

Commissions calculation

Tasks to be completed when documenting an operation (from creation to publication)

1. Enter the **Title of the operation / page**

2. Add the following Labels:

- Scope of applicability: ww, country_accounting
- Country or group of countries (if applicable): belux, china, france, italy, lam, nam,uk_ie, bulgaria, dach, netherlands, iberia, poland, latvia, australia, india, japan, south_korea, thailand, singapore, new_zealand, emea_transversal, apac_transversal
- Unit and Domain according to the [List of labels to be used in the Finance Service Line space](#)
 - E.g. 1: WW Operation in Financial Accounting under domain "Central Finance Processes & Compliance":
 - Labels to be used: **ww, financial_accounting, central_fin_proc_compliance**
 - E.g. 2: France Operation in Financial Accounting:
 - Labels to be used: **country_accounting, france, financial_accounting**
(for country operations, the Domain is always country_accounting)

3. Fill in all fields as described above

4. Name the title of each section using OPD methodology naming convention - **Infinitive verb without the "to", mainly action verb...something) -" I do something..."**

5. Once the description of the operation is completed, ensure it is approved and published by launching the [SBS-Finance approval workflow](#)

Domain:

Responsibility area:

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Scope



WW

ERP

PI2

Frequency



Month

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<< Commissions calculation >>

1. Objective and Scope

1.1. Objective of this Operation

The purpose of this document is to describe the way to record the Treasury Commissions calculation in PI2 and the subsequent invoicing from 2002 (PF2) and 4044(PI2)

1.2. Scope

This operational procedure (OP) applies to all companies with a convention agreement to assign Payables and Receivables to SSA \ SFA either from PF2, PI2, WP2 or outside ERP.

This procedure is under the responsibility of the Treasury Accounting Team who performs the closing process of 4044 and 2232, in coordination with the Intercompany Team to ensure the replication in the affiliates.

2. Definitions

ERP	Enterprise Resource Planning (SAP)
GBS	Global Business Services
BO	Treasury Operations
CAM	Companies Accounting Manager
PE	Process Expert
BFC	Business Financial Consolidation. Group's consolidation tool
GL	General Ledger
CGU	Cash Generating Unit
FO	Treasury Front Office

See [Finance Glossary](#)

3. Tasks description

Treasury Commissions are applicable on:

- Accounts Receivables items:
 - Third party invoice & credit note
 - Interco unchained invoice & credit note
 - Interco chained invoice & credit note
- Accounts Payables items
 - Third party invoice & credit note
 - Agent invoice & credit note
 - Interco unchained invoice & credit note
 - Interco chained invoice & credit note
- Data Take-Over: shortcut

The Treasury Commission will be invoiced as following:

- is invoiced to each Affiliate in 2
 - Commission for AR items: global amount, sum of different type of commissions
 - Commission for AP items: global amount, sum of different type of commissions
 - Only rate 'all in' applicable
- is invoiced to the Affiliate in Affiliate currency
 - No FX for Affiliate
 - Part of Change PL
- is invoice on D-2, on all what is not yet invoiced until run date
- Justification is required on 2232/4044 side & Affiliate side - attachment with also the possibility to get historical data (even after archiving)
- Commissions also calculated on Affiliate 2232 but different posting scheme (no invoice) – for statistical purpose as 2002 and 2232 are the same legal entity.

Inside the Treasury Commission are included - Type of Commissions (All in one):

- Remuneration Time value (Pre-financing)
- Expected Loss for Credit Risk
- Return On Equity at Risk
- Hedging Fee (Carry)
- Service Fee

The amounts are recorded each month at the closing period at D-2. Any assignment after the moment of the Commission calculation is rolled forward to the next accounting period.

3.1. Commissions calculations process

3.1.1. D-2 Yearly Process

Yearly Process

This process must be completed by mid-January, or prior to the first commission calculation of the current year, in order to determine the average interest rate. Completion is required for the initial execution at the end of January.

The commission process depends on average interest rates calculation based on data from the previous year. For example, in January 2026, the tables must be updated for 2025 using the average interest rates from 2025.

Interest rates are sourced from Quantum and routers, and are maintained in Table T056P.

Access Transaction Z3F_FA_COMM_COCKPIT and select the "Calculate Yearly Average Rates" option.

The screenshot shows the SAP 'Full factoring Commissions Cockpit' interface. At the top, there is a navigation bar with the SAP logo and a back arrow. Below the bar, there is a status bar with a green checkmark, a dropdown menu, and icons for save, refresh, and cancel. The main area is titled 'Yearly process' and contains a radio button labeled 'Calculate yearly average rates', which is currently selected.

First, execute the transaction in test mode:

The screenshot shows the SAP 'Program Z3F_FA_AP_COMM_RATES' interface. At the top, there is a navigation bar with the SAP logo and a back arrow. Below the bar, there is a status bar with a green checkmark, a dropdown menu, and icons for save, refresh, and cancel. The main area is titled 'Selection criteria' and contains a text input field labeled 'Fiscal Year' with the value '2025'. Below this, there is a section titled 'Options' with a checkbox labeled 'Test mode' which is checked.

