



Amendment to the Non-Purchase Order invoice payment process

Originator: Gordon Tytler
Job Title: Director of Procurement, Rolls-Royce plc
Business Unit: All

NTS Number: 439
Issue: 1
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For the attention of the Managing Director.

Dear Sir or Madam,

Scope/Applicability:

All Rolls-Royce plc suppliers.

Introduction:

As part of Rolls-Royce's drive for simplification of its processes across the organisation, a detailed transactional review of the Accounts Payable department has been carried out and is now complete. This has highlighted a number of improvement areas that will simplify payment processes and improve the ability to pay supplier invoices according to the relevant payment terms. This initiative also includes the treatment of invoices received from suppliers without a corresponding Purchase Order ('PO').

This communication is to inform you that from 21st September 2018 all non-PO invoices will be paid in accordance with payment terms of 75 days **unless there has been prior agreement with both Procurement and the Finance Service Centres**. This reflects the timescales in which Rolls-Royce can commit to processing and paying non-PO invoices due to the manual intervention necessary to facilitate the payment.

Action Required:

We would also like to take this opportunity to advise suppliers that obtaining a Purchase Order in support of an invoice is the most efficient and process compliant route to ensure its systems and processes can accurately and efficiently account for purchases and will greatly assist with the ability to issue resulting payments in a timely manner.

NTS Category:

General Information / Communication

Authorised by:

Gordon Tytler
Director of Procurement, Rolls-Royce plc