

Four Agency Worldwide action plan for improvement of supply chain payments

Standard payment terms for all supply chain contracts

- Our standard default payment terms are 30 days from receipt of a valid and correctly submitted invoice. In most cases this is 30 days from invoice date.
- This can vary and terms are always stated and agreed on supplier contracts or upon agreement of supplier Terms & Conditions.
- Agreed payment terms are entered onto our systems
- The agreed payment terms should be stated on all supplier invoices
- Purchase orders (POs) should be provided by the buying team in PDF format for every purchase after a contract is in place and before any work begins
- Supplier invoices should be sent directly to purchaseledger@four.agency. (the buying team can also be included if requested but Purchase Ledger should be the primary recipient)
- Invoices must quote the PO number
- Details on the invoice should match the original POs
- Invoices will be processed as follows:
 - Details checked against the original PO
 - Amount and description entered into our systems
 - Copy of invoice attached to the record created above
 - Invoice sent to authoriser to be authorised
 - Once authorised, invoice is recorded as a liability
 - Upon due date invoices are selected for payment on the next payment run
 - All bank payments to suppliers have two levels of authorisation before transmission of funds

Payment of invoices

- Payment runs are conducted twice a month, at mid month and month end
- All authorised invoices becoming due will be selected for payment at the next available payment run
- Payments are made via bank transfers which vary from being immediate to being deposited in three days depending on the type of bank transaction used. This is driven by the currency and residence of the supplier
- Urgent payments can be made by same day transfer
- A proportion of suppliers are paid via direct debit. These are marked on the system so that they will not be paid via the payment runs
- Invoices are also paid by credit card in very limited circumstances

Late and missed payments

- When a supplier makes the Purchase Ledger team aware of an unpaid invoice (using the email address above), a copy of the invoice will be requested
- The invoice will be fast-tracked through the system and authorisation sought if the details match a PO which has sufficient balance on it to accommodate the invoice submitted
- Once authorised, the invoice(s) will be picked up on the next available payment run
- If urgent, payment will be set up immediately on a same day transfer

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Invoice disputes

- The first review is performed by the Purchase Ledger team who will check the supplier details and the invoice amount and currency against the quoted PO. The team will also review for correct tax treatment
- If any issues are identified at this stage the invoice is returned to the supplier with a description of the issue and how it can be resolved to allow the invoice to be recorded
- If the invoice is recorded but the authoriser disputes it they can reject the invoice on the system
- When Purchase Ledger notices a rejected invoice, the authoriser will be contacted for the reason for the rejection
- Purchase Ledger will work with the authoriser to contact the supplier to inform them of the rejected invoice together with the reason and any actions which should be taken in order for the invoice to be eligible for processing and payment

Identification of the primary causes of failure to pay all supply chain invoices within 60 days

- Our standard default payment terms are 30 days from receipt of a correctly submitted invoice but in some cases we agree longer payment dates with major suppliers with whom we have long standing relationships. These are all paid according to terms but the terms may be longer than the target number of days for the business as a whole
- Invoices are not being sent directly to PurchaseLedger@four.agency on invoice date
- Invoice details do not match the quoted PO or the PO has already been used

Action to address each of these causes:

- The Supplier onboarding process will be further enhanced to ensure Suppliers know where to send invoices and what information is expected to be shown for the invoice to be processed without delay
- All Suppliers will have signed supplier contracts with explicitly stated and agreed payment terms. These terms are loaded onto our system at the onboarding stage
- Purchase Ledger will remind suppliers to send invoices directly to their shared inbox in situations where invoices arrive late
- Automated supplier statement reconciliations have been built for suppliers with a large volume of invoices or which have had queries in the past. Purchase Ledger request statements monthly and all issues are resolved post reconciliation

A mechanism for and commitment to regular reporting to the supplier's audit committee (or equivalent):

- We have an enhanced reporting team who are committed to all forms of internal and external reporting when required.
- Each quarter the previous 3 months invoice payments are reviewed to check the number of days between invoice and payment. Any outliers are looked into to identify any new issues and controls are put in place to further enhance our payment process and performance

This plan has been agreed by Nan Williams, group chief executive on July 21 2025. The plan is available to view on our website in the supply chain section.