



**GUIDELINES & BEST
PRACTICES FOR INVOICES
SUBMISSION TO SAFRAN**

2021

Dear Suppliers,

You have commercial relations with Safran companies based in France and Belgium (listed below), this guide is for you.

For a large number of Safran companies listed below, the processing of supplier invoices is managed by Safran's Shared Finance Service Center (Safran Finance Services). The latter entrusted the digitization of paper invoices to a third-party company based in Lille in order to streamline and speed up the processing of these invoices. It also offers an even more efficient paperless invoice solution for rapid processing.

We recommend that you follow this guide to ensure timely payment of your invoices in accordance with the agreed terms.

It's structured around four key steps to follow:

- 1. An purchase order in accordance with the proposal**
- 2. A delivery in accordance with the purchase order**
- 3. An invoice in accordance with the delivery and the purchase order**
- 4. A payment in accordance with the terms agreed**

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GROUP COMPANIES CONCERNED

- ▶ Safran Aero Boosters
- ▶ Safran Aero Composite
- ▶ Safran Aerosystems
- ▶ Safran Aerosystems Services Europe
- ▶ Safran Aircraft Engines
- ▶ Safran Aircraft Engines Services Brussels
- ▶ Safran Ceramics
- ▶ Safran Electrical & Power
- ▶ Safran Electronics & Defense
- ▶ Safran Engineering Services
- ▶ Safran Filtration Systems
- ▶ Safran Helicopter Engines
- ▶ Safran Landing Systems
- ▶ Safran Nacelles
- ▶ Safran Sa
- ▶ Safran Power Units
- ▶ Safran Reosc
- ▶ Safran Transmission Systems
- ▶ Safran Ventilation Systems
- ▶ Aero Gearbox International
- ▶ Galli Participations
- ▶ Safran Additive Manufacturing Campus

A detailed list of sites and addresses is available
on Safran Group supplier portal: www.safran-group.com

1. A PURCHASE ORDER IN ACCORDANCE WITH THE PROPOSAL

A – STRUCTURE THE PROPOSAL

A Purchase order (PO) will be drawn up based on the proposal agreed with you. The terms of your proposal will be restated in the PO.

- ① If your proposal contains payment milestones, your proposal should be itemized by payment milestone, as negotiated with your purchaser. All items should correspond to a deliverable, such as the delivery of goods, completion of services or other billing trigger event (in accordance with the payment terms agreed with your purchaser). They will be restated on the PO and on your invoice.
- ① All proposals covering goods or services with different VAT rates should be itemized by VAT rate. These items will be restated on the PO and on your invoice.

B – HAVE A SIGNED CONTRACT WITH SAFRAN

Any supplier wishing to maintain long-term commercial relationships with Safran must have negotiated a contract. SAFRAN Group General Conditions of Purchase (GCP) are available on Safran website:

<https://www.safran-group.com/suppliers/working-safran/Working%20with%20Safran>

A compliant purchase order is issued by one of the Safran companies to enable the delivery of goods or the performance of services

- ✓ No delivery of goods or performance of a service should be made without prior receipt of a purchase order. It is mandatory to obtain the order number from your Safran contact (Safran “No PO, No Buy” policy).

C – CHECK THE TERMS OF THE PURCHASE ORDER

When you receive a purchase order from a Safran company, check that it complies with the accepted proposal and that you have all the information you need to fulfill the order:

- ✓ Agreement with the goods or service
- ✓ Agreement with the price
- ✓ Agreement with the delivery date
- ✓ Delivery and billing addresses (paper invoices only)

D – ACKNOWLEDGE RECEIPT OF THE PURCHASE ORDER

Return the acknowledgment of receipt enclosed with the order to the purchaser named on the order. You may add comments and request an amendment on the PO if required.

- ① All suppliers are required to acknowledge receipt of an order:
 - to confirm their agreement to the terms of the order;
 - within 15 calendar days of the order date;
 - preferably in electronic form.

2. A DELIVERY IN ACCORDANCE WITH THE PURCHASE ORDER

Execution of the order triggers the billing process in accordance with the contractual terms.

Delivery of goods or completion of services entitles you to issue an invoice.

When you deliver goods and/or complete services ordered from you, you should:

- ✓ Check that your delivery is complete and in compliance with the purchase order;
 - ✓ Deliver by the agreed upon date and location;
 - ✓ Initiate the billing process once the goods or services have been delivered/completed;
 - ✓ Send your invoice immediately after it has been issued
-
- ① For delivered goods, issue a delivery note (DN). Indicate the date and reference of the DN on the corresponding invoice.
 - ① For provided services, sign a completion and acceptance report (CR/AR) jointly with your Safran contact that the service has been completed in accordance with the order. Indicate the signature date and reference number of the CR on the corresponding invoice.
 - ① If the billing trigger event is something other than the delivery of goods or completion of the services, indicate the relevant contractual clause and the name of the associated document. Send the document to your Safran contact by any appropriate means.