Compare the results with the previous year to ensure that no currencies are missing.

Eff. from	Curre	Reference	Int. Rate	
31.12.2025	AED	Y_AED360D	4,0809384	Read from T056P
31.12.2025	AUD	Y_AUD360D	3,8813760	Read from T056P
31.12.2025	BGN	Y_BGN360D	2,2753876	Read from T056P
31.12.2025	BHD	Y_BHD360D	4,9706008	Read from T056P
31.12.2025	BRL	Y_BRL360D	13,5204554	Read from T056P
31.12.2025	CAD	Y_CAD360D	2,7251744	Read from T056P
31.12.2025	CHF	Y_CHF360D	0,0243965	Read from T056P
31.12.2025	CLP	Y_CLP360D	4,4485364	Read from T056P
31.12.2025	CNY	Y_CNY360D	1,8184386	Read from T056P
31.12.2025	CZK	Y_CZK360D	3,3595349	Read from T056P
31.12.2025	DKK	Y_DKK360D	2,2149360	Read from T056P
31.12.2025	EGP	Y_EGP360D	7,1279070	Read from T056P
31.12.2025	EUR	Y_EUR360D	2,1450733	Read from T056P
31.12.2025	GBP	Y_GBP360D	4,2385824	Read from T056P
31.12.2025	HKD	Y_HKD360D	3,3416667	Read from T056P
31.12.2025	HUF	Y_HUF360D	6,4755039	Read from T056P
31.12.2025	IDR	Y_IDR360D	6,3711240	Read from T056P
31.12.2025	ILS	Y_ILS360D	4,1796512	Read from T056P
31.12.2025	INR	Y_INR360D	7,1700000	Read from T056P
31.12.2025	ISK	Y_ISK360D	7,5697674	Read from T056P
31.12.2025	JOD	Y_JOD360D	8,1667182	Read from T056P
31.12.2025	JPY	Y_JPY360D	0,7359488	Read from T056P
31.12.2025	KRW	Y_KRW360D	2,7418182	Read from T056P
31.12.2025	KWD	Y_KWD360D	2,6778659	Read from T056P
31.12.2025	KZT	Y_KZT360D	15,2759690	Read from T056P
31.12.2025	LKR	Y_LKR360D	8,4750000	Read from T056P
31.12.2025	MAD	Y_MAD360D	2,5042636	Read from T056P
31.12.2025	MXN	Y_MXN360D	8,2423321	Read from T056P
31.12.2025	MYR	Y_MYR360D	3,2805747	Read from T056P
31.12.2025	NGN	Y_NGN360D	27,4127907	Read from T056P
31.12.2025	NOK	Y_NOK360D	4,3345155	Read from T056P
31.12.2025	NZD	Y_NZD360D	3,1324612	Read from T056P
31.12.2025	PEN	Y_PEN360D	5,4026957	Read from T056P
31.12.2025	PHP	Y_PHP360D	5,1570775	Read from T056P
31.12.2025	PKR	Y_PKR360D	10,8217054	Read from T056P
31.12.2025	PLN	Y_PLN360D	4,6340209	Read from T056P
31.12.2025	RON	Y_ROM360D	6,6300775	Read from T056P
31.12.2025	RSD	Y_RSD360D	4,3521019	Read from T056P
31.12.2025	RUB	Y_RUB360D	39,7200000	Read from T056P
31.12.2025	SAR	Y_SAR360D	4,9949031	Read from T056P
31.12.2025	SEK	Y_SEK360D	2,1104990	Read from T056P
31.12.2025	SGD	Y_SGD360D	2,0441860	Read from T056P

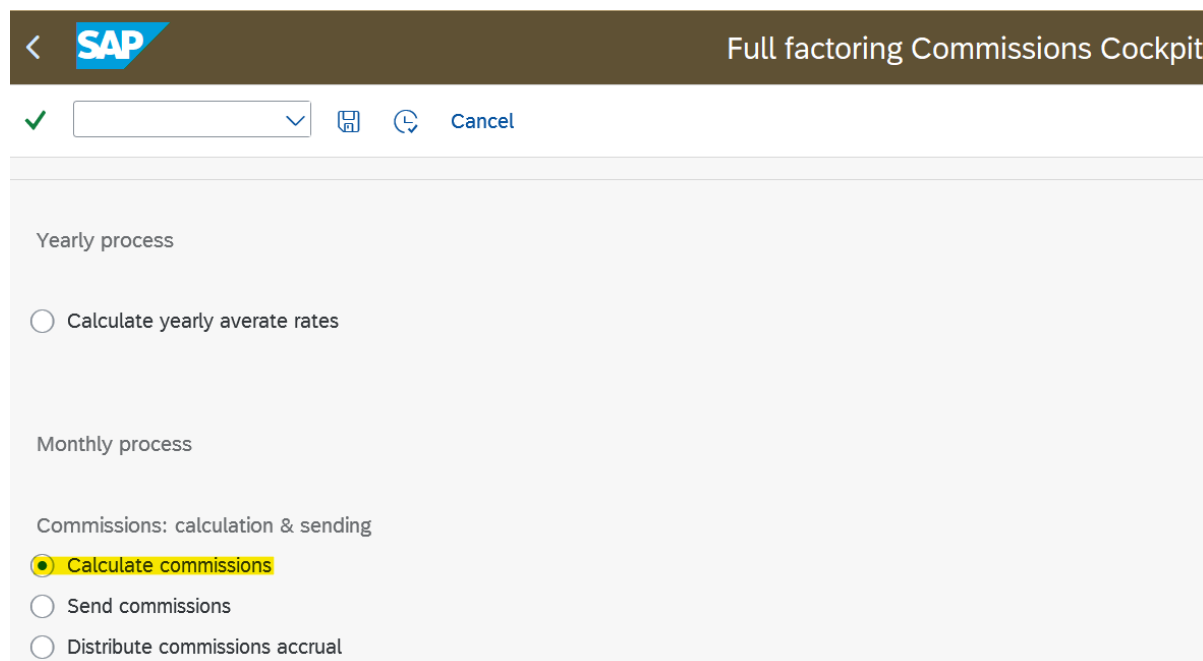
After verifying the currencies, execute the transaction without test mode to update the table with the average interest rate to be applied.

