

## SMALL BUSINESS PAYMENT POLICY

This Policy will govern the payment terms applied by CIMIC Group Limited and entities it controls (**the Group**) to suppliers and subcontractors who meet the definition of 'small business' contained in this Policy. The Policy initially applies to UGL and will be implemented progressively at CIMIC Group's other Australian operating companies.

The **objectives** of this Policy are to recognise the importance of prompt payment to all businesses.

### 1. Definition of 'small business'

This Policy defines 'small business' as an entity with:

- a) an Australian ABN; and
- b) which is identified as a small business by the Australian Government Department of Industry, Science, Energy and Resources (the **Department**) through the Small Business Identification Tool<sup>1</sup> (**SBI Tool**).

### 2. Small business payment terms

For suppliers and subcontractors to which this Policy applies, the Group's standard payment terms are 30 days from receipt of the invoice.

If a small business supplier or subcontractor has payment terms with the Group that are already shorter than 30 days (because of contract terms or applicable legislation), the shorter payment terms apply.

### 3. Application

#### 3.1. Process

Prompt payment requires coordination between the Group and its suppliers and subcontractors, including correct and timely submission of invoices.

Suppliers and subcontractors must ensure that invoices include correct banking, invoicing, and purchase order details.

Suppliers and subcontractors must provide invoices by email, in PDF format, to the relevant Operating Company's nominated email address.

#### 3.2. Reviews

Periodic reviews are performed to assess whether the Group's suppliers and subcontractors continue to satisfy the definition of a small business.

Suppliers or subcontractors who have not received the 30 day payment terms, and believe they are eligible under this Policy, are to contact their Group Entity representative.

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<sup>1</sup> The SBI Tool was developed by the Department to assist businesses in identifying suppliers and subcontractors that are small businesses under the *Payment Times Reporting Act 2020*. It covers those businesses which have an annual turnover (within the meaning of the *Income Tax Assessment Act 1997*) of less than \$10 million for the most recent income year.

## Policy Information

<b>Owner:</b>	Chief Financial Officer, CIMIC
<b>Approved by:</b>	CIMIC Group Executive Chairman and Chief Executive Officer
<b>Effective date:</b>	11 March 2021

Note: CIMIC Group policies may be amended from time to time.