



Fair Payment Policy

Rydon



Do unto others as you would have others do unto you

Background

The ability of companies to survive and grow is inexorably linked to their ability to secure the cash flow which enables them to pay their creditors and staff.

Almost all business transactions involve more than two parties, and there are often a large number of businesses or individuals directly or indirectly involved in any transaction, either up or down the supply chain.

Interruption of the cash flow generated by a transaction through delayed payments or unfairly withheld payments can seriously prejudice those parties and, in the worst cases, can cause companies to fail.

Policy

Rydon has developed close working relationships with its supply chain partners to deliver best value on all of the projects we undertake. As part of continuous service improvement we have formally adopted this policy to ensure we continue to be the organisation of choice for both our clients and supply chain. In working with each other in good faith and in a spirit of mutual trust and respect, we will meet the 'Fair Payment' commitments set out below:

- Companies have the right to receive correct full payment as and when due. Deliberate late payment or unjustifiable withholding of payment is ethically unacceptable.
- 'Fair Payment' should apply equally between all parties including the client, lead contractor and throughout the supply chain. Commitment to this approach is expected from all sub-contractors and suppliers on our approved lists.
- We will ensure that the process is transparent in order that members of the supply chain have certainty of how much and when they will be paid.
- We will, where appropriate, operate contracts on an open book basis with our clients and supply chain.

- The correct payment will represent the work properly carried out, products supplied or services provided, in accordance with the contract. Arrangements for retention will be agreed with the supply chain on an equitable basis. Any withholding of payment due to defects or non-delivery will be proportionate and demonstrably justified in line with arrangements made at the time of contract.
- To ensure effective and equitable cash flow for all those involved, our sub-contracts will provide for regular payments and have payment periods not exceeding 30 days, or such other period as the parties agree.
- In order to avoid payment delays, we will agree payment procedures at the outset of their contracts and seek commitment from all supply chain members. Payment will be by electronic BACS transfer where possible.
- Monitoring, auditing and problem resolution procedures will be agreed between the parties as part of contract negotiations.

Governance

All policies within the company are approved by the Group Board which is chaired by the Chief Executive. Each policy is reviewed at least once annually to ensure that we respond to clients, business strategy, legislation and any standards or codes of practice determined by the market. Oversight and administration of the Fair Payment Policy is the responsibility of the Group Finance Director.

*Signature(s) removed for security reasons:
signed copies available on request.*

Signed: _____

Robert Bond
Group Chief Executive

Dated: October 2013