

RETENTION OF TITLE

Until all claims including secondary claims, claims for damages and redemption or encashment of cheques and bills of exchange have been fully settled, the goods remain the property of the Vendor. The retention of title shall exist, where accounts receivable by the Vendor are added to an outstanding account and the balance has been struck and accepted. If goods subject to the retention of title are processed by the Purchaser into a new moveable object, the processing shall be performed for the Vendor, with the proviso that he shall incur no liability therefrom. The new object shall become the property of the Vendor. Where the goods have been processed, blended or commingled with goods which are not the property of the Vendor, the Vendor shall acquire joint ownership in the new object in the ratio of the invoiced value of his goods subject to the retention of title to the total value. The Purchaser is entitled to resell, process or install the goods subject to the retention of title only if the subsequent conditions are satisfied and only with the proviso that the claims under the subsequent conditions shall de facto pass to the Vendor. The powers of the Purchaser to resell, process or install the goods subject to the retention of title shall cease with a revocation by the Vendor as a consequence of a sustained deterioration in the financial position of the Purchaser, however at the latest with his bankruptcy or with the application for or opening of bankruptcy or conciliation proceedings.

a) The Purchaser hereby assigns to the Vendor the receivable with all ancillary rights arising from the selling-on of the goods subject to the retention of title - including any current account balance claims.

b) If the goods have been processed, blended or commingled and if the Vendor has acquired joint ownership therein to the amount of his invoiced value, the purchase price claimed is due to him pro rata to the value of his rights in the goods.

If the goods subject to the retention of title have been installed by the Purchaser in a parcel of land or a building, the Purchaser shall assign as of the present moment the claim for compensation arising therefrom or arising from the resale of the parcel of land or the building to the amount of the invoiced value of the goods subject to the retention of title with all ancillary rights including such rights arising from the grant of a legal mortgage with priority over all other debts.

c) If the Purchaser has sold the claim as part of a genuine factoring transaction, the claim of the Vendor shall become immediately due and the Purchaser shall assign the claim against the factor arising in its stead to the Vendor and shall transfer his return on the sale without delay to the Vendor. The Vendor shall accept this assignment. The Purchaser is authorised to collect the claims assigned, providing that he has fulfilled his payment obligations. The authorisation to collect shall be extinguished on revocation, at the latest on default of payment by the Purchaser or where the pecuniary circumstances of the Purchaser have substantially deteriorated. In this event the Vendor is hereby empowered to inform the customer and to collect the receivables himself. The Purchaser is under a duty to surrender to the Vendor on demand an exact statement of the accounts receivable due to the Purchaser, with name and address of the customer, the amount of each claim, date of invoice etc. and to grant to the Vendor all information required for the enforcement of the assigned claims and to arrange for the verification of this information. If the value of the existing guarantee for the Vendor should exceed all his receivables by more than 20%, the Vendor shall be under a duty at the request of the Purchaser or any third party affected by the excessive security to release the guarantees according to his choice.