

TOYOTA UGANDA LIMITED

GENERAL CONDITIONS OF PURCHASE

1. GENERAL

- 1.1 These General Conditions are intended to be applied together with the specific conditions in the Order (as defined below) and/or the Documentation (as defined below). In case of any conflict between these General Conditions and any specific conditions or supply contract, the specific conditions or supply contract shall prevail.
- 1.2 These General Conditions shall apply to all orders for goods or services by the Company and shall prevail over any inconsistent terms or conditions contained in or referred to in the Supplier's conditions of sale, quotation or acceptance of order, or implied by trade or custom.
- 1.3 No modification or variation of these General Conditions, including any specific conditions, is valid unless agreed to by the Parties and evidenced in writing.

2. DEFINITIONS

- 2.1 "Company" means **TOYOTA UGANDA LIMITED**.
- 2.2 "Supplier" means the Supplier to whom the Order is issued.
- 2.3 "Documentation" includes but is not limited to proformas, invoices, quotations, orders, receipts, delivery notes, bills of lading and export documents.
- 2.4 "Order" means the Company's written instructions to the Supplier issued from time to time to supply the Goods or Services.
- 2.5 "Goods" means the goods specified in the Order and all parts, accessories or components of the goods as specified in the Order.
- 2.6 "Services" means the services specified in the Order and anything related thereto.

- 2.7 **“Supply Contract”** means any Supply Contract for the purchase of the Goods or Services by the Company from the Supplier and shall incorporate the Documentation, any specifications or conditions referred to in the Order, the conditions set out in these general conditions and all terms and conditions implied by law.
- 2.8 **“Goods Received Note / Work Completion Certificate”** means a written note issued by the Company’s representative confirming that the Goods or Services have been delivered or rendered, in compliance with the Order.
- 2.9 **“Price”** means the agreed purchase price for the Goods or Services as shall be set out in the Supplier’s quotation and the Order and if no price has been agreed, then the Supplier’s current price list at the time of the conclusion of the Supply Contract shall apply.
- 2.10 **“Force Majeure Event”** means any event which is beyond the reasonable control of the Parties including, without limitation, acts of God, acts of government or government authorities, storms, fires, explosions, epidemic, floods, earthquakes, war or national emergency, terrorist acts, civil commotions, rebellion, revolutions, riots, strikes, lock-outs or other labour disputes (whether or not relating to either party’s workforce), restrains or delays affecting carriers, inability or delay in obtaining suppliers of adequate or suitable materials or fuels.

3. EXISTENCE OF SUPPLY CONTRACT

- 3.1 No Supply Contract shall come into existence until the Company’s Order (LPO) or other Company authorised document is issued to the Supplier.
- 3.2 The validity period of the Order shall be as stated on each Order and in the absence of a specific period; the Order shall be valid for thirty (30) days after which it shall expire.
- 3.3 These conditions shall be incorporated in the Supply Contract to the exclusion of any terms or conditions stipulated or referred to by the Supplier.

4. PRICES AND TERMS OF PAYMENT

- 4.1 The prices for the Goods or Services shall be those indicated in the Order and the Company shall pay the price of the Goods or Services within thirty (30) days of receipt of the

Supplier's tax invoice, delivery note and Goods Received Note / Work Completion Certificate. No invoice shall be paid if any of these documents is missing. Where delivery and payment are to be made in installments, the Supplier shall deliver a tax invoice with each delivery.

- 4.2 The amounts due from the Company to the Supplier shall transferred by electronic funds transfer to the Supplier's bank for the Supplier's account and the Company shall be deemed to have performed its payment obligations when the respective sums due have been received by the Supplier's bank.
- 4.3 Unless otherwise agreed in writing, the price is inclusive of packaging, transportation and installation charges and is not subject to any adjustment, interest or levies.

5. DELIVERY

- 5.1 Unless otherwise agreed delivery shall be as indicated in the Order.
- 5.2 In respect of each Order the Supplier shall furnish delivery timetable as the Company requires and shall promptly advise the Company in writing if such timelines are delayed or are likely to be delayed in which event a new delivery date shall be set.
- 5.3 The Supplier shall be responsible for any expenses incurred to deliver any incorrectly delivered Goods to the correct delivery point or return any items delivered in excess of the number specified in the Order.
- 5.4 The Supplier shall be responsible for all export duties, taxes or other expenses, charges and costs that may be incurred at the country of origin of the Goods.
- 5.5 The Supplier shall provide to the Company the export documents, licences, consents, permits, certificates, reports or authorizations required to enable the Company take delivery of the Goods.

