

CustomerInfo

USA - Payment Terms - Freight "Prepaid" and "Collect"

December 17, 2020

Dear Customer,

It is our aim to continuously improve our products as well as our service to you. This includes the correct and timely preparation of invoices.

In order to avoid misunderstandings and resulting invoice corrections, we would like to provide you with the Hapag-Lloyd USA standard definitions of the terms "freight prepaid" and "freight collect", which we have provided on the second page of this letter.

As a general guideline, Hapag-Lloyd USA standard process dictates that prepaid charges will be invoiced to the shipper of record. Collect charges are invoiced to the consignee (or to the notify party in case of a "to order" shipment).

According to these definitions, charges will be invoiced as prepaid to the shipper or collect to the consignee. In case you have any deviations from this standard, it will be necessary to state them clearly in your shipping instructions.

We kindly ask you to:

- Add specific information regarding payment terms in the remarks field of your Shipping Instructions and stipulate precisely, particularly for Terminal Handling Charge Destination (THD) and Destination Landfreight (DLF), whether the charges shall be prepaid or collect – this will help us to ensure correct invoicing.
- Refrain from using INCO terms instead of payment terms in your Shipping Instructions.

Your support in this matter is much appreciated and will assist in providing a better service to you.

Freight Prepaid

All charges are prepaid excluding Terminal Handling Destination and Destination Land Freight related charges, unless otherwise stipulated in the shipping instructions:

- | | | |
|--|---|----------------|
| <ul style="list-style-type: none"> • Origin Land Freight • Terminal Handling Origin • Sea Freight | } | Prepaid |
| <ul style="list-style-type: none"> • Terminal Handling Destination • Destination Land Freight | } | Collect |

Freight Collect

All charges are collect including Origin Land Freight and Terminal Handling Origin related charges, unless otherwise stipulated in the shipping instructions:

- | | | |
|---|---|----------------|
| <ul style="list-style-type: none"> • Origin Land Freight • Terminal Handling Origin • Sea Freight • Terminal Handling Destination • Destination Land Freight | } | Collect |
|---|---|----------------|

If you require ALL charges to be prepaid or collect, your SI must specifically indicate as such, including the word "ALL" accordingly.

Ancillary charges applied to the bill of lading will default as prepaid unless otherwise requested and approved, including, but not limited to: Extra haulage at origin, waiting time at origin, bill of lading amendment fee, manual shipping instruction fee, shipper's export declaration handling fee, operational costs and roll fees, mailing courier costs, late shipping instruction fee.

The above handling will apply unless country rules and regulations as filed in our tariffs prohibit this process.

In case of further questions on the above, please do not hesitate to contact your Hapag-Lloyd Customer Service.

Kind Regards,
Hapag-Lloyd USA