3. AN INVOICE IN ACCORDANCE WITH THE DELIVERY & THE PURCHASE ORDER

A – INVOICES CONTENT

A1 – Legal and mandatory information on your invoice

| | |
|--|--|
| Information regarding the transaction | <ul style="list-style-type: none"> ✓ Invoice No ✓ Invoice date ✓ Purchase order No (as mentioned on the Safran PO sent) ✓ Date of sale or services (day of the delivery or ending date of the services provided) ✓ Designation, reference et quantity of the items or services sold |
| Information regarding the Safran company invoiced | <ul style="list-style-type: none"> ✓ Name of Safran company billed ✓ Billing address of Safran company (as written on the purchase order) ✓ Intracommunity VAT number of the Safran company |
| <p>① The purchase order number and the billing address on the invoice are legal obligation under Article L. 441-9 of the Commercial Code amended by Ordinance No. 2019-359 of 04/24/19</p> | |
| Information regarding the supplier | <ul style="list-style-type: none"> ✓ Name of the supplier ✓ Address of your corporate office (and not the local office) For the French supplier ✓ Siret, Siren or RCS No ✓ Legal form and amount of share capital For the supplier from EU ✓ Intracommunity VAT number |
| Financial data | <ul style="list-style-type: none"> ✓ Unit price excluding VAT ✓ Total excluding VAT, total VAT and total including VAT ✓ Possible extra cost (transportation or packaging cost for instance) ✓ Payment terms agreed and payment date ✓ Discount applicable in case of payment prior to due date ✓ Terms of discount granted, if any. ✓ Late payment interest rate ✓ Flat fee for late payment recovery |

A2 – Information required in addition to the legal requirements

For proper support by our automated processing system, your invoices must also contain the following information:

| | |
|--|---|
| Additional required information | <ul style="list-style-type: none">✓ Address to which the paper invoice should be mailed (for invoices sent by mail enter the mailing address on the invoice or on the envelope)✓ Delivery note number, completion & acceptance report No, or progress report No ¹✓ Bank account reference (e.g. BIC + IBAN)²✓ Invoice currency✓ Name, telephone number and e-mail address of an accounting person to contact in case of dispute✓ Name of your Safran contact (buyer, principal) <p>For non-French or non-EU suppliers</p> <ul style="list-style-type: none">✓ Fiscal Id✓ Duns No |
|--|---|

B – CREDIT NOTES CONTENT

Credit notes must include the original invoice and order numbers. In addition to these elements, in the case of a credit note for a return of goods, specify the return order number if it exists, as well as the return BL number. This information is essential to process your documents in the best possible conditions.

For a credit note, there are several possible redactions depending on the reason:

- ① Credit memo for invoice dispute (e.g. price difference, quantity): indicate in the body of the credit memo, necessarily the number of the original invoice (which is corrected or cancelled), the original BL number and the number of the original order.
- ① Credit memo for a return of goods: in the credit memo header, indicate the return order number if it exists, as well as the return BL number.

¹ Or other document No giving rise to invoicing, as provided for in your order / contract

² Each supplier must provide only one bank account reference per legal entity and per currency

C – DIFFERENT WAY OF SENDING YOUR INVOICES

Safran offers three different modes of sending invoices, which allow their recording and rapid processing while respecting the conditions associated with each of these modes.

| Modes of sending invoices | Conditions associated with each of these modes |
|---|---|
| <p>Mode No 1 : Paper invoice sent by mail</p> <p>You send your invoices in paper format by post or express mail</p> | <p>You must send the paper invoice by post or by express courier to the address to which the paper invoice should be mailed as stated on the order (do not omit the TSA number in the address for mailing the invoice, if applicable).</p> <p>① The invoice must arrive in a single copy, unfolded and without staples</p> |
| <p>Mode No 2 : Invoice in native PDF format sent by email **</p> <p>You registered to the process of sending your invoices by e-mail in native PDF signed electronically offered by Safran</p> <p>** not applicable for Safran Aerosystems, Safran Aerosystems Services & Safran Ventilation Systems</p> | <p>You must send your invoice by e-mail from the e-mail address that you registered in your profile during registration and to the e-mail address provided to you, respecting the following constraints:</p> <ul style="list-style-type: none"> ▪ Only one invoice by pdf. ▪ Invoice must be in native format pdf (no scan of paper invoice) ▪ TSA number should appear in the billing address |
| <p>Mode No 3 : Dematerialized invoice sent by EDI or smart PDF (XML)</p> <p>You have set up fiscal dematerialization (EDI / Smart PDF) with Safran.</p> | <p>Your invoices must be sent to us in dematerialized format (EDI / Smart PDF)</p> <p>① Any duplicate invoice sent in hard copy or by email will be rejected</p> |

Mode No 3 for sending electronic invoices in EDI or Smart Pdf is the mode recommended by Safran, particularly for suppliers with a high volume of invoices.

This solution brings many advantages and in particular invoices that arrive safely and are not lost, a reduction in the time of transmission of the invoices, a better quality of data acquisition, an improvement of the time of processing of the invoices with a reduction in the number of dispute and finally an optimized invoice processing cost. This solution also meets the regulatory obligations applicable from 2023.

