

MOTORCARE UGANDA LTD

STANDARD TERMS AND CONDITIONS OF SALE OF VEHICLES

These Terms and Conditions ("Terms") govern every sale, supply and delivery of vehicles, spare parts and related services by **Motorcare (U) Ltd** ("Motorcare", "the Distributor") to any purchaser ("the Client") anywhere in the Republic of Uganda. By signing a sales order, accepting an invoice, making payment or taking delivery of a vehicle, the Client accepts these Terms in full. They prevail over any of the Client's own terms and may only be varied in writing signed by an authorised officer of Motorcare.

1. Status of Motorcare – Distributor, Not Manufacturer

1.1 Motorcare is an authorised **distributor** of vehicles and not the manufacturer. All vehicles are designed, engineered and built by the manufacturer, and Motorcare gives no representation or warranty of its own as to design, engineering, materials, performance figures, fuel consumption, emissions or product recalls.

1.2 Consequently, delivery timelines, vehicle models, colours, trim levels, specifications, features and prices quoted by Motorcare are **indicative only** and may change or be affected by circumstances beyond Motorcare's control, including manufacturer production or allocation decisions, model changeovers, shipping, port, transit or customs delays, taxes, duties, exchange-rate movements, and supply-chain shortages.

1.3 In any such circumstance, **Motorcare's sole responsibility is to inform the Client of the applicable change in a timely manner**. Motorcare shall not be liable for any loss, cost, penalty, lost profit, lost use, hire of a substitute or other direct or indirect damage arising from late delivery, non-delivery, model substitution or specification change, and no such change shall entitle the Client to compensation.

2. Quotations, Orders, Prices and Payment

2.1 Quotations are valid for the period stated on their face (or 30 days where none is stated) and are not an offer capable of acceptance until Motorcare issues a written order confirmation or proforma invoice.

2.2 Prices are inclusive of registration, number plates, transfer fees, third party insurance and any statutory taxes or levies unless expressly stated. Motorcare may adjust an unpaid price to reflect changes in taxes, duties, freight, manufacturer pricing or exchange rates, and will notify the Client accordingly.

2.3 Payment is due in full before delivery unless written credit terms have been approved. Deposits are non-refundable where the Client cancels or fails to take delivery within seven (7) days of notification that the vehicle is ready. Overdue amounts attract interest at the rate stated in the invoice (or 2% per month) plus all recovery and legal costs.

3. Credit Arrangements – No Collateral, No Encumbrance

3.1 Where credit, instalment or deferred-payment arrangements are made, **legal and beneficial ownership of the vehicle remains with Motorcare until the full purchase price and all related charges have been paid**, even though risk passes to the Client on delivery.

3.2 Until full payment, the Client shall **not in any way offer, pledge, mortgage, charge, hypothecate or otherwise use the vehicle as collateral or security** for any loan, credit facility, guarantee or obligation, and shall not sell, transfer, assign, sub-let, export or part with possession of the vehicle, nor permit any lien, caveat, attachment or third-party interest to attach to it.

3.3 Any purported encumbrance is void as against Motorcare and constitutes an immediate event of default. On default, Motorcare may (without prejudice to its other rights) declare all sums immediately due, cancel the sale, and enter any premises to repossess the vehicle, and the Client shall indemnify Motorcare for all repossession, storage, valuation and legal costs.

3.4 The Client shall keep the vehicle comprehensively insured for its full value throughout the credit period, with Motorcare noted as an interested party, and shall keep the vehicle within Uganda unless Motorcare consents in writing.

4. Delivery, Inspection and Passing of Risk

4.1 Delivery occurs when the vehicle is handed over at Motorcare's premises or another agreed place. The Client (or its authorised representative) shall inspect the vehicle and sign a delivery/handover note. Signature is conclusive evidence that the vehicle was received in good order, complete and free of visible defect.

4.2 **Risk in the vehicle, and all responsibility for its use, custody, licensing, insurance and operation, passes to the Client on delivery**. Vehicles not collected within seven (7) days of notification may be stored at the Client's risk and cost.

5. Warranty – Strict Observance Required

5.1 Vehicles carry only the **manufacturer's warranty**, for the stated period or mileage (whichever occurs first). Motorcare administers warranty claims as the manufacturer's agent; acceptance or rejection of a claim is ultimately the manufacturer's decision. All other warranties, conditions and representations, whether express or implied by statute or common law, are excluded to the fullest extent permitted by law.

5.2 The warranty is valid **only** where the Client strictly observes all warranty conditions, including: (a) carrying out every scheduled service at a Motorcare-authorised workshop, at or before the prescribed interval; (b) using only genuine parts, lubricants and fluids of the specified grade; (c) keeping complete and truthful service records; (d) reporting any defect promptly and ceasing use of the vehicle where continued use would worsen the damage; and (e) not modifying, converting, re-bodying, re-mapping, re-tuning or altering the vehicle or its software without Motorcare's written approval.

5.3 The warranty **does not** cover normal wear and tear, consumables, accident or impact damage, fire, theft, flood, corrosion caused by the environment, or damage resulting from repairs by unauthorised persons.

6. Client Responsibility for Handling, Loading and Fuel Quality

6.1 The Client shall ensure that the vehicle is operated only by licensed, competent and adequately trained drivers, strictly in accordance with the manufacturer's owner's manual, and is not abused, overloaded, over-revved, raced, used off-road or in competition, or used for any purpose for which it was not designed.

