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## Payment and Invoicing

### 1. Scope

This Policy applies to all suppliers doing business with BT or acting on our behalf.

### 2. E-Invoicing Solution

- 2.1. The supplier will, when invoicing becomes due, submit its invoices using the E-Invoicing Solution and agrees that BT may reject any invoice not so submitted. BT will not be liable to the supplier for or in connection with any failure or unavailability of the E-Invoicing Solution.
- 2.2. BT will not be liable to reimburse any costs or expenses incurred by the supplier (including, without limitation, any costs or expenses incurred in relation to the E-Invoicing Solution), except to the extent expressly agreed in writing, and then only where they are reasonably and properly incurred by prior agreement with BT and are validated to BT's reasonable satisfaction.
- 2.3. Where iSupplier is the E-Invoicing Solution, the supplier will ensure on each occasion that a pdf image of the tax invoice showing identical information to that input by the supplier is attached to the iSupplier invoice record.
- 2.4. BT will allow the supplier, while the supplier is authorised by BT, to access iSupplier ("**Access**") solely for the proper performance by the supplier of its obligations under and in accordance with its agreement with BT ("**Agreement**"). In relation to Access, the supplier will (and, where relevant, will procure that all its personnel will):
  - 2.4.1. ensure each individual user has a unique user identification and password known only to such user;
  - 2.4.2. ensure each individual receives appropriate security training in the use, handling and management of passwords and information;
  - 2.4.3. ensure that physical access to computer equipment having Access or storing or having access to BT information is password-protected to reflect the supplier's obligations under BT's Security Requirements policy;
  - 2.4.4. ensure onward bridging or linking to BT computer systems is prevented;
  - 2.4.5. take all reasonable steps to ensure no viruses or malicious code (as the expressions are generally understood in the computing industry) are introduced to BT's E-Invoicing Solution and/or BT information;
  - 2.4.6. comply with the provisions of the Guide;
  - 2.4.7. not have or permit Access other than for the proper performance by the supplier of its obligations under and in accordance with the Agreement; and
  - 2.4.8. take all reasonable steps to prevent unauthorised Access.

### 3. Processor Method

- 3.1. If BT does not use iSupplier as the E-invoicing Solution, the supplier confirms either:

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- 3.1.1. that it has entered into an agreement with the Invoice Processor for the Processor Method and will, when invoicing becomes due, submit its invoices using only the Processor Method; or
- 3.1.2. that it will liaise with the Invoice Processor and use its commercially reasonable efforts to enter into such an agreement as soon as practicable after the commencement date of the Agreement and then, when invoicing becomes due, submit its invoices using only the Processor Method.

### 4. Valid Invoice

- 4.1. The supplier will ensure that each invoice is a valid tax invoice for the purposes of the Transaction Tax legislation in the country of issue, and, where applicable, will specify:
  - 4.1.1. its date;
  - 4.1.2. the correct BT and supplier legal entities in accordance with the Agreement;
  - 4.1.3. the Transaction Tax amount, Transaction Tax registration number (if applicable), and the Transaction Tax rate applicable;
  - 4.1.4. the agreement number;
  - 4.1.5. the purchase order reference;
  - 4.1.6. the line reference;
  - 4.1.7. the relevant BT item code(s) (if appropriate);
  - 4.1.8. the correct price;
  - 4.1.9. the full description of the goods or services to which the invoice relates;
  - 4.1.10. the portion of the goods or services for which payment is due and, if appropriate, the cumulative amount invoiced to date;
  - 4.1.11. line items in the same order and format as the purchase order to which they relate;
  - 4.1.12. the agreed payment currency and, if relevant, the Incoterm in relation to any cross-border transaction; and
  - 4.1.13. separately, any discount and a clear indication of what the discount is for.
- 4.2. Where applicable to the goods or services, the supplier will provide BT with a valid invoice in accordance with the provisions of IFRS 15, which splits out one off charges from recurring charges.

### 5. Transaction Tax

- 5.1. Where Transaction Taxes are charged by the supplier, then if required by applicable law the invoice will show the Transaction Tax amount in the currency of the country of issue (“**Domestic Currency**”) and, if the agreed payment currency is other than the Domestic Currency, the rate at which the Transaction Tax amount has been converted from the agreed payment currency to the Domestic Currency in accordance with any then-applicable tax authority requirements, whilst the Transaction Tax amount may be paid by BT to the supplier in Domestic Currency notwithstanding such agreement.
- 5.2. The supplier will raise a separate invoice for each purchase order reference number. BT may reject any invoice if it is for multiple purchase order reference numbers or otherwise does not comply with this Policy.