6. INSPECTION, QUALITY AND TESTING

- 6.1 If the Parties have agreed that the Company is entitled to inspect the Goods before delivery, the Supplier must notify the Company within a reasonable time before delivery that the Goods are ready for inspection at the agreed place.

6.2 The Supplier shall operate a quality assurance system relating to the Goods or Services to be supplied to the Company in accordance with the applicable legislative or regulatory laws and industry practice. If required by the Company, the Supplier shall demonstrate compliance with such requirements.

7. PASSING OF TITLE AND RISK

7.1 Unless specifically set out in the Order, the Goods shall remain at the risk of the Supplier until delivery to the Company is complete (including off-loading) when title to the Goods shall pass to the Company.

7.2 The Supplier shall to the extent permissible assign and transfer to the Company any warranties applicable to the Goods on delivery.

8. CLAIMS NOTIFICATION

8.1 Any claim for missing goods, damaged goods, wrong goods, defective goods in the quality, condition or quantity shall be notified in writing by the Company to the Supplier within fourteen (14) days from the date of delivery.

8.2 The claim shall contain full particulars and the Supplier shall be afforded reasonable opportunity to investigate any claims made hereunder by the Company. The Company shall if so requested by the Supplier promptly return at the Supplier's cost any Goods the subject of any claim and any packing securely packed to the Supplier for examination.

8.3 Notwithstanding any investigation or testing, the Supplier shall remain fully responsible for the Goods and any such investigation or testing shall not diminish or otherwise affect the Supplier's obligations under the Supply Contract

8.4 If the Supplier establishes that any Goods:

- (a) have not been fully delivered;
- (b) have been damaged; and
- (c) are not of the correct quantity or description; or

the Supplier fails to make any conclusion within fourteen (14) days from the date of the claim by the Company, then, without prejudice to any other right or remedy which the Company may have, the Company shall be entitled to avail itself of any one or more of the following remedies at its discretion, whether or not any part of the Goods have been accepted by the Company:

- (a) to rescind the Order;
- (b) to reject the Goods (in whole or in part) and return them to the Supplier at the risk and cost of the Supplier on the basis that a full refund for the Goods so returned shall be paid forthwith by the Supplier;
- (c) at the Company's option to give the Supplier the opportunity to remedy any defect in the Goods or to supply replacement Goods and carry out any other necessary work to ensure that the terms of the Supply Contract are fulfilled;
- (d) to refuse to accept any further deliveries of the Goods under the Supply Contract without any liability to the Supplier;
- (e) to carry out at the Supplier's expense any work necessary to make the Goods comply with the Supply Contract; and
- (f) to claim such damages as may have been sustained in consequence of the Supplier's breaches of the Supply Contract.

8.5 No failure or delay on the part of the Company to exercise any of its rights in respect of any default under the Supply Contract by the Supplier shall prejudice its rights in connection with the same or any subsequent default.

9. INDEMNITY

9.1 The Supplier shall indemnify the Company against any loss damage or injury to the Company, any claim in respect of loss damage or injury made against the Company by third parties and any costs and expenses arising in connection with the Supplier's failure to comply with the Supply Contract (whether negligent or otherwise) and in particular resulting from any defect in the Goods or their condition or quality.

9.2 The Supplier shall be at all times adequately insured with a reputable insurer against all insurable liability under the Supply Contract.

9.3. The Supplier shall provide all facilities, assistance and advice required by the Company or its insurers for the purpose of contesting or dealing with any action, claim or matter arising out of the Supplier's performance or purported performance of or failure to perform the Supply Contract.

10. WARRANTIES

10.1 Without prejudice to any manufacturers' warranties applicable, the Supplier undertakes and warrants that the Goods shall be of the highest quality, materials and workmanship, safe and without risk to health when properly used and shall comply in all respects with all relevant statutes, regulations, by-laws and standards in force at the date of delivery and that they are of merchantable quality and fit for the intended purpose.

10.2 Services shall be provided by the Supplier in accordance with the highest industry standards.

11. CONFIDENTIAL INFORMATION

Any information provided by the Company to the Supplier for the purposes of supply of Goods and Services which is notified by the Company to the Supplier as being confidential, shall be kept as confidential by the Supplier.

