

GUIDELINES

&
BEST
PRACTICES



for
INVOICE
SUBMISSION



for
SAFRAN
SUPPLIERS



May 2018

Guidelines & best practices for invoice submission

Dear Suppliers,

This guide is intended for all companies that supply goods or services to Safran companies based in France and Belgium (see list below).

Its purpose is to establish an efficient billing process to ensure timely payment of your invoices by Safran Group companies. We have developed best practices for each of the four key steps that you should follow:

1. Order	CONFORMS WITH	Proposal
2. Delivery		Order
3. Invoice		Delivery and Order
4. Payment		Terms Agreed

Safran has appointed a service provider to scan its paper invoices for seamless, faster processing. We recommend that you follow this guide to ensure timely payment of your invoices in accordance with the agreed terms.

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VP Safran Finance
Services

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VP Safran Purchasing

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Group VP Industrial &
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GROUP COMPANIES

- ▶ Safran SA
- ▶ Safran Aero Boosters
- ▶ Safran Aero Composite
- ▶ 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 Power Units
- ▶ Safran Reosc
- ▶ Safran Transmission Systems
- ▶ Safran Ventilation Systems
- ▶ Aero Gearbox International

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

1. CONFORMITY OF ORDER

A - STRUCTURE YOUR PROPOSAL

A Purchase order (PO) will be drawn up on the basis of 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 - CHECK THE TERMS OF THE ORDER

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

- ✓ Agreement to the goods or service
- ✓ Agreement to the price
- ✓ Agreement to the delivery date
- ✓ Delivery and billing addresses

- ① **Deliver goods or services only when the PO is placed.** You must obtain a PO number from your Safran contact, particularly for open account orders.

C- ACKNOWLEDGE RECEIPT OF THE 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.

[Safran contact]

▶ Your technical or usual contact within the Group. This will usually be the order giver.

[Purchaser]

▶ Supplier relationship manager.

2. CONFORMITY OF DELIVERY

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:

[DN]
Delivery note
▶ For goods and supplies.

[CR]
Completion report
▶ For services.

- ✓ Check that your delivery is complete and conforms with the 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 report (CR) 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. CONFORMITY OF INVOICE

Your invoice should comply with the payment terms agreed upon in the order or contract. If your order or contract contains payment milestones with trigger events other than the delivery of goods and/or completion of services, it is essential for you to comply with them.

A - CONTENT OF INVOICES

For efficient processing by our systems, your invoices should contain the following information:

Identification of the transaction:

- ✓ PO Reference, as stated on the PO (a single PO per invoice).
- ✓ Line items in the invoice must match with line items in the PO.

Legal information requirements:

Safran company information

- ✓ Name of company.
- ✓ Intracommunity VAT number.
- ✓ Billing address of company.

Supplier information

- ✓ Name and address of company:

French suppliers	EU suppliers	Non-EU suppliers
<ul style="list-style-type: none"> • Legal form and share capital • SIREN and RCS number and place • Intracommunity VAT number 	<ul style="list-style-type: none"> • Intracommunity VAT number 	<ul style="list-style-type: none"> • Fiscal ID

- ① Important supplier information, in addition to the above legal requirements:
 - Bank account reference (e.g. BIC + IBAN)¹.
 - Name, telephone number and e-mail address of a person to contact in case of disagreement.

- ✓ Number and date of: DN, CR or progress report².
- ✓ Quantity, reference and name of articles or services sold.
- ✓ Unit price excluding VAT.
- ✓ Total excluding VAT, total VAT and total including VAT³.
- ✓ Invoice currency.
- ✓ Discounts or rebates, if any.
- ✓ Advances and payments on account.
- ✓ Invoice date.
- ✓ Payment terms agreed and payment date.
- ✓ Late payment interest rate.
- ✓ Terms of discount granted, if any.

- ① Information required in addition to the legal requirements: Price indexation terms.

¹ Provide one bank account reference only per legal entity and per currency.

² Or other payment milestone as agreed in your PO or contract.

³ French suppliers should specify their VAT option on invoices: "invoice-based" or "cash-based" VAT accounting.

