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Code of Conduct for Leasing of Retail Premises

The Leasing Principles will be expanded to cover all Qualifying Retail Premises* in Singapore, as follows:



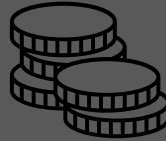
Exclusivity Clause

- E.g., any provision that prevents or restricts a tenant from opening a branch or franchise near the Qualifying Retail Premises.
- E.g., any provision that prevents or restricts a landlord from leasing premises with a similar trade or business in the same building as the Qualifying Retail Premises.
- Must not be included in the lease, unless as otherwise mutually agreed by the landlord and the tenant.



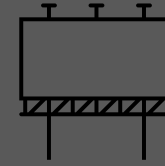
Lease Agreement Costs

- Upfront disclosure of costs charged, legitimate and justifiable fees and no profiteering principles.
- Legal fees or admin fees to be solely borne by the landlord if tenant requests for amendments to the landlord's standard lease template that does not comply with the Code of Conduct. Otherwise, the tenant bears the cost.
- Landlord must inform the tenant in advance of legal fees or admin fees charged (but not both) upon receipt of tenant's request to prepare ancillary contracts to the lease.



Third Party Costs

- All third-costs must be clearly specified in the lease and communicated in advance to the tenant.
- Tenant's public liability insurance coverage to not exceed the lesser of either SGD 3,000,000 or the landlord's public liability insurance, except for Qualifying Retail Premises with a floor area of more than 15,000 square feet.
- Landlord must allow the tenant to elect its own open electricity market retailer if the landlord is not on the En-bloc Contestability Scheme.



Advertising and Service Charges

- Gross rent generally includes base rent, advertising charge and service charge.
- Overall gross rent payable by the tenant during the lease term must not increase even if the advertising charge and service charge are adjusted by the Landlord.
- Landlord should keep proper records and accounts of the advertising charge and service charge.



Landlord Pre-Termination Right

- lease must contain provisions granting the landlord right to pre-terminate the lease due to redevelopment works.
- Landlord is not entitled to pre-terminate the lease purely for the purposes of changing the tenant mix or if vacant possession is not required for such redevelopment works.
- Landlord must generally give at least six (6) months' prior written notice to the tenant to pre-terminate the lease due to redevelopment works.

*Qualifying Retail Premises are premises that are:

(i) held under a lease entered into on or after 1 June 2021 with a tenure of at least one (1) year; and

(ii) permitted to be used by the relevant government authorities for certain commercial uses (e.g., food & beverage, shop, medical, dental, aesthetic, pet shop and pet boarding, commercial school, childcare centre, sports and recreation, entertainment.)

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Sales Performance

- E.g., a clause that allows the landlord to penalise the tenant in any manner, such as pre-termination of the lease, if the tenant does not fulfil a stipulated sales target.
- Generally, must not be included in the lease unless as otherwise mutually agreed between the landlord and the tenant.



Tenant Pre-Termination

- Tenant is entitled to pre-terminate the lease upon either the occurrence of insolvency or the loss of distributorship or franchise rights to supply the goods and/or services where such loss is not due to the tenant's breach of the distributorship or franchise agreement.
- Tenant must generally give at least six (6) months' prior written notice to landlord or pay at most six (6) months' gross rent in lieu of notice to the landlord to pre-terminate the lease.
- Tenant must compensate the landlord with a sum equivalent to the security deposit on the termination of the lease.



Security Deposit

- The security deposit with a floor area of at most 5,000 square feet and with a lease term of at most three (3) years must be equal to at most three (3) months' gross rent, but the foregoing does not apply if the three (3) months' gross rent amounts to at most S\$500.
- If the tenant chooses not to furnish the security deposit fully in cash, the landlord must accept up to 50% of the security deposit by way of a non-cash mode of payment i.e., on demand bank guarantee.
- A cover-all guarantee clause must not be included in the lease, but the tenant may provide the security deposit by way of a personal guarantee, in lieu of cash or bank guarantee, subject to the landlord's acceptance.



Floor Area Alterations

- For each new letting, the landlord must provide a certificate from the registered surveyor confirming the surveyed area of the premises prior to handover, but the foregoing may be waived via mutual agreement between the landlord and the tenant if the agreed floor area of the premises is at most three hundred (300) square feet.
- If the surveyed floor area is larger than the floor area originally specified in the lease, gross rent, security deposit and all other payable amounts will be upwardly adjusted.
- If the surveyed floor area is smaller than the floor area originally specified in the lease, either a downward adjustment of gross rent, security deposit and all other payable amounts, or termination of the lease without liability by notice in writing.



Building Maintenance

- Landlord is obligated to maintain the building of the leased premise (if the landlord owns the building) or such part(s) of the building that are owned by the landlord (if the landlord does not own the whole building).
- Landlord is responsible for any loss or damage suffered by the tenant due to the landlord's gross negligence and wilful default to maintain the building or such part(s) of the leased premise.

Material Adverse Change



- Landlord and the tenant may re-negotiate the lease where the tenant is prevented, obstructed or hindered from performing its typical business activity at the leased premise due to events beyond the tenant's control.



Rental Structure

- Rental formula must generally be based on a single rental computation throughout the lease term, unless as otherwise mutually agreed by the landlord and tenant.