6.2 **Poor, negligent or improper user handling** – including neglected servicing, running the vehicle with warning lights active, ignoring oil, coolant or brake levels, overloading beyond the rated payload, incorrect towing, and driving in a manner that causes mechanical failure – voids the warranty in respect of the affected components and is entirely at the Client's cost.

6.3 The Client shall use only **clean fuel of the correct type and octane/cetane grade from reputable sources**. Any damage, failure or performance loss caused by **adulterated, contaminated, illuminated/marked, water-bearing, dirty or wrong-type fuel**, or by contaminated oils, additives or other fluids, is excluded from all warranty cover and is the Client's sole responsibility. Motorcare may require fuel and fluid samples to be independently tested, at the Client's cost, before assessing any claim.

7. Prohibited and Unlawful Use – Terrorism and Sanctions

7.1 The Client warrants that the vehicle shall **not be used, directly or indirectly, for or in connection with terrorism, insurgency, militia or rebel activity, the commission of any act of violence, kidnapping, smuggling, trafficking in persons, arms, drugs or wildlife, money laundering, sanctions evasion, or any other criminal or unlawful purpose**, and shall not be transferred to, or made available for the use of, any person or entity engaged in such activity or subject to national or international sanctions.

7.2 The Client confirms that funds used to purchase the vehicle are from lawful sources, and shall provide such identification and source-of-funds information as Motorcare may require to satisfy its anti-money-laundering, anti-bribery and know-your-customer obligations.

7.3 Breach of this clause entitles Motorcare to cancel the sale and any credit arrangement immediately, repossess the vehicle where title has not passed, suspend all warranty and service support, and report the matter to the relevant authorities. The Client shall fully indemnify Motorcare against every claim, fine, penalty, sanction, cost and reputational loss arising from such use.

8. Indemnity and Limitation of Liability

8.1 From the moment a vehicle is delivered to the Client, the Client shall **fully and unconditionally indemnify, defend and hold harmless Motorcare (U) Ltd, its directors, employees and agents against any and all loss, damage, injury, death, claim, demand, suit, fine, penalty, cost or expense of whatever nature suffered by or caused to the vehicle itself, the Client, its drivers, employees, passengers, cargo or any third party or their property**, howsoever arising from the possession, custody, operation, loading, maintenance, modification or use of the vehicle.

8.2 Motorcare shall in no circumstances be liable for indirect, incidental, consequential, punitive or economic loss, including loss of profit, revenue, business, contracts, goodwill, use, hire charges or downtime. Motorcare's total aggregate liability for any claim, in contract, tort, statute or otherwise, shall not exceed the invoice value of the specific vehicle giving rise to the claim, and shall in every case be limited to whatever the manufacturer accepts under warranty.

8.3 Nothing in these Terms excludes liability which cannot lawfully be excluded under the laws of Uganda.

9. Force Majeure

Motorcare shall not be in breach or liable for any delay or failure to perform caused by events beyond its reasonable control, including acts of God, weather, fire, flood, epidemic or pandemic, war, terrorism, civil unrest, strikes, manufacturer shutdown or discontinuation, shipping or port disruption, fuel or component shortages, currency restrictions, cyber-attack, utility failure, or any act, order or restriction of government or regulatory authority.

10. Cancellation, Returns and Recalls

10.1 Confirmed orders may not be cancelled without Motorcare's written consent; where consent is given, Motorcare may retain the deposit and recover all costs incurred. Delivered vehicles are not returnable or exchangeable except where required by law or accepted by the manufacturer.

10.2 The Client shall promptly present the vehicle for any manufacturer recall, service campaign or safety update notified by Motorcare; failure to do so is at the Client's sole risk.

11. General

11.1 Notices shall be in writing to the addresses or e-mail addresses stated in the sales documents and are deemed received on the next business day after despatch. The Client shall notify Motorcare of any change of address, ownership or usage of the vehicle within seven (7) days.

11.2 The Client may not assign its rights or obligations without Motorcare's written consent. Motorcare may assign or subcontract freely.

11.3 The Client consents to Motorcare processing its personal and vehicle data for sales, service, warranty, credit-assessment, recall and legal-compliance purposes, in accordance with applicable data-protection law.

11.4 If any provision is held invalid or unenforceable, the remaining provisions continue in full force. No failure or delay by Motorcare in enforcing any right operates as a waiver of it.

11.5 These Terms, together with the sales order, invoice and delivery note, constitute the entire agreement between the parties and supersede all prior discussions, brochures, advertisements and representations.

11.6 These Terms are governed by the laws of the Republic of Uganda. Any dispute shall first be referred to good-faith negotiation, then to arbitration by a single arbitrator under the Arbitration and Conciliation Act (Cap. 4) in Kampala, failing which to the exclusive jurisdiction of the courts of Uganda.

12. Client Acknowledgement

The Client confirms that it has read, understood and accepted these Terms and Conditions in their entirety.

For and on behalf of the Client

For and on behalf of Motorcare (U) Ltd

Name: _____

Name: _____

Title / Capacity: _____

Title: _____

Signature: _____

Signature: _____

Date: _____

Date: _____