



Friendly Society Medical Association Limited
Trading as National Pharmacies
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Adelaide
South Australia 5000
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ABN 69 088 347 602

Supplier Name: _____

Date: _____

National Pharmacies
Trade Agreement
(Retail)

Background

Introduction	National Pharmacies 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 paramount to mutual business success. National Pharmacies' position of professional innovation and leadership, within a changing and challenging environment, is based on sound business partnerships, mutual respect, shared information and open communication to ensure that positive outcomes can be shared with key business partners.
Trade Agreement Documents	<p>The National Pharmacies trade agreement helps to define the scope of the financial aspects of its business partnerships with its supplier base. The documentation is ongoing and divided into two key areas.</p> <ul style="list-style-type: none">• Terms of Trade Agreement• Business Development Plan <p>The Terms of Trade Agreement is a document that outlines the key operating parameters of trade between National Pharmacies and suppliers. These terms of trade may be ongoing or change through written notice from either party. Supplements (credit policies, franchise agreements, brand discounts etc.) from either party to assist with understanding these terms of trade must be attached. Individual brand terms should also be attached where appropriate.</p> <p>The Business Development Plan is a 12-month promotional program summary that aims to increase the business of both National Pharmacies and the supplier. The intent is to utilise available BDF funds to promote products that satisfy mutual business objectives.</p>

Terms of Trade Definitions

Off Invoice Discount	A percentage deducted from a supplier's invoice value to enhance National Pharmacies' trading margin. Can be reflected at individual SKU level or as a deduction from the gross invoice amount.
Warehouse Allowance	Where the product is held at National Pharmacies' Distribution Centre, the cost to distribute to National Pharmacies stores is expressed as a warehouse allowance. This is an off invoice discount.
Ullage	Additional funds provided by a supplier that enables shipped damaged stock to be managed by National Pharmacies. No credits will be processed against the supplier for damaged stock.
Trade Rebate	Additional funds provided by the supplier to National Pharmacies, 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 basis.
Volume Based Rebate	Additional funds provided by a supplier where additional volume-based sales are achieved. Payment as agreed by Category Manager/Category Buyer and supplier.
Target Rebate	Additional funds provided by a supplier where target sales are achieved. Payment as agreed by Category Manager/Category Buyer and supplier.
Settlement Terms	<p>National Pharmacies standard Settlement Terms are as follows:</p> <ul style="list-style-type: none">• 30 days from end of month of statement• 2.5% 14 days from date of statement• Off invoice terms to be negotiated.

Background

Price Rises	<p>No price rises will be accepted in the period 1 November and 31 January.</p> <p>A six (6) week lead-time must be provided when introducing price changes. 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.</p>
Recall Costs	<p>As part of operating recalls, National Pharmacies 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.</p> <p>* Where a 10% deduction is equal to less than \$1000, a minimum charge of \$1000 is applied.</p>
Late Deliveries – Media Apologies Freight	<p>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.</p> <p>All goods are to be delivered FIS (Free Into Store).</p>
Agreement changes	Changes to the agreement must be confirmed in writing to the appropriate Category Manager or Category Buyer, once agreed. One (1) month of notice must be given to action the changes.

Terms Agreement Schedule

Agreement Period

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 Contact

Business Name: *National Pharmacies*
Address: *52 Gawler Place*
ADELAIDE
State: SA 5000
Contact: _____
Title: _____

Trade Rebates & Discounts (GST excluded)

Off Invoice Discount: _____% Off invoice

Warehouse Allowance: _____% Off invoice

Ullage %: _____% Off invoice

Trade Rebate: _____% Claim

Volume Rebate %: _____% Up to: \$ _____
_____% From: \$ _____ to: \$ _____
_____% From: \$ _____ to: \$ _____

Target Rebate %: _____% Up to: \$ _____

Other: (Please specify) _____

Settlement Terms: _____% Days: _____ Statement Invoice

Authorisation

I _____ of _____ agree with National Pharmacies 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: _____

Signed: _____ Title: _____ Date: _____

On behalf of National Pharmacies

Copy: Finance