

Form		
Title: Supplementary Clause: Extended Reservation of Ownership According to ZVEI (German Association of the Electrical and Electronics Industry)	Document: FB 7.4 -07	
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The following simple and extended reservation of ownership is agreed:

1. The items supplied (reserved goods) remain the property of the Supplier until all claims due to the Supplier from the Customer as a result of the business relationship have been met. If the value of all security rights to which the Supplier is entitled exceeds the value of all secured claims by more than 20 %, the Supplier will release a corresponding part of the security rights at the request of the Customer; the Supplier may choose at its own discretion which of the various existing security rights it releases.
2. During the existence of the reservation of ownership, the Customer may not pledge the reserved goods or use them for security and may only resell them to resellers under the condition that the reseller receives payment from his customer or makes the transfer of ownership to the customer dependent on the customer fulfilling his payment obligations.
3. If the Customer resells reserved goods, it hereby as a precaution assigns to the Supplier all its future accounts receivable from its customers accruing from the resale, along with all auxiliary rights – including any current account balance claims – without the need for any further declarations. If the reserved goods are resold without a unit price being agreed for them, the Customer assigns to the Supplier the part of the total accounts receivable which corresponds to the price of the reserved goods charged by the Supplier.
4.
 - a) The Customer is permitted to process the reserved goods or to mix or combine them with other goods. Such processing is deemed to take place for the Supplier. The Customer stores the resulting new goods for the Supplier with the due care of a diligent businessman. The new goods are considered reserved goods.
 - b) The Supplier and Customer hereby agree that in the event of combination or mixing with other goods not belonging to the Supplier, the Supplier will in all cases acquire co-ownership of the new goods in the same proportion as the ratio of the value of the combined or mixed reserved goods to the value of the other goods at the time of the combining or mixing. To this extent, the new item is considered reserved goods.
 - c) The provision relating to the assignment of claims under No. 3 also applies to the new goods. However, the assignment applies only up to the amount which corresponds to the value of the processed, combined or mixed reserved goods invoiced by the Supplier.
 - d) If the Customer combines the reserved goods with real estate or movable assets, it also, as a precaution, hereby assigns to the Supplier its accounts receivable as payment for the combined goods along with all auxiliary rights in the same proportion as the ratio of the value of the combined reserved goods to the value of the other combined goods at the time of the combination, without the need for any further declarations.
5. The Customer is authorised to collect assigned claims from the resale until such authorisation is revoked. For important grounds, in particular in the event of default of payment, suspension of payment, commencement of insolvency proceedings, bill protest or grounds which suggest the Customer has excessive debts or faces imminent insolvency, the Supplier is entitled to revoke the Customer's collection authority. Furthermore, after prior warning and observation of a reasonable period of time, the Supplier can disclose the assignment of security, utilise the assigned claims and demand that the Customer disclose the assignment of security to its customer.
6. The Customer must immediately notify the Supplier of any attachments, seizures or other dispositions or interventions by third parties. If evidence is provided of a legitimate interest, the Customer must immediately provide the Supplier the information required to assert its rights against the Customer's customer, and must hand over the necessary documents.
7. In the event of a breach of obligation by the Customer, in particular default of payment, the Supplier is entitled, after unsuccessful expiry of a reasonable deadline for performance by the Customer, to demand return of the goods and to withdraw from the contract. This does not affect the statutory provisions concerning the dispensability of setting a deadline. The Customer is obliged to surrender the goods. The repossession or enforcement of the reservation of ownership or the seizure of the reserved goods by the Supplier does not constitute a withdrawal from the contract unless the Supplier expressly declares this.