



TRAVELEX UK LIMITED
the ('Company')

UK DISCLOSURE ON PAYMENT PRACTICES AND POLICIES – H2 2018

Introduction:

Section 3 of the Small Business, Enterprise and Employment Act 2015 requires UK companies meeting certain thresholds to report on a half-yearly basis on their payment practices, policies and performance in relation to qualifying contracts¹ for financial years beginning on or after 6 April 2017 (the “**UK Disclosure on Payment Practices Regulations**”).

This report is submitted on behalf of Travelex UK Limited (company number: **01985596**) a UK limited company that is part of the Travelex Group² (“**Group**”), and which is subject to the UK Disclosure on Payment Practices Regulations. The Group has determined that no other UK entity part of the Travelex Group is subject to similar disclosure obligations for the financial year ending 31 December 2018.

The following statement provides information on the Company’s payment practices, policies and performance for the period running from 1 July 2018 to 31 December 2018 (the “**Reporting Period**” or the “**H2 Period**”). The statement covering the period running from 1 January 2018 to 30 June 2018 was published on the 30 July 2018 (the “**H1 Period**”).

Payment Practices and Policies:

Suppliers are essential to the Group’s business by playing a vital role in the provision of certain services and products and meeting our partners’ contractual obligations is key to our business.

Standard Payment Terms:

The Company’s standard supplier payment terms are included in the Group’s Standard Supplier Terms and Conditions (“**Standard Supplier T&Cs**”). In H1, the Company changed its standard payment terms from 30 days to 45 days (the “**Revised Standard Payment Terms**”). The Revised Standard Payment Terms are applicable to new supplier contracts, as explained in our statement covering the H1 Period.

This means that the 30 day payment term will remain in place until the next contract renewal for existing suppliers, where existing suppliers will be notified or consulted on the changes before the payment terms are aligned with the 45 day standard payment terms that are part of our Standard Supplier T&C’s.

The rules governing the Company’s payment process are included in our Standard Supplier T&Cs. A supplier is required to invoice the Company on completion of the services rendered through such invoicing procedure as notified by the Company to the supplier from time to

¹ For the purpose of this disclosure, a qualifying contract is a contract which satisfies the following requirements: 1) it is between two or more businesses; 2) it is sufficiently linked to the United Kingdom; 3) it is for goods, services or intangible property including intellectual property; 4) it is not for financial services.

² The ‘**Group**’ includes all subsidiaries of Travelex Holdings Limited, including the Company.



time. Each invoice should include supporting information required by Company to verify the accuracy of the invoice, including but not limited to, the relevant purchase order number. Under our new Standard Supplier T&Cs and in consideration for the supply of the services by a supplier, the Company is required to pay the invoiced amounts within 45 days of the date of a correctly rendered invoice sent by a supplier.

Changes to Payment Terms:

There has been no further changes during the H2 Period.

Maximum payment term

The maximum payment period that the Company has agreed to in the H2 period is 45 days.

Dispute Resolution Process:

The Company is committed to comply with the payment terms agreed with a supplier. Any dispute related to supplier payment will be handled by the Company's Legal department and/or Procurement team. The Company's Standard Supplier T&Cs include the following provisions in relation to the process for resolving disputes related to payment:

If the Company fails to make any contractual payment due to a supplier by the due date for payment, then, without limiting the supplier's available remedy as set out in our Standard Supplier T&Cs:

- The Company is required to pay interest on any overdue amount at the rate of 3% per annum above The Bank of England's base rate from time to time.
- Such interest will accrue on a daily basis from the due date until the date of actual payment of the overdue amount, whether before or after a potential judgment.
- For payments disputed in good faith, interest on any overdue amount will only be payable after the dispute is resolved, on sums found or agreed to be due, from the due date until payment.

In addition to our standard supplier payment terms, Travelex's Global Supplier Governance Policy (the "**Policy**") governs the relationship between the Group and its suppliers. The Policy outlines the governance standards that must be adhered to by the Group, including the Company, when engaging in the activity of purchasing products and services from third parties. The Policy also aims to ensure that the Group meets the obligations of its partners and regulators.

Statement of Policies and Practices:

We hereby confirm that, during the Reporting Period:

- The Company has offered e-invoicing to suppliers;
- The Company has not offered supply chain finance;
- The Company's business practices and policies do not cover deducting sums from payments as a charge for remaining on a supplier's list, and, accordingly, the

Company has not deducted such sums from payment during the Reporting Period; and,

- The Company is currently not a signatory to a code of conduct or standards on payment practices.

Statistics on Payment Performance:

The following table provides information in relation to the Company's payment performance during the reporting period:

	H1 Reporting Period (01/01/2018 to 30/06/2018)	H2 Reporting Period (01/07/2018 to 31/12/2018)
Average number of days to pay invoices from the date of receipt of invoice:	21 days	21 days
% of payments made within:³		
- 30 days or less	86%	81%
- 31-60 days	10%	15%
- On or after 61 days	4%	4%
% of payments due during the reporting period which were not paid within the payment period:	37%	47%

Note:-

1. The 'Scan Date' is the receipt date when the invoice is received/scanned in to our supplier payment platform solution; and,
2. Days are calculated on calendar days and not on business days.

Approved and signed by:



Rory Suckling

Director, for and on behalf of **Travelex UK Limited**

Date: 30 January 2019

³ Above are calculated on the basis of the invoice scan date.