3.1.2. D-2 Monthly Process

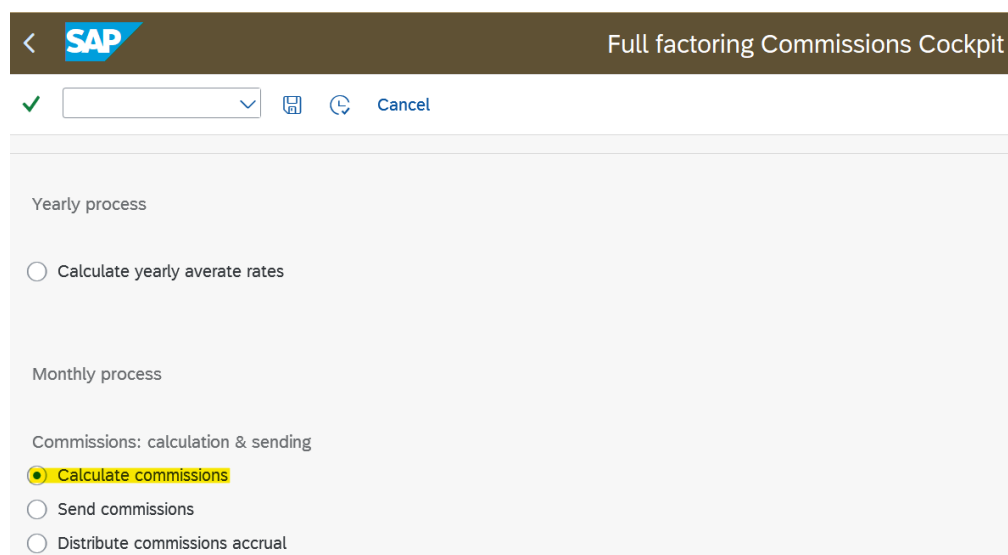
3.1.2.1. Commissions: Calculation and Sending

3.1.2.1.1. Calculation

At month end operations, at the timing of D-2, the following transaction Z3F_FA_COMM_COCKPIT shall be launched for the calculation of the monthly process



Select the  and then the following screen will be available:

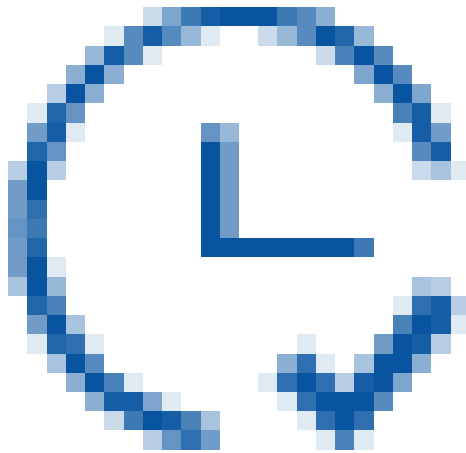


Should be executed in Background (Time Consumption).

After this step is done (ensure in SM37), go back to the cockpit

3.1.2.1.2. Send

The next step is to ensure the sending of the Commission calculation to the tables in the PI2



Select the paying company code: 2232 & 4044 , the closing period and year:

Full factoring Commissions Send			
			
Data selection			
Paying company code	4044	to	
Affiliate company code		to	
Factoring contract number		to	
Fiscal Year	2025		
Posting Period	8		

This stage will consolidate the table based on the contracts

- by affiliate,
- type of commission (Receivables / Payables),

-factoring company.

Also it prepares the attachment for the Business Partner, as well as update to the table that will allow the distribution to the next step.

When step is finalized go back to cockpit and proceed to step 3.

Note: This step does not generate a spool, in case appears a spool means that there's an error on table and we must contact the DT team to verify it and wait.