12. FORCE MAJEURE

The Company reserves the right to defer the date of delivery or payment or to cancel the Order or reduce the volume of the Goods ordered if it is prevented from or delayed in carrying on its business due to a Force Majeure Event.

13. ASSIGNMENT

The Supplier shall not assign or subcontract the Supply Contract in whole or in part without prior written consent by the Company. Any such consent given by the Company shall not relieve the Supplier from any of its obligations under the Supply Contract or impose any liability on the Company to an assignee or sub-contractor.

14. TERMINATION

14.1 If the Supplier defaults in any of its obligations under the Supply Contract, becomes insolvent, has a receiver appointed of its business or is compulsorily or voluntarily wound up or if the Company believes that any of such events may occur, the Company shall be entitled at its discretion without prejudice to any other remedy to suspend the performance of or terminate the Supply Contract.

14.2 Without prejudice to accrued rights and dues, the Company shall not be liable in damages to the Supplier in any manner whatsoever following or arising from the termination of the Supply Contract.

15. AUDIT

The Company shall have the right, at any reasonable time upon notice, to audit and take copies of extracts from the Supplier's books, accounts, records (including computer data) and documents relating to the Supply Contract and the Supplier shall co-operate with the Company in such event.

16. ARBITRATION

16.1 The Parties hereto will endeavor to amicably settle disputes arising out of this Supply Contract. Any dispute, controversies or difference which may arise between the Parties hereto, out of or in relation to or in connection with this Supply Contract which cannot be settled between the Parties within three (3) months from the date of commencement thereof, shall be resolved by binding arbitration in accordance with the then-current Commercial Arbitration Rules of the Uganda Arbitration Association and or arbitration laws of Uganda. The parties shall select a mutually acceptable arbitrator knowledgeable about issues relating to the subject matter of this Contract. Each party shall bear its own costs of preparing and presenting its case. The costs of arbitration (including fees and expenses of the arbitrator) shall be borne by the losing party.

17. ANTI BRIBERY AND CORRUPTION

In recognition of the principles enshrined in the various pertinent international and regional conventions on combating corruption and to ensure compliance with the anti-corruption laws applicable to the activities under the this Supply Contract and any other anti-corruption laws otherwise applicable to the parties or their ultimate parent company,

17.1 The Supplier, in respect of the Supply Contract and the matters that are the subject of the Supply Contract, warrants that neither it nor to its knowledge anyone on its behalf, has

made or offered nor will make or offer any payment, gift, or promise or give any advantage, whether directly or through a close family member or other intermediary, to or for the use of any public official, where such payment, gift, promise or advantage would be for purposes of

- (a) Influencing any act or decision of such public official
- (b) Inducing such public official to do or omit to do any act in violation of his or her lawful duties
- (c) Securing any improper advantage; or
- (d) inducing such public official to use his or her influence to affect any act or decision of any department, agency or instrumentality of any government or public enterprise

17.2 The Supplier shall promptly give notice to Company of any investigation or legal proceeding initiated against the Supplier by any public authority relating to an alleged violation of applicable anti-corruption laws by the Supplier, Supplier's subcontractors or his/their personnel / Supplier's personnel in relation to operations and activities performed under this supply contract or otherwise.

17.3 Without prejudice to any other rights or remedies, the Company otherwise may have hereunder or at law, including but not limited to damages for breach of the contract, if any of the undertakings or requirements of this clause have not been complied with or fulfilled by the Supplier in any material respect, the Company shall have the right:

- (a) to suspend payment and/or require reimbursement of any advance payment made under the contract, and/or,
- (b) to suspend and/or terminate the contract for Supplier's default with immediate effect pursuant to clause 14.

18. WAIVER

Failure by the Company to enforce a provision of the Supply Contract shall not be construed in any way as affecting the enforceability of such provision in any other instance or the enforceability of the Supply Contract as a whole.

19. GOVERNING LAW AND CONSTRUCTION

19.1 The Supply Contract shall be governed by, construed, and interpreted under the laws of the Republic of Uganda.

19.2 The headings of conditions are for convenience of reference only and shall not affect their interpretation.

20. NOTICES

Any notice to be given hereunder shall be made in writing and be sent by telex, delivery in person, facsimile transmission or registered post to the receiving party at its address as stated in the Order and shall be deemed to have been given on the date of dispatch if sent by telex, personal delivery or facsimile transmission or seven (7) working days after the date of dispatch if it is sent by registered post.

SIGNED: _____

COMPANY

SIGNED: _____

SUPPLIER

Date: _____

Date: _____