

RETENTION OF GOODS

In consideration of you, the supplying company, agreeing to continue supplying the Products to us we hereby undertake and agree with you as follows:

- 1. The Products are at our risk from the time of delivery.
- 2. Ownership of the Products shall not pass to us until you have received in full (in cash or cleared funds):
 - 2.1 All sums due to you in respect of the Products:
 - 2.2 All other sums which are or which become due to you from us on any account.
- 3. Until ownership of Products has passed to us we shall,
 - 3.1 Hold the products on a fiduciary basis as your bailee:
 - 3.2 Store the Products (at no cost to you) separately from all other goods of ours or any third party in such a way that they remain readily identifiable as your property:
 - 3.3 Not destroy, deface or obscure any identifying mark or packaging on or in relation to the Products:
 - 3.4 Maintain the Products in satisfactory condition, keep them insured on your behalf for their full price against all risks to your reasonable satisfaction. On your request we shall produce the policy of insurance to you and:
 - 3.5 Hold the proceeds of the insurance referred to in paragraph 3.4 on trust for you and not mix them with any other money, nor pay the proceeds into an overdrawn bank account.
- 4. Subject to paragraph 5 below, we may resell the Products before ownership has passed to us solely on the following conditions:
 - 4.1 Any sale shall be effected in the ordinary course of our business;
 - 4.2 Any such sale shall be a sale of your property on our own behalf and we shall deal as principal when making such a sale.
- 5. Our right to possession of the Products including any right to re-sell the Products in the ordinary course of business shall terminate immediately if
 - 5.1 We make an arrangement or composition with our creditors, or otherwise take the benefit of any statutory provision for the time being in force for relief of insolvent debtors or we convene a meeting of creditors or any resolution is passed placing us into liquidation (except a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation), invite the appointment of a receiver and/or manager, or apply for an administration order or we have a receiver and/or manager, administrator, supervisor or administrative receiver appointed over all or any part of our undertaking, or a petition is presented to any court for our winding up or for the granting of an administration order in respect of us, or any proceedings are commenced relating to our insolvency or possible insolvency; or
 - 5.2 We suffer or allow any execution, whether legal or equitable, to be levied on our property or obtained against us, or fail to observe or perform any of our obligations under the Contract or any other contract with you or we are deemed to be unable to pay our debts within the meaning of section 123 of the Insolvency Act 1986 or we cease to trade; or
 - 5.3 We encumber or in any way charge or purport to charge any of the Products; or
 - 5.4 Any other analogous step or procedure is taken in any jurisdiction.
- 6. You shall be entitled to recover payment for Products notwithstanding that ownership of the same has not passed from you
- 7. We grant you, your agents and representatives an irrevocable licence at any time to enter the premises where Products are or may be stored in order to inspect them, or where our right to possession has terminated, to recover them.
- 8. In the event of any conflict between the terms and conditions contained in this letter and the terms and conditions of sale or purchase under which we currently deal the terms of this letter shall prevail.
- 9. In this letter "Products" means any of your products which under any contract between us (whether any such contract is made before or after the date of this letter) you agreed or agree to sell and we agreed to agree to purchase and "Contract" shall be construed accordingly.
- 10. If any provision of this letter is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid, void, voidable, unenforceable or unreasonable it shall to the extent of such illegality, invalidity, voidance, voidability, unenforceability or unreasonableness be deemed severable and the remaining provisions of this letter and remainder of such provisions shall continue in full force and effect.
- 11. This letter shall be governed by English law and we hereby agree to submit to the non exclusive jurisdiction of the English courts.

In witness of which this letter has been executed as a deed as follows:

EXECUTED

As a DEED by these

Signatures and delivered

At the time specified above

Soletrader / partner 1:

Or

Director:

Signature.....

Name.....

Soletrader / partner 2:

Or

Director / Secretary:

Signature.....

Name.....

Date:.....