



Shell Upstream Americas

Eneral to include SC

Revised on July 1, 2011

Attention:

Attached are the invoice requirements for Shell Upstream Americas (UA) and the process for returning non-compliant invoices to Suppliers. Please ensure that all applicable parties within your company that are involved with the process of creating invoicing and collecting receivables are aware of the changes.

Shell UA will reject and return invoices received that do not meet the minimum requirements as specified in this communication. The process within Shell UA for rejecting and returning non-compliant invoices will also be used for returning invoices that are compliant with the data requirements but are rejected as a result of a business dispute. Whatever the reason for rejecting an invoice the process will include timely notice to the supplier along with a copy of the invoice and a reason for the return.

There are two (2) sections contained in this communication package:

1. Invoice Requirements and Reasons for Rejecting Invoices
2. Process for Returning Invoices to Suppliers

Note that “Section 1” provides the minimum requirements for accepting & processing invoices. Providing additional information that assists the business like the name of Production Unit, Platform, Order #, Rig Name, Well Name, Project or Network # should continue to be referenced on the invoices as it helps to ensure on-time payment.

Should you have any questions regarding the requirements detailed in this communication please contact your corresponding Contracting and Procurement (CP) focal point.



Shell Upstream Americas

Section 1 - Invoice Requirements and Reasons for Rejecting Invoices

Invoices will be considered non-compliant for the following reasons:

No	Reason	Additional Description
1	No Purchase Order Number or No Valid Purchase Order number.	<p>All invoices for materials and services must reference their respective SEPCo Purchase Order (PO) number.</p> <p>SEPCo PO Numbers, which are 10 characters in length, begin with one of the following prefixes:</p> <ul style="list-style-type: none">• “451”• “49” <p>The following PO Number prefixes <u>are not compliant</u> and are no longer used by SEPCo:</p> <ul style="list-style-type: none">• “46” <p>If you have any questions regarding the appropriate PO number(s) for your company please contact your respective CP focal.</p>
2	No Invoice Number Referenced on the Document or duplicate invoice number.	Suppliers must reference a unique invoice number on each invoice.
3	The Respective Shell “PO Box Number” is not reference on the first page of the invoice.	<p>The Shell PO Box Number must be referenced on the first page of each invoice as this determines for which department the invoice is intended.</p> <p>Only having the PO Box Number on the envelope is not acceptable as the envelope is discarded when the contents (i.e., the invoice(s)) are removed for scanning.</p> <p>Note: Please be aware that only the “front” of each page is scanned. Thus if you provide any pertinent details (e.g., invoice lines, instructions, Shell’s approval signatures, etc.) on the back of any pages it will not be scanned and thus depending on the materiality may cause the invoice to be rejected.</p>



Shell Upstream Americas

No	Reason	Additional Description
4	Other Dispute Reasons	In the course of business there are various reasons that an invoice can be disputed. If as the result of discussions between the applicable Shell business contact and the supplier it is agreed the resolution requires a new invoice the original invoice in Shell's possession will be rejected and returned.



Shell Upstream Americas

Section 2 - Process for Returning Invoices to Suppliers

In the event an invoice must be rejected and returned to a supplier the following process will occur:

1. A complete copy of the scanned invoice will be printed by Shell's AP Department.
2. A cover letter, which notes the reason for rejection, will be printed and added to the copy of the invoice.
3. Both the cover letter and a copy of the invoice will be return to the "Remit To" address noted on the invoice. However, suppliers have the option of selecting alternate ways to receive this communication. Suppliers can request to have this notification sent to an email address, a fax number, or an alternate physical address by contacting the Shell Payments Hotline via phone (1-866-595-6335) or email (SEPCO-Payments@shell.com) for US related invoices or (SCANPayments@shell.com) for Canadian invoices; indicating the desired method of communication.
4. The rejection will be logged in a Shell database for future reference.

We realize that some suppliers have multiple addresses (e.g., address for a head office, regional offices, Remit To location, etc.) however we have chosen to return the invoices to the "Remit To" address. This address was selected because it is presumed that this is where your Accounts Receivable reconciliation is occurring.

If an invoice is rejected and returned to your company this department must be made aware of that fact as they are holding open a receivable for Shell UA for which Shell's Accounts Payable department is no longer actively tracking. Additionally this department will need to ensure that the necessary corrections have been made before the invoice is resubmitted.

Please note that payments for resubmitted invoices will follow the normal SWEPI process of setting the pay date based on the date Shell receives the invoice plus the applicable payment terms.