

TRADING TERMS AND CONDITIONS

EFFECTIVE: NOVEMBER 2016

1. Definitions

1.1 In these Terms unless the context requires otherwise, the following expressions shall have the following meanings respectively:

- (a) "Pharmachem" means Bocko Pty Ltd ACN 078 722 371 and Flexsky Pty Ltd ACN 105 967 575 trading as **Pharmachem ABN 57 147 389 678** and any other related companies.
- (b) "Contract" means all those documents comprising the agreed terms of sale of Goods by Pharmachem to the Customer including, but not limited to, purchase orders, invoices, these Terms and such other written material of Pharmachem relating to the Goods and which is issued to or brought to the notice of the Customer and any writing of the Customer issued to Pharmachem and accepted by Pharmachem as constituting a term or condition of the Contract.
- (c) "Credit Account Customer" means a Customer which has established a commercial credit account with Pharmachem, on terms approved by Pharmachem.
- (d) "Customer" means the Customer which purchases the Goods.
- (e) "delivery" means the date and time that the Goods are delivered to the Customer, depending on the basis of the sale.
- (f) "Goods" means any goods and/or services supplied by Pharmachem to the Customer.
- (g) "PPSA" means the *Personal Property Securities Act 2009*. If a term used in these Terms has a particular meaning in the PPSA, it has the same meaning in these Terms.
- (h) "Terms" means these Trading Terms and Conditions.

2. Quotations, Proposals, Contracts and Terms

- 2.1 A quotation or proposal given by Pharmachem does not constitute an offer to provide any Goods.
- 2.2 A quotation or proposal is valid for the period specified in the quotation or proposal or, if no period is described, sixty (60) days only and Pharmachem reserves the right to withdraw or amend it at any time before acceptance.
- 2.3 A Contract will only be formed after Pharmachem accepts an order from a Customer (whether by issue of Pharmachem's standard work order, performance of the Goods set out in the order or otherwise) and will contain and be subject to these Terms.
- 2.4 These Terms replace all trading terms and conditions which may have applied between Pharmachem and the Customer.
- 2.5 These Terms apply to the exclusion of any conditions or terms of purchase which the Customer may use or purport to apply to the Contract.
- 2.6 Pharmachem may vary these Terms at any time by giving notice to the Customer.

2.7 Nothing in these terms obliges Pharmachem to supply Goods to the Customer and Pharmachem may at any time decline to provide Goods to the Customer.

3. Description of the Goods

3.1 Any quantities, weights or dimensions included in any quotation, proposal, catalogue, advertisement, illustrated matter or price list are approximate or recommended only and will not be binding unless and to the extent only that such details are specified in a contract with a Customer.

4. Ownership of Documents etc.

4.1 Technical documents, specifications, formulae, data or drawings submitted to a Customer before or at any time after a Contract is formed remain the property of Pharmachem at all times and may not be transmitted to a third party, copied, reproduced or used by the Customer unless the terms of the Contract permit it or the prior written permission of Pharmachem is obtained.

5. General Warranties Excluded

5.1 The Goods comprise Pharmachem's assessment of the best way to manage the Customer's requirements as detailed to Pharmachem at the time. Unless a specific representation about performance or outcome is made part of the Contract, any expected results from the Goods communicated by Pharmachem to the Customer are Pharmachem's best assessment of the most likely outcome for the Customer and do not and shall not be deemed to constitute a warranty or guarantee by Pharmachem that any expected results will in fact be achieved by the Goods.

5.2 Subject to the provisions of the Contract, all and any express or implied terms, conditions, warranties and representations with respect to the standard, quality, condition, fitness, durability or suitability of the Goods (except those expressly contained in these Terms or otherwise expressly agreed to in writing by Pharmachem) are, to the extent that the same may be excluded by law, hereby expressly negated and excluded.

5.3 The Customer must satisfy itself as to the standard, quality and suitability of the Goods and the fitness of the Goods for the purpose(s) for which the Goods are being purchased and as to its compliance with the description (if any) of such Goods. Any description shall be by way of identification only and the use of a description shall not of itself make any Contract a contract of sale by description.

5.4 These Terms shall not exclude, restrict or modify or have the effect of excluding, restricting or modifying the application in relation to a Contract of all or any of the provisions of Division 1 of Part 3-2 of Schedule 2 to the *Competition and Consumer Act 2010* ("the Act") or the exercise of right conferred by such a provision or any liability of Pharmachem for breach of a guarantee implied by such a provision but all other guarantees, conditions or warranties which would or might otherwise be implied are hereby expressly excluded and negated.

