[Address]

 [Date]

## **Title retention letter**

## Risk in the Goods shall pass to Buyer upon delivery.

## Ownership of the Goods (whether separate and identifiable or incorporated in or mixed with other goods) shall not pass to Buyer until Seller has received in full all sums due from Buyer.

## Until ownership of the Goods has passed to Buyer, Buyer must:-

### hold the Goods on a fiduciary basis as Seller's bailee;

### store the Goods (at no cost to Seller) in such a way that they remain readily identifiable as Seller's property;

### maintain the Goods in satisfactory condition insured on Seller's behalf for their full price against all risks to the reasonable satisfaction of Seller. On request Buyer shall produce the policy of insurance to Seller;

### hold the proceeds of the insurance referred to in Condition 1.3.3 on trust for Seller and not mix them with any other money or pay the proceeds into an overdrawn bank account; and

### at Seller’s request, notify any of its customers that Seller is the legal owner of the Goods until Seller receives payment for the Goods.

## Seller agrees that Buyer may convert or incorporate the Goods into or mix the Goods with other Goods or materials (the product of such conversion, incorporation or mixture being the "New Goods") on the condition that title to the New Goods shall remain with Seller until payment is received in accordance with clause 3.

## Buyer may resell the Goods or New Goods before ownership has passed to it solely on the following Conditions:

### any sale shall be made in the ordinary course of Buyer's business; and

### any such sale shall be a sale of Seller's property on Buyer's own behalf and Buyer shall deal as principal when making the sale.

## Buyer's right to possession of the Goods or New Goods can be withdrawn by Seller at any time or shall terminate immediately if:

### Buyer enters into any compromise or arrangement with its creditors, commits any act of bankruptcy or if an order is made or an effective resolution is passed for its winding up (except for the purposes of amalgamation or reconstruction as a solvent company) or if a petition is presented to court, or if a receiver and/or manager, receiver, administrative receiver or administrator is appointed in respect of the whole or any part of Buyer's undertaking or assets or suffers anything analogous under foreign law;

### any distress, execution or other process is levied upon any of the assets of Buyer; or

### Buyer encumbers or in any way charges any of the Goods.

## Seller shall be entitled to recover payment for the Goods notwithstanding that ownership of any of the Goods has not passed from Seller.

## Buyer grants Seller, its agents and employees an irrevocable licence at any time to enter any premises where the Goods are or may be stored in order to inspect them, or, where Buyer's right to possession has terminated, to recover them.

To avoid uncertainty, and to ensure a smooth transition to our future trading relationship, we require you to sign the attached duplicate letter as evidence of your acceptance.

Signed :

Company Name:

Reg No:

Date :