Z3F_FA_COMM_SEND		ASCE7436	Finished	30.01.2025	18:15:51	171
------------------	--	----------	----------	------------	----------	-----

3.1.2.1.3. Distribute Commissions accrual

Monthly process

Commissions: calculation & sending

☐ Calculate commissions

☐ Send commissions

☒ Distribute commissions accrual

This will send the accruals to the accurate PF2, WP2 and PI2 the data of the postings

Flypost Transport

Target company PRS to

Target landscape to

Context to

Flypost Id to

☐ Reprocess errors

☐ Trigger events

☐ Test mode

Needed to consider the specific contexts:

Z3F_FA_COMM_AFF

Z3F_FA_COMM_FACT

When step 3 is ensured for each factoring company (2232/4044), ensure communication to Service Center to perform in WP2 and PF2 accrual posting via Transaction Code ZZFLYPOST_IN_PROC:

With the specific contexts

- Z3F_FA_COMM_AFF (For Affiliates);
 - Z3F_FA_COMM_FACT (in PF2 for 2002)

3.1.2.2. Commissions: accrual posting

3.1.2.2.1. Post accrual in Factoring 4044

Commissions: accrual posting

☒ Post accrual in Factoring 4044

☐ Post accrual in PI1 Affiliates

The next screen we will select context Z3F_FA_COMM_FACT

SCL Flypost process pending IN posts

Target company PRS: 4044 to []

Source landscape: []

Context: Z3F_FA_COMM_FACT to []

Flypost Id: [] to []

Processing Mode: N

☐ Reprocess errors

☐ Test mode

Here the outcome is to post in 4044 the accrual to invoice:

Doc Type SA

50 7*

40 22202* with Material and Partner and TP

3.1.2.2.2. Post accrual in PI2 Affiliate

Commissions: accrual posting

☐ Post accrual in Factoring 4044

☒ Post accrual in PI1 Affiliates

The next screen we will select context Z3F_FA_COMM_AFF

Target company PRS: 2232 & 4044

SCL Flypost process pending IN posts

Target company PRS: 2232 to []

Source landscape: []

Context: Z3F_FA_COMM_AFF to []

Flypost Id: [] to []

Processing Mode: N

☐ Reprocess errors

☐ Test mode

In SM37 it does not generate spool in the end:

☐	ZZF_FLYPOST_IN_PROCESS		ASCE7436	Finished	28.12.2023	18:10:32	0	0
--------------------------	------------------------	--	----------	----------	------------	----------	---	---

This step will post the accrual of invoice to receive in PI1 Affiliates

Doc Type SA

Post in Affiliate 40 6*

50 23202* with TP

3.1.2.3. 4044 Invoice

At this section the program will prepare all the steps to generate the billing in 4044

3.1.2.3.1. Post 4044 invoice



4044 invoice

☒ Post 4044 invoice

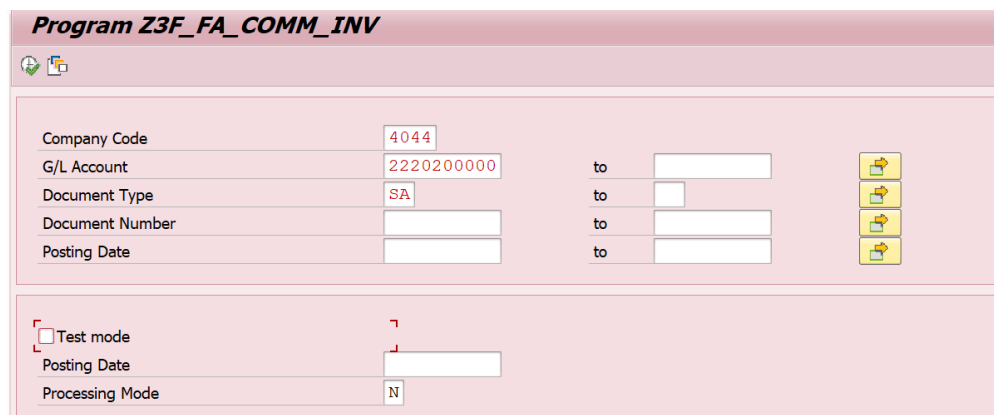
☐ Generate 4044 invoice output

☐ Send 4044 invoice

☐ Distribute 4044 invoice

☐ Post 4044 inv PI1 Affiliates

At this step 3 postings are prepared and generated in the next screen:



Program Z3F_FA_COMM_INV

Company Code: 4044

G/L Account: 2220200000

Document Type: SA

Document Number:

Posting Date:

to:

to:

to:

to:

☐ Test mode

Posting Date:

Processing Mode: N

Will select all open items in the Invoice to Issue account 22202* and generate

1. a) the invoice posting in the customer account,

D9 Document Type

01 Customer - from MGT table

50 22202

1. b) Customer clearing to Sub IBA Account,

DZ Document Type

Customer -from MGT table

Sub Iba - Clear the Sub Iba with the next day IBA

1. c) and transfer the Cash in the 2232 IBA 4044 and the Partner Affiliate IBA

SA Document.