5.5 To the extent that the *Competition and Consumer Act 2010* permits Pharmachem to limit its liability for a breach of a guarantee implied pursuant to Division 1 of Part 3-2 of Schedule 2 of the Act, then unless Part 6 applies, Pharmachem's liability for such breach including any consequential loss which the Customer or any third party may

sustain or incur shall be limited, at the option of Pharmachem, to:

- (a) the replacement or repair of the Goods supplied to the Customer;
- (b) the supply to the Customer of equivalent Goods; or
- (c) the payment of the cost of replacing or repairing the Goods or of having the equivalent Goods supplied again,

whichever may be determined in the absolute discretion of Pharmachem to be appropriate in the circumstances.

5.6 The Customer must, within three (3) days of the Customer first becoming aware of any facts giving rise to a claim against Pharmachem under clause 5.5, inform Pharmachem in writing, setting out the full particulars of the claim and deliver freight prepaid to Pharmachem, any allegedly defective goods so as to enable them to be examined by Pharmachem.

5.7 The benefits of any warranty contained in these Terms shall not apply in the case of:

- (a) Goods listed on Pharmachem's chemical and bulk product list;
- (b) Goods which are discontinued or sold on a non-returnable basis;
- (c) defects in any Goods caused by inappropriate storage or the Customer's misuse or neglect;
- (d) Goods which have broken seals or are opened, soiled or price marked;
- (e) Goods which have destroyed or damaged labels or packaging;
- (f) Goods which are more than 3 months old (based on date of invoice);
- (g) Goods which have an expired 'use by' date; or
- (h) Goods which have been altered or added to or otherwise modified without the prior written consent of Pharmachem.

6. Warranty Service

6.1 This Part 6 applies only if the Contract grants to the Customer a specific warranty in respect of the Goods.

6.2 An inspection of the Goods and an assessment of the effectiveness of the Goods may be carried out by Pharmachem by arrangement with the Customer, at Pharmachem's expense.

6.3 No warranty period applies in respect of the Goods unless Pharmachem has expressly offered a warranty period as a term of the Contract with the Customer.

6.4 If a warranty period applies, the Customer must return the Goods to Pharmachem at the Customer's expense.

6.5 If the Customer is in default under the terms of any Contract with Pharmachem including, but not limited to, a failure to pay any invoice in the time required by the Contract or these Terms, Pharmachem may at its option terminate, suspend or vary any warranty period which applies under any Customer.

7. Release and Indemnity

7.1 After delivery of the Goods to the Customer, Pharmachem shall not be responsible or liable to the Customer, and the Customer releases and discharges Pharmachem (in the absence of any wilful or negligent act or omission on the part of Pharmachem) for and from any liability, claim, loss, damage or expense of any kind or nature (including but not limited to loss of profits, earnings or income, direct, indirect, consequential, contingent or resulting liability, loss or damage whether to persons, property or otherwise) or death or injury caused by or arising out of or relating in any manner or incidental to the use of the Goods or the delivery of the Goods.

8. Price and Delivery Costs

8.1 The price payable for the Goods is the price or prices stated or otherwise set out in the Contract, Pharmachem's standard price list or as otherwise notified to the Customer in writing.

8.2 If the quotation or proposal specifies that a deposit is payable, the Customer must pay the deposit to Pharmachem when accepting the quotation.

8.3 Unless otherwise specified in the Contract, prices are quoted on the basis of one delivery address per invoice:

- (a) F.I.S. for deliveries to the Brisbane metropolitan area;
- (b) F.O.R. – F.O.T for deliveries to Brisbane if the invoice value is more than \$500 (net of GST);
- (c) F.I.S. for deliveries to addresses outside the Brisbane metropolitan area where the invoice value is greater than \$1,000 (net of GST); or
- (d) Otherwise subject to the nominated delivery charge.

8.4 Any invoices of less than \$250 (net of GST) are subject to a \$10.00 handling charge.

8.5 Unless otherwise specified in the Contract, all prices are strictly net and exclusive of GST.

8.6 The Customer must pay any GST applicable to the supply by Pharmachem of the Goods. Pharmachem must provide a tax invoice to the Customer.

8.7 Any prices quoted by Pharmachem include Pharmachem's standard packaging. If the Customer requires a different type of packaging, Pharmachem will invoice the Customer for any additional packaging costs.

