



Friendly Society Medical Association Limited
Trading as National Pharmacies
52 Gawler Place
Adelaide
South Australia 5000
Telephone: (08) 8223 0300
www.nationalpharmacies.com.au

ABN 69 088 347 602

Supplier Name:

National Pharmacies Trading Agreement

Trade Agreement Schedule

Date Effective

Term of Agreement: From: / / To / / Or Ongoing (Tick box)
Agreed Review Date: _____ (1 month written notification required to change terms)

Supplier Details

Business Name: _____
ABN: _____
Address: _____
_____ State _____ Post Code _____
Contact: _____
Title: _____
Email _____

National Pharmacies Contact

Trading Name: *National Pharmacies*
Address: *52 Gawler Place*
ADELAIDE
State: *South Australia* Post Code: *5000*
Contact: _____
Title: _____

Terms of Supply

Distribution Centre Direct to store Supplier is EDI compatible

Trade Rebates & Discounts (GST excluded)

Products: provide a general overview
Off invoice discount %: ___%
Warehouse allowance %: 5%
Trade rebate %: 10%
Trade rebate \$: \$_____
Price changes: No price rise for the duration of the contract
(Price list to be supplied)
Credit terms: 30 days from statement at month end

Other:

Core range: Specify if agreed
Credit policy: all products sale or return
New lines: \$100 per sku / product group
First fill free (define minimum display stock)
New line hurdle rate to exceed 3 UPSPW, full credit of all stock and collection from the DC should the product not meet the agreed hurdle rate (90days from implementation).
Ullage: 0.05% or (see credit policy)
Markdown support: Insert Details here or (see credit policy)

Terms of Trade Definitions

Trade Agreement Document

The Terms of Trade Agreement is a document that outlines the key operating parameters of trade between National Pharmacies and its suppliers. These terms of trade may be ongoing or change through 1-month written notice from either party. Supplements (credit policies, franchise agreements etc.) from either party must be attached to assist with understanding the terms of trade. These terms constitute the entire agreement between the parties. All previous negotiations, understandings, or information provided in relation to, or in any way affecting, the subject matter of this document are merged in and superseded by this document. These terms are governed by the laws of South Australia.

Off Invoice Discount

A percentage deducted from a supplier's invoice value to support National Pharmacies' trading margin. Can be reflected at the SKU level or as a deduction from the gross invoice amount.

Warehouse Allowance

Where the products are stocked at the National Pharmacies Distribution Centre, the cost to warehouse and distribute to National Pharmacies stores is expressed as a warehouse allowance. This is an off-invoice discount.

Trade Rebate

Funds provided by the supplier to National Pharmacies, (co-op in lieu) usually expressed as a % of the purchase value at cost and to be used for the Marketing of the purchased products as designated in the Annual Promotional submission. Above and beyond product margin, to assist with the development and implementation of category and promotional activity. Deducted from statement on a monthly basis. Note this mutually agreed funds are not used to support product margin nor to fund promotional sell reductions.

Ullage

Funds provided by a supplier that enables products damaged in transit from the supplier to be managed by National Pharmacies. No credits will be processed against the supplier for such damaged products. Expressed as an off-invoice discount. If ullage is not provided damaged stock will be credited as soon as received.

Markdown Support

Funds provided by a supplier to enable deleted products to be cleared at store level to make way for new range/product additions. Paid via claim. Or to fund short term promotional sell reductions as a component of the monthly, fortnightly promotional activity. Case Deal deferred claims will default to a minimum of \$60.00 per invoice.

Settlement Discount

National Pharmacies Standard Settlement Terms are as follows:

- Net 30 days from end of month of statement
- 2.5% 14 days from date of invoice

Promotional Discounts

Funded by suppliers are over and above trading terms, paid or claimed in accordance with the promotional submission form. Case Deal deferred claims will default to a minimum of \$60.00 per invoice.

Terms of Trade - Additional Information

Product Recall Charges

If a product withdrawal or recall occurs, National Pharmacies will deduct \$3000 off outstanding accounts payable total to cover costs incurred with recalling products. Additional costs may be charged depending on the nature of the recall, not excluding costs for storage, freight, and loss of profit.

Pricing Discrepancies

When any of the negotiated discounts are repeatedly not included on National Pharmacies invoices, National Pharmacies reserves the right to charge an administration fee of 2%. This will be deducted from your next payment.

Price Increases

No price rises will be accepted in the period 1 November until 31 January. A six (6) week lead-time must be provided when introducing price changes to National Pharmacies. If products are received where the invoice price has been increased within the 6 week period, a claim will be raised on the supplier for the price differential and deducted from the next due payment. Price rises will not be accepted for products on promotion once the promotion submission form has been submitted and accepted. All updates to be communicated to pricelist@fsma.com.au

Invoicing & GST

An original tax compliant invoice setting out all details regarding pricing must accompany the relevant products when they are delivered. Each price stated on the purchase order will be inclusive of GST where applicable. Information regarding the liability for payment of GST by the consumer for each product must accompany all product and price submissions.

Disputed Invoices

If at any time the amount of an invoice or the products to which the invoice relates do not meet the requirements in these terms, the disputed invoice will not be paid until the dispute is resolved.

Shelf Life

Note the minimum into warehouse /stores direct supplied shelf life is 12 months. Any product delivered under 12 months shelf life will be returned for a full credit. Some products due to their short manufactured shelf life can be accepted by negotiation with 9 months shelf life. Where products are accepted under 12 months shelf life a full credit is expected with any non-sold product when 3 months shelf life remaining.

Authorisation

I _____ of _____ have read, understand and acknowledge the above trade agreement terms and I am authorised to make this agreement. These amounts are to be deducted from invoice or statement at the end of each month.

Signed: _____

Title: _____

Date: _____

On behalf of National Pharmacies

Signed: _____

Title: Snr Retail Merchandise
Manager

Date: _____

Copy Financial Controller