If we have errors on the background we should run in in real mode and processing: mode A (for examples when it's created a new customer)

Example of an error on the spool:

		CoCode	DocumentNo	Fiscal Yr	Item	Text	Message Text
●	●	4044	8000161672	2022	2		Posting period 001 2022 is not open
●	●	4044	8000158962	2021	2		Posting period 011 2021 is not open
●	●	4044	8000158963	2021	2		Posting period 011 2021 is not open

3.1.2.3.2. Generate 4044 invoice output

4044 invoice

☐ Post 4044 invoice
☒ Generate 4044 invoice output
☐ Send 4044 invoice
☐ Distribute 4044 invoice
☐ Post 4044 inv PI1 Affiliates

This step will generate the physical pdf Debit Note

Send mail to customer with invoice PDF in attachement.

Selection screen

Company code	4044	to		
Creation date		to		
Posting date	22.08.2025	to		
Document number	4790000000	to	4790099999	
Customer nr		to		
Reference Text	Treasury management fees			

Printing parameters

Payment advice printer

☐ Print
☐ Forced printing
☐ Generate new output

Send by e-mail

☒ No e-mail to affiliates
☐ Send e-mail copy to

Sender e-mail

tania.torres@syensqo.com

Create the Debit Note Attachment and ensure no email sent at this stage.

This step doesn't generate any spool:

23F_MAIL_CUSTOMER	ASCE7436	Finished	28.03.2025	17:28:16	18	0
-------------------	----------	----------	------------	----------	----	---

3.1.2.3.3. Send 4044 invoice

4044 invoice

☐ Post 4044 invoice
☐ Generate 4044 invoice output
☒ Send 4044 invoice
☐ Distribute 4044 invoice
☐ Post 4044 inv PI1 Affiliates

This step will update the tables with the relevant links and accounting detail to be sent to the other ERP:

Program Z3F_FA_COMM_INV_FLY

☐ Test mode

Company Code	4044	to		
Document Type	D9	to		
Document Number		to		
Posting Date		to		

3.1.2.3.4. Distribute 4044 invoice

4044 invoice

☐ Post 4044 invoice
☐ Generate 4044 invoice output
☐ Send 4044 invoice
☒ Distribute 4044 invoice
☐ Post 4044 inv PI1 Affiliates

This step will send the Debit Note and accounting prepared to the affiliate ERP

Flypost Transport

☐ Reprocess errors
☐ Trigger events
☐ Test mode

Target company PRS	*	to		
Target landscape		to		
Context	Z3F_FA_COMM_INV_A...	to		
Flypost Id		to		

Context: Z3F_FA_COMM_INV_AFF

As soon as this step is done it is necessary to communicate \ ensure action in the receiving ERP - PF2WLP2 – Inform the Service Center to perform the steps of replications.

3.1.2.3.5. Post 4044 invoice PI2 Affiliate

4044 invoice

☐ Post 4044 invoice

☐ Generate 4044 invoice output

☐ Send 4044 invoice

☐ Distribute 4044 invoice

☒ Post 4044 inv PI1 Affiliates

This step will post the item in the affiliate in PI2 the Vendor Invoice:

SCL Flypost process pending IN posts

Target company PRS to

Source landscape

Context to

Flypost Id to

Processing Mode

☐ Reprocess errors

☐ Test mode

Context: Z3F_FA_COMM_INV_AFF

Doc Type R0

1. Vendor
2. 232201*

3.1.2.3.6. Send email to inform that the Treasury Commissions calculation process is finished

Treasury Commissions finish - Launch in affiliates Inbox x



Tânia ASCENSÃO <tania.torres@syensqo.com>

to sandra.zera, gbs_finance_financial_acc_treasury-accounting, cristiene.scherch, gbs_finance_financial_acc_interco

Fri, Jun 27, 4:30 PM

DEAR INTERCOMPANY TEAM,
THE PROCESS FOR TREASURY COMMISSIONS WAS FINISHED IN PI1 SYSTEM - YOU CAN START THE SEQUENCE IN THE OTHER ERP SYSTEMS.
PLEASE ADVISE ONCE IT IS COMPLETE.
THANKS AND BEST REGARDS,
SU TREASURY ACCOUNTING AND REPORTING TEAM

3.1.2.4. Reporting

Commission: reporting



This step is performed on D+2.

Name	Last mo... ▼	↓	File size
 4044_June 2025_Treasury Commissions.xlsx	Jul 2, 2025	Rita Godinho	14.7 MB
 2232_Junho 2025_Treasury Commissions.xlsx	Jul 2, 2025	Rita Godinho	19.1 MB

3.2. D-1 Validation of the commissions calculation

On the next day, after the confirmation from Interco team, we need to validate if the commissions calculations are correctly posted

3.2.1. Validation in PF2 & WP2

- Use the transaction FBL1N to check the following vendors:

302307452
2167774

Use variant: "Comm. checks"

- Also validate the G/L 7441050000 in PF2 in company 2002

Note: If the SX is missing, we check the transaction: ZZF_CICCIBA - IBA if it's blocked, if so should be Accounting Platform that should unlock it and we check later if it's all ok.

