



Friendly Society Medical Association Limited
Trading as National Pharmacies Optical
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ABN 69 088 347 602



Supplier Name: _____

National Pharmacies Optical
Trade Agreement
(Optical)



Background

Introduction

National Pharmacies Optical values the relationship with its supplier partners. The adoption of strong business disciplines and a keen attention to the development of sustainable competitive advantages are the focus for National Pharmacies Optical to remain viable and to retain a position of innovation, growth within a changing and challenging environment. National Pharmacies Optical is committed to further develop relationships with its suppliers so that positive outcomes can be shared with key business partners.

Trade Agreement Documents

The document is now ongoing and divided into two key areas.

- Terms of Trade Agreement
- Business Development Plan

The Terms of Trade Agreement is a document that outlines the key operating parameters of trade between National Pharmacies Optical and suppliers. These terms of trade may be ongoing or change through written notice from either party. Supplements (credit policies, franchise agreements etc.) from either party to assist with understanding these terms of trade must be attached. Individual brand terms should also be attached where appropriate.

The Business Development Plan is a 12-month promotional program that aims to increase the business of both National Pharmacies Optical and the supplier. The intent is to utilise available BDF funds to promote products that satisfy mutual business objectives.

Terms of Trade Definitions

Off Invoice Discount

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

Warehouse Allowance

Where the product is held in our Distribution Centre, as core stock, the cost to distribute to National Pharmacies Optical stores is expressed as a warehouse allowance. This is an off invoice discount.

Trade Rebate

Additional funds provided by the supplier to National Pharmacies Optical, above and beyond product margin, to assist with the development and implementation of category plans that support trading profit. Deducted from statement on a monthly/quarterly basis.

Volume-based Rebate

Additional funds provided by a supplier where additional growth/volume-based sales targets are achieved. Payment as agreed by Category Buyer and supplier.

Settlement Terms

National Pharmacies Optical standard Settlement Terms are as follows:

- 30 days from end of month of statement
- 2.5% 14 days from date of statement
- Off invoice payment terms to be negotiated

Terms of Trade Additional Information

Price Rises

No price rises will be accepted in the period 1 November and 31 January. A six (6) week lead time must be provided when introducing price changes to National Pharmacies Optical. If a price increase is implemented within six weeks, a claim equivalent to 5% may be raised and deducted from your next statement. Price rises will not be accepted for products on promotion once the promotion submission form has been submitted and accepted.

Recall Costs

As part of operating recalls, National Pharmacies Optical will deduct 10%* (of the wholesale value of the recalled product/s) off the outstanding accounts payable total to cover costs incurred with recalling products. Recalled product will be claimed at the full retail price.
*Where a 10% deduction is equal to less than \$500, a minimum charge of \$500 is applied.

Late Promotional Deliveries - Apologies

Where a supplier short supplies or fails to supply promotional orders in time for an advertised promotion, the supplier will pay in full, costs for any media apologies as per the Trade Practices Act. Where orders are unable to be fulfilled, a loss of sales/profit fine may also be applied.

Agreement Changes

Changes to the agreement must be confirmed in writing to the appropriate Category Manager/Buyer, once agreed. One (1) month of notice must be given to action the changes.

Freight

All goods are to be delivered FIS (Free Into Store) and be accompanied by an invoice.

E.D.I.

National Pharmacies Optical is able to place and accept order details electronically. Please discuss this further with your Category Buyer.

Trade Agreement Schedule

Date Effective

Term of Agreement: From: _____ To: _____ Ongoing
Agreed Review Date: _____ (Written notification required to change)

Supplier Details

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

National Pharmacies Optical Contact

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

Trade Rebates & Discounts (GST excluded)

Off Invoice Discount: _____%
Warehouse Allowance: _____% (Off invoice)
Trade Rebate: _____%
Volume Rebate %: _____% Up to: \$ _____
_____% From: \$ _____ to: \$ _____
Other: (Please specify) _____
_____% Minimum Value: \$ _____
Settlement Terms: _____% Days: _____ Statement Invoice

Inventory Management

Back Orders No back orders will be accepted.
Stock Returns It is mutually agreed that slow moving stock can be returned for credit.
Warranties All stock will have a minimum 12 month replacement warranty on manufacturing faults.

Authorisation

I _____ of _____ agree with National Pharmacies Optical to the above trade agreement 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 Optical

Signed: _____ Title: _____ Date: _____

Copy Financial Controller