8.8 If Pharmachem offers a discount to the Customer in respect of Goods the subject of a Contract:

- (a) Pharmachem is not bound to give any similar discount in respect of Goods the subject of any other Contract; and
- (b) Pharmachem may withdraw the discount in the event the Customer does not meet the payment terms applicable to the Contract.

9. Payment Terms

9.1 Subject to clause 9.2, payment for Goods must be made in immediately available funds no later than the time the Goods are ready for delivery to the Customer.

9.2 If the Customer is a Credit Account Customer, payment terms are as set out in the Contract or in the credit application for the Customer approved by Pharmachem.

9.3 If payment is not made in the times specified in clauses 9.1 and 9.2 (as the case may be), the Customer will be in default under the Contract and Pharmachem may do any or all of the following:

- (a) charge interest on overdue amounts at the rate of 18% per annum, calculated on daily balances until payment is made in full;
- (b) terminate any Contract;
- (c) decline to supply any further Goods to the Customer;
- (d) revoke the Customer's credit account;
- (e) change the terms on which any future Goods are provided, including to a cash on delivery basis; and
- (f) demand payment of all monies payable by the Customer to Pharmachem on any account whatsoever, whether or not the amounts claimed are due and payable.

9.4 The Customer, as beneficial owner, charges in favour of Pharmachem all of its interest in all of the present and future real property of the Customer as security for the due and punctual payment of all debts and monetary liabilities owed by the Customer to Pharmachem pursuant to a Contract. The Customer consents to Pharmachem lodging a caveat to note its interest. Upon demand by Pharmachem, the Customer agrees to immediately execute a mortgage on terms satisfactory to Pharmachem to more particularly describe the security interest conferred by this clause. Should the Customer fail, within a reasonable time of such demand, to execute such mortgage, then the Customer irrevocably appoints Pharmachem as its attorney with authority to do on its behalf anything that it may lawfully authorise an attorney to do including, without limitation, to sign any document and to take possession of, use, sell or otherwise dispose of any real property of the Customer.

10. Application of the PPSA

10.1 This clause applies to the extent that Pharmachem's interest in any Goods is a security interest.

10.2 The Customer acknowledges and agrees that Pharmachem may apply to register a security interest in the Goods at any time before or after delivery of the Goods.

10.3 The Customer waives its right under section 157 of the PPSA to receive notice of any verification of the registration.

10.4 Pharmachem can apply amounts it receives from the Customer towards amounts owing to it in such order as Pharmachem chooses.

10.5 If the Customer defaults in the performance of any obligation owed to Pharmachem under any Contract or any other agreement for Pharmachem to supply Goods to the Customer, Pharmachem may enforce its security interest in any Goods by exercising all or any of its rights under these Terms or the PPSA. To the maximum extent permitted by law, the Customer and Pharmachem agree that the following provisions of the PPSA do not apply to the enforcement by Pharmachem of its security interest in the Goods: sections 95, 118, 121(4), 125, 130, 132(3)(d), 132(4), 135, 142 and 143.

10.6 The Customer and Pharmachem agree not to disclose information of the kind mentioned in section 275(1) of the

PPSA, except in circumstances required by sections 275(7)(b)–(e) of the PPSA.

10.7 The Customer must promptly do anything required by Pharmachem to ensure that Pharmachem's security interest is a perfected security interest and has priority over all other security interests in the Goods.

10.8 Nothing in this clause 10 is limited by any other provision of these Terms or any other agreement between the parties

11. Credit Account Customers

11.1 Pharmachem may, by notice in writing to a Credit Account Customer, at any time:

- (a) change or revoke the limit of the credit account facility extended to a Credit Account Customer; or
- (b) change or revoke the payment terms extended to a Credit Account Customer.

12. Deliveries

12.1 Any delivery times which may be contained in any quotation are estimates only and are calculated from the date the Customer's order is accepted by Pharmachem and the Customer provides to Pharmachem all information required by Pharmachem to commence work to fill the order.

12.2 Pharmachem shall not be liable for any loss or damage suffered by a Customer by reason of a delay, suspension or cancellation of any orders in part or in whole for any reason beyond the control of Pharmachem, breakage or failure of any machinery or apparatus required to deliver the Goods or labour trouble, strikes, lockouts or injunctions. Orders delayed, suspended or cancelled under this clause may, at the option of Pharmachem, be cancelled completely or delivered at a later time (without any liability attaching to Pharmachem as a consequence) and, in either case, Pharmachem shall notify the Customer in writing accordingly.