Example:

Process Statement of Internal Business Account

Detail Details Factoring I.B.A. statement Post with clearing Customizing

Financial company: 2232 Fiscal Year: 2023 Document type: SX
 Company Code: 5978 Document Number: X597800065 / 20 Account number: 0302307452
 Currency: EUR H Credit
 Operation type: COMS Treasury Commissions Trading partner: Clearing indic.:

2232 5978 X597800065 2023 : The creation of the SX document failed. E G/L account 27 5978 does not exist

X597800065 00001 591EUR2232 2200250000 Factoring customers, Credit	934249,25 EUR
X597800065 00002 591EUR2232 2200250000 Factoring customers, Debit	140120,34 EUR
X597800065 00003 591EUR2232 2300250000 Factoring suppliers, Debit	196359,36 EUR
X597800065 00004 591EUR2232 2300250000 Factoring suppliers, Debit	565999,28 EUR
X597800065 00005 591EUR2232 2300250000 Factoring suppliers, Debit	7064,92 EUR
X597800065 00006 591EUR2232 2300250000 Factoring suppliers, Debit	295,89 EUR
X597800065 00007 591EUR2232 2300250000 Factoring suppliers, Debit	581628,45 EUR
X597800065 00008 591EUR2232 2300250000 Factoring suppliers, Debit	7789,25 EUR
X597800065 00009 591EUR2232 2300250000 Factoring suppliers, Debit	690,99 EUR
X597800065 00010 591EUR2232 2300250000 Factoring suppliers, Debit	24,93 EUR
X597800065 00011 591EUR2232 2300250000 Factoring suppliers, Debit	283,98 EUR
X597800065 00012 591EUR2232 2300250000 Factoring suppliers, Debit	461,21 EUR
X597800065 00013 591EUR2232 2300250000 Factoring suppliers, Debit	692,00 EUR
X597800065 00014 591EUR2232 2300250000 Factoring suppliers, Debit	8613,94 EUR
X597800065 00015 591EUR2232 2300250000 Factoring suppliers, Debit	11905,67 EUR
X597800065 00016 591EUR2232 2300250000 Factoring suppliers, Debit	6942,93 EUR
X597800065 00017 591EUR2232 2300250000 Factoring suppliers, Debit	3318,46 EUR
X597800065 00018 591EUR2232 2300250000 Factoring suppliers, Debit	1086,58 EUR
X597800065 00019 591EUR2232 2300250000 Factoring suppliers, Debit	11750,34 EUR
X597800065 00020 591EUR2232 0302307452 Treasury Commissions 4044, Credit	352,24 EUR COMMISSIONS Invoicing -4044-7000331558-002-2023

3.2.2. Validation in PI2

Perform the following checks on PI2:

- a) GL 220025* - Check SX docs that reconciles with DZ docs (SZ + DZ = 0)
- b) GL 22202* (SA + D9 = 0)
- c) G/L 7441050000 in company 4044
- d) IBA's -> 591*4044 (Assignment: 2232/COMS) – doc type: SB

3.3. CAMS Commission Fees : Calculation rules

3.3.1. Receivables

Factoring Commission = Discount Amount + FX Result

Discount Amount = Annual Discount Rate x Payment Term/360 x Converted Nominal Value

Annual Discount Rate = LIBOR Rate for accounting currency of Affiliate + Expected Loss Rate + Return on Equity Rate + Service Fee Rate

FX Result = (LIBOR Rate for receivable currency – LIBOR Rate for accounting currency of Affiliate) x Payment Term/360 x Converted Nominal Value

Calculation Method: 5 components :

- Remuneration for time value of money (pre-financing):
- Risk premium: (expected loss + return on equity at risk)
- Remuneration for activities performed (service charge)
- FX-related remuneration (FX result reflecting hedging)

3.3.1.1. PRE FINANCING

Nominal invoice in invoice currency (All taxes included) * Conversion daily rate in functional currency * Ibor rate, for one year, for affiliate currency* payment term duration/ 360

Where:

- Ibor rate is floor to 0%
- Payment term duration is:
 - 0day for CAMS affiliates
 - Payment term set following the master data
 - SPECIFIC RULES: For some country additional day must be added to the payment term duration:
 - CHINA: as of February 1st 5 days
 - KOREA: as of February 1st 5 days
 - BRAZIL: as of February 1st 5 days

This is a charge for the affiliate.

This is a revenue for Factor

3.3.1.2. EXPECTED LOSS

Expected loss is calculated as a percentage for each rating class of Syensqo (1-5) assigned to external parties

The expected loss rates will be fixed for a period of one year.

This is a charge for the affiliate.