### 6. Facilities Agreement

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- 6.1. The supplier acknowledges that this Section 6 is conditional upon the supplier having executed a Facility Agreement. With effect from the commencement of the provision of the Facilities pursuant to such Facility Agreement and until the earlier of:
- 6.1.1. the termination or expiry of the Facility Agreement; and
  - 6.1.2. the termination or expiry of the Bank Agreement (“**the Reversion Date**”),
- the supplier will not require payment from BT (and BT shall be under no obligation to make payment to the supplier), but the supplier will instead accept payment by the Bank under the Facility Agreement. The supplier further acknowledges that the due date for payment clause in the relevant Agreement will not apply in relation to all invoices notified to the Bank for discounting or payment in relation to the Programme prior to the Reversion Date.
- 6.2. The supplier will immediately notify BT in writing of the execution of the Facility Agreement and the effective date of such agreement. The supplier will notify BT in writing as soon as practicable of the termination or expiry of the Facility Agreement.
- 6.3. The supplier consents to the disclosure of Information relating to the supplier and/or the Purchase Agreement to the Bank in connection with the Programme and/or the Facility Agreement or any other related matter.
- 6.4. The supplier confirms that:
- 6.4.1. there is no and will be no Security Interest, trust, tracing, prior ownership or other third party claim which may adversely affect the Bank’s title to the trade receivables it is to purchase in relation to all relevant invoices under the Facility Agreement nor are the relevant invoices subject to any prohibition on assignment; and
  - 6.4.2. all information in the notices described in paragraph 6.2 is true and accurate.

## 7. Definitions

For the purposes of this Policy the following definitions will apply:

“**Affiliate**” means any company, partnership or other entity which from time to time BT:

- (i) owns (directly or indirectly) at least twenty (20) per cent of the voting stock of another entity;
- (ii) has the power (directly or indirectly) to appoint the majority of the board of directors or power (directly or indirectly) to control the general management of another entity; or
- (iii) both BT and the supplier agree in writing may be considered as under control of that Party for the purposes of this Policy;

“**Automated Payment Platform**” means any application used by BT enabling, via the internet, the receipt of purchase orders, visibility and tracking of shipment receipting details, and invoice and payment data, including the secure transmission and storage of VAT invoices, without the delivery of paper invoices, by electronic means, including the Oracle iSupplier application;

“**Bank**” means Lloyds Bank PLC or such replacement as BT may advise the supplier from time to time;

“**Bank Agreement**” means the agreement between BT and the Bank in relation to the provision of the Programme;

“**BT**” means British Telecommunications plc and its Affiliates from time to time;

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“**E-invoicing Solution**” means the submission of the supplier’s invoices by either (a) the Processor Method; or (b) iSupplier;

“**Facilities**” means the supplier finance facilities made available by the Bank to the supplier under the Programme on the terms of the Facility Agreement;

“**Facility Agreement**” means the agreement between the supplier and the Bank in relation to the Programme;

“**Guide**” means the latest applicable issue of BT’s ‘A Guide to Information Security for Third Parties’ at [http://www.selling2bt.bt.com/Downloads/thirdparty\\_guide\\_issue\\_FINAL.pdf](http://www.selling2bt.bt.com/Downloads/thirdparty_guide_issue_FINAL.pdf);

“**IFRS 15**” means the International Financial Reporting Standard (IFRS) 15 issued by the International Accounting Standards Board which provides guidance on accounting for revenue from contracts with customers. IFRS 15 is available at <https://www.ifrs.org/issued-standards/list-of-standards/ifrs-15-revenue-from-contracts-with-customers/>;

“**Invoice Processor**” means Tungsten Network Limited or such other company as BT may specify from time to time upon giving at least one month’s written notice to the supplier;

“**iSupplier**” means the Oracle iSupplier application, enabling, via the internet, the receipt of purchase orders, visibility and tracking of shipment receipting details, and invoice and payment data, including the secure transmission and storage of tax invoices, without the delivery of paper invoices, by electronic means;

“**Processor Method**” means the processing and transmission by the Invoice Processor to BT using either web invoice or structured file methods;

“**Programme**” means the programme of facilities to be provided by the Bank to the supplier under which the Bank purchases the trade receivables owed to the supplier by BT on the terms of the Facility Agreement;

“**Security Interest**” means any mortgage, charge, pledge, trust, assignment by way of security, hypothecation, lien or other arrangement for the purpose of having similar effect to creating security or any title retention rights; and

“**Transaction Tax**” means value added tax, goods and services tax, general sales tax, sales tax, consumption, use or other similar taxes relating to the provision of goods and/or services.