13. Risk and Title

13.1 Title to any Goods supplied by Pharmachem to the Customer as part of the order shall not pass to the Customer until such time ("the specified time") as the cost of the Goods and all other moneys (if any) due from the Customer to Pharmachem in respect of the Goods or under any Contract between Pharmachem and the Customer shall have been paid to Pharmachem in full.

13.2 Until the specified time, the Customer shall be only a bailee of any Goods for Pharmachem and the Customer shall:

- (a) hold the Goods and maintain them in good order and condition until the specified time as to enable them always readily to be identified as the property of Pharmachem;
- (b) (where the Goods have become incorporated into other chattels), pass title to the chattels to Pharmachem and hold any such chattels as bailee;
- (c) in the event the Goods or any chattels referred to in clause 13.2(b) are sold, hold the proceeds of sale for Pharmachem as its property; and
- (d) upon written demand, redeliver the Goods or materials to Pharmachem or allow Pharmachem by its servants or agents to enter upon any premises where the Goods are stored to recover the same.

13.3 Any Goods shall be at Pharmachem's risk until the time they are delivered to the Customer, when risk passes to the Customer.

14. Cancellation and Returns

14.1 Any request for cancellation of an order for Goods must be made in writing and shall not be binding on Pharmachem unless and until the request for cancellation is accepted by Pharmachem in writing. Consent to a request for cancellation of any order for Goods shall be at the sole and absolute discretion of Pharmachem

14.2 If Pharmachem agrees that the Customer may return Goods (which are not the subject of any warranty claim under these Terms) for credit or refund, Pharmachem may charge the Customer a returns handling fee of 12.5% of the invoiced price of the Goods (net of GST).

15. Governing Law

15.1 Any Contract is governed by the laws of Queensland and the parties submit to the exclusive jurisdiction of the courts of that State.

16. Waiver

16.1 A party does not waive a right or power simply because it fails to exercise or delays exercising that right or power. A single exercise or power does not prevent in exercising it again or exercising any other right or power. A right or power may only be waived in writing signed by the party to be bound by the waiver.

17. Severability

17.1 Any provision in these Terms which is invalid or unenforceable is to be read down, if possible, so as to be valid and enforceable. Otherwise, the offending provision may be severed to the extent of the invalidity or unenforceability, without affecting the remaining provisions of these Terms.

18. Notices

18.1 Any notice to be given or an invoice to be issued by Pharmachem under these Terms may be given or issued by:

- (a) leaving it at, or posting it to, the Customer's address last notified in writing to Pharmachem; or
- (b) faxing it to the Customer's last fax number, last notified in writing to Pharmachem.

18.2 Any notice posted to the Customer will be deemed to have been received by the Customer three business days after the date on which the notice was posted.

18.3 Any notice faxed to a Customer will be deemed to have been received by the Customer when transmitted to the Customer and Pharmachem has received a successful facsimile transmission report.

19. Assignment

19.1 The Customer may not assign any of its rights or obligations under any Contract without Pharmachem's prior written consent, which may be given or refused in Pharmachem's absolute discretion.

20. Privacy

20.1 Pharmachem discloses that certain items of personal information about the Customer contained in any credit

application by the Customer may be disclosed to a credit reporting agency if Pharmachem forms the view that is reasonably necessary to do so.

20.2 The Customer consents to disclosure of the personal information pursuant to clause 20.1 and consents to Pharmachem disclosing any information derived from any credit application and any other information relating to the Customer which Pharmachem may hold to any other credit provider for the purpose of providing a reference to Pharmachem in relation to the Customer.

20.3 The Customer acknowledges and consents to Pharmachem obtaining a consumer credit report about the Customer from a credit reporting agency.

20.4 The Customer agrees that personal credit information provided may be retained, used and disclosed by Pharmachem for the following purposes and for other purposes as shall be agreed between the Customer and Company or required by law from time to time:

- (a) Pharmachem providing services and Goods to the Customer;
- (b) Pharmachem marketing the services offered by Pharmachem; or
- (c) processing any payment instructions, direct debit facilities and/or credit facilities requested by the Customer.

21. Interpretation

21.1 In these Terms, unless the context otherwise requires:

- (a) if the Customer comprises more than one person, any promise or agreement by the Customer binds each person individually and all of them jointly;
- (b) a reference to the Customer includes the Customer's legal personal representatives, administrators and successors;
- (c) a reference to legislation includes any amendment to that legislation, any consolidation or replacement of it and any subordinate legislation made under it;
- (d) words employing the singular number or plural number will be deemed to include the plural number and the singular number respectively; and
- (e) any words importing any gender will include every gender.