This is a revenue for Factor

RULES of 3rd PARTY:

Nominal invoice in invoice currency * Conversion daily rate in functional currency * % of rating class (based at end of the month credit risk classification of customer)

<u>Rating Class</u>	<u>Expected Loss</u>
1	0,005%
2	0,028%
3	0,090%
4	1,030%
5	4,760%
New / unassigned	0,290%

RULES of Intercos :

Affiliates will be segregated by level of payment risk (payment at 0 day or company not able to meet the 0 day)

Risk 0 => Class Core:

- Company CORE following Treasury classification :

- Syensqo SA 02232
- Syensqo Finance Luxembourg SA 04233
- Syensqo Luxembourg S.à.r.l. 06294
- Syensqo France S.A. 57230
- Company fully consolidated and adherent to CAMS convention.

Risk 1 => Class Non Core: Other affiliates classified as:

- NON CORE
- or not fully consolidated
- or fully consolidated but not adherent to CAMS convention .

This class concerns NON-CORE entities (see definition in treasury policy) which are not able to meet the 0 day payment terms. In line, with the treasury policy for IBAs, those entities have a credit risk which is quantified by a 2 notches downward adjustment on the Group's credit rating.

These entities should therefore pay the expected loss rate assigned to rating BB i.e. 1,030% (So level class 4).

Nominal invoice in invoice currency * Conversion daily rate in functional currency * % of rating class S or S1 (based at end of the month credit risk classification of intragroup customer)

<u>Rating Class</u>	<u>Expected Loss</u>
S - CORE (part of IBA; payment term 0)	0,000%
S1- NON CORE (not part of IBA; DSO > 0)	1,030%

3.3.1.3. RETURN ON EQUITY AT RISK

ROE is a profit element (part of retained earnings) and will contribute to the equity buffer kept against the unexpected bad debt losses (above the expected loss level)

The ROE classes depend on the final classes for credit risk.

Equity at Risk percentages will be determined by EY based on Basel Accord

The Rate of Return on Equity for each of the two factors will be annually determined by Syensqo according to EY's instructions.

Nominal invoice in invoice currency * Conversion daily rate in functional currency * % of ROE Annual by rating class (based on monthly credit risk classification of customer)*360/PT.

This is a charge for the affiliate.

This is a revenue for Factor

3rd Party: ANNUAL

<u>Rating Class</u>	<u>ROE</u>
1	0,16%

2	0,40%
3	0,80%
4	1,00%
5	1,20%
New / unassigned	0,80%

Interco : ANNUAL

Rating Class	ROE
S - CORE (part of IBA; payment term 0)	0,00%
S1- NON CORE (not part of IBA; DSO > 0)	1,00%

3.3.1.4. SERVICE CHARGE

Service fee (%) = [Allocable SBS costs including mark-up + own Syensqo cost including mark-up] / Annual Sales (Amount of ARs subject to factoring).

This is a charge for the affiliate.

This is a revenue for Factor

Definitions :

Service Fee Rate reflects an arm's length service fee percentage over the amount of the receivable and is identical for each receivable => Factoring

Service Fee Rate : include all costs incurred by treasury activities in SSA and SFA + Credit management and collection services provided by SBS (related to the Companies adherents to CAMS services) + Treasury cost (bank fees...)

SBS will invoice to SSA all cost on the CAMS perimeter.

SSA will reinvoice part of the costs to Syensqo Finance America applying a prorata based on the volumes of transaction.

For this 2017 forecast period the prorata = 5,10%

Cost driver Service fee (%) = [Allocable SBS costs including mark-up + own Syensqo cost including mark-up] / Annual Sales (Amount of ARs subject to factoring).

Cost driver is express in Eur.

application formula : Nominal invoice in invoice currency * Conversion daily rate in functional currency * Cost driver Service fee %

NO TRUE UP applicable to Service fee.

Cost driver applicable to 2017

	EUR
Unit Cost Receivables	

Base in EUR	
Budget 2017	7 634 900
Volumes Eur Budgeted 2017 SSA	46 529 553 089
Volumes Eur Budgeted 2017 SFA	2 500 059 993
Total Volumes	49 029 613 082
Unit Cost Receivables Eur / Eur invoiced	0,01557202%

3.3.1.5. HEDGING (Carry)

$(+\text{Interest rate in functional Currency} - \text{Interest rate in Currency of invoice}) \times \text{nominal Amount in functional currency} \times \text{payment term duration} / 360$

NB/ Libor rate is floored at 0%

This is a charge for the affiliate.

This is a revenue for Factor

3.3.2. PAYABLES *Payment on Behalf*

CAMS provide a service : payments on behalf of (POBO) affiliates (with respect to the account payables), in combination with the "hedging service", i. e., as the AP amounts will be converted to a local currency based on the date of the AP acceptance.

The remuneration thereof will be determined based on two separate components: a generic service charge, and the FX Result

3.3.2.1. Service Charge

The service charge is a monetary amount, calculated on a monthly basis and expressed in the accounting currency of the Affiliate. The Service Charge is based on the an arm's length markup on total costs => Payment on Behalf of

Service Charge: include all costs incurred by treasury activities in SSA and SFA included bank fees and mark up.

Cost driver Service charge (in Eur) = $[\text{Allocable PoBo cost including mark-up} / \text{Annual number of contracts}]$.

Cost driver is express in Eur.

