

Rolls-Royce: Clarification of Payment Terms

Originator: Pamela White
Job Title: Finance Director, RRNA Supply Chain
Business Unit: Rolls-Royce North America
Tel: 317 230-2589
Email: pamela.m.white@rolls-royce.com

NTS Number: 280
Issue: 1
Date: October 2009

For the attention of the Director of Sales.

Dear Sir or Madam,

Scope / Applicability:

- All North American suppliers (direct and indirect) receiving payments from Rolls-Royce Corporation and Rolls-Royce North America

Background and Introduction:

As clarification to the contractual language regarding payment terms, Rolls-Royce is standardizing payment dates such that all payments occur on Friday as opposed to other various times during the week. This will become effective 11/01/2009.

Clarification of Terms:

Rolls-Royce will electronically transfer payment to the Supplier on the first Friday 60 days* after the date on which the relevant goods have been received or services completed, provided that the Supplier has supplied such goods or services in accordance with the Procurement Conditions and, where the Supplier is required to submit an invoice, such invoice is accurate and was received by Rolls-Royce's Purchase Accounts Department within 7 days of despatch or completion of goods or services. If Friday is not a normal banking day then electronic transfer of payment will be on the next banking day.

For the purposes of this clause, where Rolls-Royce is to collect the goods, 'received' is defined as received by Rolls-Royce's nominated courier or where the Supplier is to deliver the goods to Rolls-Royce's premises, 'received' is defined as received by Rolls-Royce's goods receipt area.

Effective 11/01/2009 all Purchase Orders will reflect the above language.

* Refer to your contract for exact payment days.

For questions concerning this Notice please contact your Rolls-Royce North America buyer.

NTS Category Type:

General Information / Communication

Authorised by:

Beverley Gaskin

Vice President, Purchasing
Rolls-Royce North America