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## Self-billing agreement

between

Company name: Any Company AG

Address: Any number, Any Street

99999 Example Town

Supplier number: xxxxx

VAT ID No.: xxxxx

hereinafter referred to as the **“Supplier”**,

and

Company name: GRAMMER xxxxx

Address: xxxxx xxxxx

xxxxx xxxxx

VAT ID No.: xxxxx

hereinafter referred to as **“Grammer”**.

Grammer and the Supplier are hereinafter also individually referred to as a **“Party”** or collectively as the **“Parties”**.

**1. Subject of the contract**

1. In order to simplify and expedite business relationships regarding administrative processes and payments, the Parties hereby agree to use the so-called self-billing procedure. (Synonyms: Self-Billing, Evaluated Receipt Settlement, ERS procedure).
2. The following statements regarding self-billing relate to materials, which are used at Grammer in series manufacturing (initial number of the purchase order number and/or delivery schedule is 5).
3. As a rule, preproduction series material, supply of capital goods, services, increased parts costs, development costs, equipment costs and special costs are not invoiced via self-billing. Deviations from this may, however, be individually agreed.
4. Self-billing is a method of automatic invoicing for services provided and goods delivered by the Supplier to Grammer. Upon accepting the goods/services, Grammer assumes invoice creation for the goods/services of the Supplier as part of the self-billing process.
5. Grammer is entitled to issue invoices in the name of and on behalf of the Supplier for deliveries of goods and services provided by the Supplier to Grammer, provided both parties are entrepreneurs in terms of their respective VAT law.
6. The credit notes may be transmitted from Grammer to the Supplier in paper form, in PDF format to an e-mail address of the Supplier and/or via remote data transmission (VDA 4908) by EDI as individually agreed.

**2. Obligations of the Parties**

1. The Supplier is obligated to inform the Grammer without delay in the event company data (for example, address, company name, VAT ID no.) changes or if the company is deleted from a state register or divested.
2. The Parties agree that invoices created by Grammer or a third party on behalf of Grammer as part of the self-billing process shall be considered original documents and used as the basis for accounting by both Parties. Any corrections required must solely be carried out by the issuer of the original document.
3. The Parties are aware that invoices must be archived within the statutory time limits.
4. Each Party shall ensure that invoices created as part of the self-billing process pursuant to this agreement are compatible with the legal (particularly fiscal) requirements applicable to itself. Before the signing of this agreement, each Party shall check separately, with specialist assistance if required, and inform the other Party without delay of any reasons opposing the validity of invoices created via the self-billing process. This shall also apply if appropriate reasons arise or become known after this agreement has been signed.

**3. Obligations of the Supplier**

1. The Supplier shall accept that Grammer will issue the invoices to the Supplier by way of the self-billing process in form of credit notes
2. The Supplier shall inspect the invoices and submit any objections without delay after they have been issued. The Supplier’s statutory rights shall remain unaffected by the foregoing.
3. The Supplier shall undertake not to issue any invoices to Grammer for delivery schedules to be dealt with via the self-billing process.
4. The Supplier shall inform the responsible purchaser of the delivery and invoicing way, including Incoterms and applicable VAT ID no. or Tax ID no. unrequested via the form “*F\_002\_005\_Specification of delivery way and invoice way for self billing“*. This shall also apply to changes made to the delivery and invoicing methods, delivery and invoicing way which are relevant for a credit note which is correct with regard to VAT. The responsible accounts payable department shall be notified in the event of changes.
5. In Order to ensure VAT matters the Supplier shall undertake to deliver goods only from one country per material number and receiving Grammer plant.
6. The Supplier shall undertake to notify Grammer of any technical problems upon receiving the invoices without delay.

**4. Obligations of Grammer**

1. The invoices, which Grammer issues on behalf of the Supplier, shall be created in accordance with this agreement.
2. The VAT amount in the invoice, which Grammer issues on behalf of the Supplier/respectively the issuing of invoices claiming tax exemptions, shall be made in accordance with the applicable VAT provisions of the place of supply.
3. The invoices shall be issued without delay upon receipt of the goods and transferred to the Supplier. Invoices shall be considered received by the Supplier after the expiry of 5 calendar days from the invoice date.
4. The first invoice created and transmitted by Grammer via the self-billing process shall be created by the received, filled out form *F\_002\_005.*
5. In the event of price differences, Grammer shall issue credits/debits.
6. Grammer shall support the Supplier with queries in accordance with this agreement.

Contacts for complaints regarding invoices issued by Grammer:

- Price differences: Responsible purchaser

- Quantity differences: Responsible logistican

- Miscellaneous: Responsible accounts payable department

**5. Use of third parties**

1. Subject to its obligations pursuant to this agreement, Grammer shall be entitled to commission third parties to issue invoices and to transmit data and information about the Supplier and the supply relationship to such third parties for this purpose. Affiliated companies of Grammer according to §§ 15 ff AktG (German Stock Corporation Act) are not considered as third party in the meaning of this Article 5.
2. Grammer shall undertake to inform the Supplier in advance if it commissions third parties in terms of the above section 5.1 of this agreement.

**6. Tax clause**

1. Each Party shall itself be responsible for adhering to the statutory regulations applicable to itself and seeing to fiscal obligations and/or liabilities resulting from this agreement.

**7. Term**

1. This agreement shall be entered into for an indefinite duration and may be terminated subject to a notice period of 3 months to the end of each calendar year. However a termination by the Supplier shall possible at the earliest at the end of the calendar year following the conclusion of this agreement.
2. However, the right to terminate this agreement for good cause shall remain unaffected.
3. Notices of termination must be in written form and be signed. Text form (including but not limited to Email, Fax) shall not be allowed.
4. Any previously concluded agreements between the Parties regarding the invoice creation process shall become invalid when this agreement comes into force.

**8. Place of jurisdiction, applicable law**

1. Exclusive jurisdiction for all disputes arising of or in connection with this agreement shall be vested in the courts responsible for the place of Grammer's registered office, provided no mandatory place of jurisdiction is prescribed by law.
2. This agreement and the Parties’ legal relationship under this agreement shall be subject to the law of the Federal Republic of Germany. The application of the UN Convention on Contracts for the International Sale of Goods shall be excluded.

**9. Final provisions**

Should one or more provisions of this agreement be or become invalid or void, the Parties shall hereby agree to replace such a provision by a valid provision, which comes closest to the intent of the Parties. This shall also apply in the event of any missing provisions in this agreement.

All changes and supplements to this agreement must be made in writing and be signed. Otherwise they are invalid and void.

For the purpose of executing this Agreement or any amendment or supplement thereof, facsimile signatures, PDF image signatures or electronic signatures rendered via an electronic signature service (e.g. DocuSign, AdobeSign) shall be treated as original signatures if in accordance with the applicable law and any such document shall be deemed to be in writing.

This agreement shall not affect existing agreements regarding the supply of goods or the provision of services by the Supplier to Grammer. In the event of contradictions between this agreement and agreements regarding supply, the provisions of this agreement shall prevail.

The following annexes are an integral part of this agreement.

**List of Annexes:**

1. F\_022\_005\_Specification of delivery way and invoice way for self-billing.

Place, Date

Grammer xxxxx

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name

Function

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name

Function

Any Company AG

The undersigned expressly confirms that they are authorised to represent the Supplier

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name

Function

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name

Function