligated to provide evidence of security in the supply chain upon request. In particular, we refer to the national and supranational requirements for screening business partners and personnel through the relevant "sanction lists / terrorism blacklists".