D – IMPORTANT RECOMMANDATIONS

For rapid processing of your invoice, it is important:

- ✓ Put only one order number per invoice: issuing an invoice associated with several order numbers is a source of accounting errors and disputes
- ✓ In the first page of invoice, fill the order number with respecting the rule of form for this number as written on the order. The order number must not contain spaces between characters, nor additional characters such as special characters { / - _ & @ \ # ~ }
- ✓ Structure the invoice like the order, with the same line detail
- ✓ Enter the DN number on the invoice

- ✓ Issue an invoice by DN, completion or acceptance report (or other document provided for in the contract)
- ✓ For your invoice and PO numbers, use numeric references. Special characters, dashes, slashes are prohibited
- ✓ For the paper invoice sent by mail, send the original to the address mentioned on the order
- ✓ Send the completion or acceptance report (or other document provided for in the contract) directly to your Safran contact
- ✓ Invoice what have actually been delivered / achieved. No invoicing is authorized before the delivery of a good or the performance of a service (except express agreement formalized in the purchase order)
- ✓ Issue the invoice upon delivery of the goods or performance of the service
- ✓ Send the invoice as soon as it is issued

E – MAILING ADDRESS FOR PAPER INVOICES

For most of the Safran companies, the billing address is different from the mailing address for sending paper invoices. These two addresses are specified on the purchase order. You will also find a summary of the billing and mailing addresses of Safran companies on Safran website: https://www.safran-group.com/sites/group/files/adresses_d_envoi_des_factures_safran.pdf

Sending the original invoice to the invoice mailing address indicated on the order is key to ensuring a prompt processing of your invoice. It is very important to follow this good practice.

Sending an invoice to the wrong address, on a site, to the delivery address of the good, where the service was done or to the buyer will result in the best case in a late payment and in the worst case in a loss of the invoice.

For many companies, the mailing address for sending invoices is in Lille “59884 Lille Cedex 9 France”. The address is always preceded by the name of the company invoiced and a TSA number essential for taking into account the invoice. It is important to note that without this TSA number your invoice will be rejected.

If you send your invoices by express mail (Fedex, Ups, etc.), a specific address must be used and telephone number of the recipient should be indicated (+3 33 20 12 12 12 if sent to the Safran third party in Marcq-en-Baroeul -59700). Again, you will find those information on Safran website: https://www.safran-group.com/sites/group/files/mailling_and_billing_addresses_safran.pdf

① Address for sending bank guarantees:

In some cases, you are required to provide a guarantee (bank guarantee or parent company guarantee) to the Group company you are dealing with. You should send the **original of the guarantee** (together with a copy of the advance payment request/ advance invoice for identification purpose) to the company billing address (and not to the mailing address) at the attention of the Finance/Treasury/Trade Finance department.

A copy of the bank guarantee must be e-mailed to your purchaser.

4. A PAYMENT IN ACCORDANCE WITH THE TERMS AGREED

Complying with all the steps described above will facilitate the processing of your invoices, and allow payment on time.

Safran provides a single entry point "**Supplier Helpdesk**" platform to obtain information on your invoices:

- ✓ the processing status of one (or more) invoice (s)
- ✓ a statement of account
- ✓ details of a wire transfer

- ① Except in specific cases, payment terms for Safran companies are 45 days end of month from the date of issue of the invoice. The method for calculating this period is end of month from the date of issue of the invoice, increased by 45 days.

- ① In the event of a dispute, file a claim on the "Supplier Helpdesk" platform

5. TO CONSULT

On the Safran website, www.safran-group.com , other documents complementary to this guide and useful for your invoicing follow up are available:

➔ **Group – purchasing – documents & portals**

- **supplier(s)information documents**

- ▶ Billing addresses for Group companies
Those addresses can be updated; please check them on a regularly basis (each quarter)
- ▶ Guide to billing (this present document)
- ▶ User guide billing support ("Supplier Helpdesk")

6. PAPER INVOICE SAMPLE

| INVOICE |
|-----------------------------|
| Number : Date of issue : |

| |
|---|
| Supplier name Address of your corporate office Siret, Siren or RCS number Legal form and amount of share capital Intracommunity VAT number Name, telephone number and e-mail address of an accounting person to contact Delivery note number, completion or acceptance report No Date of sale or date of services achieved |
|---|

| |
|--|
| Safran company name Safran company billing address Intracommunity VAT number Contact at Safran Purchase order number |
|--|

| Designation | Reference | Quantity | UP | Vat | Total before VAT | Total including VAT |
|-------------|-----------|----------|----|-----|------------------|---------------------|
| | | | | | | |

| | | | |
|----------|--|---------------------|--|
| Discount | | Total before VAT | |
| | | Total including VAT | |

| |
|--|
| Currency : |
| Payment term : |
| Payment due date : |

| |
|-------------------------------------|
| Discount granted for early payment: |
|-------------------------------------|

| |
|---|
| Bank details: BIC IBAN |
| Any payment incident is liable to late interest. The amount of penalties results from the application to the sums remaining due after due date of 3 times the legal interest rate in force at the time of the incident. |
| Lump sum compensation for recovery costs due to the creditor in the event of late payment: € 40 |

“Black” stands for mandatory legal information
“Blue” stands for additional necessary information

**POWERED
BY TRUST**

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