Application formula: $\text{Number of contract per period} \times \text{Cost driver Service charge} \times \text{Conversion daily rate in functional currency}$.

For Service charge a True up will be necessary end of the period.

Result of forecasted formula applicable to 2017:

	EUR
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Unit Cost PoBo	
Base in EUR	1 037 337
Budget 2017	0
Volumes Nb of Contract Budgeted 2017 SSA	504 360
Volumes Nb of Contract Budgeted 2017 SFA	367 196
Total Volumes	871 556
Unit Cost Receivables Eur / # contract	1,19

3.3.2.2. FX Result

FX Result is:

-Interest rate in functional Currency + Interest rate in Currency of invoice)*nominal Amount in functional currency* payment term duration/360

NB/ Libor rate is floored at 0%

This is a charge for the affiliate.

This is a revenue for Factor

3.3.3. Collection on Behalf

Formula applicable for collection on behalf:

FX Result = (LIBOR Rate for receivable currency – LIBOR Rate for CCYF) x PT/360 x Face Amount

LEXICON:

Annual Discount Rate is the percentage rate per annum and means a sum of the applicable arm's length (i) LIBOR Rate for the accounting currency of the Affiliate, ii) Expected Loss Rate consistent with Syensqo's internal rating class of the customer, iii) Return on Equity Rate consistent with Syensqo's internal rating class of the customer, and iv) Service Fee Rate.

Converted Nominal Value means a Nominal Value of a respective trade receivable / payable, converted, if applicable, to the accounting currency of the Affiliate according to the provisions of Chapter 2 Article 5.

Discount Amount is a monetary amount, calculated per each factored trade receivable and expressed in the accounting currency of the Affiliate. The Discount Amount is calculated in accordance with the formula 1.2 in Section 1 of this Enclosure. The Discount Amount represents an arm's length remuneration for the services performed by SSA/SFA¹ with respect to the assignment of receivables as defined in Chapter 2 of this Agreement in case the accounting currency of the Affiliate is the same than the currency in which the trade receivable is denominated.

Expected Loss Rate for each relevant Syensqo's internal rating class of the customer and the applicable Payment Term is the percentage rate per annum. Each Expected Loss Rate is calculated by annualizing the expected loss percentage (using the Payment Term / DSO factor), where the expected loss percentage for the relevant Syensqo's internal rating class of the customer should be understood as the value of a possible loss on the portfolio of receivables falling within that rating class times the probability of that loss occurring.

Factoring Commission is a monetary amount, calculated per each factored trade receivable and expressed in the accounting currency of the Affiliate. The Factoring Commission is calculated in accordance with the formula 1.1 in Section 1 of this Enclosure and represents a combined arm's length fee, including the Discount Amount and the FX Result, to be paid by the Affiliate to by SSA/SFA¹ with respect to the assignment of receivables as defined in Chapter 2 of this Agreement.

FX Result is a monetary amount, calculated per each trade receivable (either collected on behalf or assigned to SSA/SFA¹) / payable and expressed in the accounting currency of the Affiliate. The FX result is only applicable if the accounting currency of the Affiliate is different than the currency in which the trade receivable / payable is denominated. FX Result reflects an arm's length adjustment due to the cost of carry and is based on the interest rate differential between the interest rates for the currency of the Affiliate and the currency in which the trade receivable / payable is denominated. The FX Result for a trade receivable has an opposite sign if compared to a trade payable, all other things being equal. Further reference is made to the applicable formulas in Section 1, 2 and 3 of this Enclosure.

LIBOR Rate for each specific currency is the percentage rate per annum, calculated as the average of 1-year LIBOR rates values for that currency on each trading day over the period of one year from 1 January throughout 31 December of each completed calendar year, and reset with the effective date of 1 January of the consecutive calendar year. Effectively, LIBOR Rate for each specific currency is fixed for a period on one year. 1-year LIBOR rates reflect the percentage rate per annum determined by the interbank market for the relevant currency and for one year tenor. Daily values of 1-year LIBOR rates for the purpose of calculating the average 1-year LIBOR rates are obtained from Thomson Reuters Eikon (or an alternative source).
) LIBOR rate is floored to 0%.

Payment Term for each individual trade receivable or payable means the number of days between the date of the receivable or payable invoice and its maturity/due date.

Upon the mutual consent of the parties, in certain countries the Payment Term must be adjusted by an average additional payment delay to compensate adverse effects of local regulations.

Return on Equity Rate for each relevant Syensqo's internal rating class of the customer is the percentage rate per annum. The Return on Equity Rates reflects the arm's length annual rate of return on equity at risk (economic capital), which is kept by SSA/SFA as a buffer against risk (unexpected loss), and are expressed and should be understood as the percentage over the face value of receivables.

Service Fee Rate reflects an arm's length service fee percentage over the amount of the receivable and is identical for each receivable (in a given period). The service fee is calculated based on an arm's length markup on total costs.

Service Charge is a monetary amount, calculated on a monthly basis and expressed in the accounting currency of the Affiliate. The Service Charge is based on the an arm's length markup on total costs.

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