Guidelines & best practices for invoice submission

Important

- ① Invoice of what you have actually delivered/completed. No invoice will be accepted before the goods have been delivered or the service commenced, unless expressly agreed otherwise on the PO.
- ① We recommend that you issue one invoice per DN/CR number (or other document referred to in the contract).
- ① Send the original of the invoice to the address indicated on the PO. The originals of the DN/CR (or other document referred to in the contract) should be sent directly to your Safran contact. **They will be ignored if they are sent with the invoice.**
- ① As best as possible, use numeric references/invoice numbers, but avoid special characters such as dashes or slashes.
- ① Send your invoice as soon as you issue it.
- ① **Credit memo** should indicate the **original invoice and PO numbers**. In the specific case of **returned goods**, credit memo should also refer to the **return order and return DN references**. This information is essential for us to process your documents efficiently.

B - SUBMITTING INVOICES

There are two methods to submit your invoices:	Case 1 You have not signed an electronic invoice payment and processing agreement	Case 2 You have signed an electronic invoice payment and processing agreement
➔ Mail us a hard copy invoice (one single copy, not folded or stapled).	✓	∅
➔ The invoice will be scanned on receipt by our service provider.	✓	∅
➔ Invoices sent by e-mail will not be processed. ⁴	✓	✓
➔ Indicate the billing address .	✓	✓
➔ Make sure the invoice is sent to the address indicated on the PO.	✓	✓
➔ Send your invoice to the electronic invoicing portal (do not mail a hard copy).	∅	✓
➔ For processing rejects : Make sure that the invoice has been sent successfully to the electronic invoicing portal. If it is rejected, deal directly with the portal.	∅	✓

⁴ Except for invoices for the attention of Techspace Aero.

C - WHERE TO SEND YOUR INVOICES

Your invoices should always explicitly indicate the billing address:⁵ full name and address of the Group company that placed the order.

For most Group companies, the billing address is not the same as the address to which the invoice should be mail. The two addresses are indicated on the PO. A summary of mailing addresses is available on Safran Group supplier portal: www.safran-group.com.

N.B.:

Send the original invoice to the address indicated on the PO for it to be processed efficiently. It is very important to follow this best practice (for example, do not send the invoice to one of the company's sites).

① **Address for sending bank guarantees:** In some cases, you are required to provide a guarantee (bank or parent company) to the Group company you are dealing with. In this case, send your advance payment request/invoice to the address indicated on the order. However, you should send the ORIGINAL OF THE GUARANTEE (together with a COPY of the advance payment request/invoice for identification purposes) to:⁶

- ▶ **Safran**
Service DEFS Trade Finance
2, bd du Général Martial-Valin
75724 Paris Cedex 15

4. CONFORMITY OF PAYMENT

If you follow all the steps described above, it will help us to expedite payment of your invoices.

We have set up a Supplier Support Line (contact details available on Safran Group supplier portal: www.safran-group.com) for all questions concerning payment of your invoices. This is the only contact method you should use to obtain:

- Information on the status of one or more invoices;
 - An account statement;
 - Details of a bank transfer.
- ① Otherwise stipulated, the payment terms for Group companies are net 45 end of month. The due date is therefore calculated as end of the month after the invoice date plus 45 days.
- ① In the event of disagreement, please get in touch with your Safran contact, who will direct you with instructions.

⁵ Articles 271 II, 289 and 242 *nonies* A of the Appendix to the French Tax Code.

⁶ A copy of the guarantee may also be sent to your purchaser by e-mail.

CONSULT :

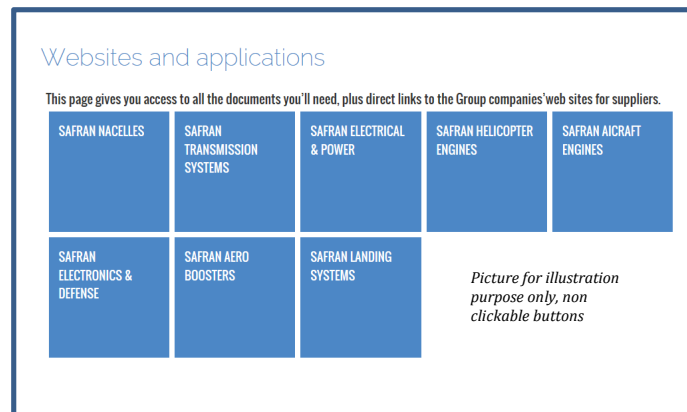
On Safran Website :

www.safran-group.com

- ➔ Supplier Portal
- ➔ Section « Useful documents for billing »

You will find other documents complementary to this guide and useful for billing :

- ▶ **Address to which invoices for Group companies should be sent**
These addresses may change. Please check quarterly for updates.
- ▶ **Supplier Support Line - Safran Finance Services**
- ▶ **Specification for each company, if any**



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