

Third Edition

Dated 1 November 2023

**CODE OF CONDUCT FOR LEASING OF  
RETAIL PREMISES IN SINGAPORE**

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## **IMPORTANT**

The material contained in this Code of Conduct is provided with the understanding that Fair Tenancy Pro Tem Committee, Fair Tenancy Industry Committee, and the authors of this Code of Conduct are not rendering legal, accounting, tax, other professional advice and services. Accordingly, this Code of Conduct should not be used as a substitute for consultation with the relevant professionals. In no event will the Fair Tenancy Pro Tem Committee, Fair Tenancy Industry Committee, or any of its members, agents or employees and the authors of this Code of Conduct be liable to you or anyone using this Code of Conduct for any decision made or action taken or refraining from making such decision or taking such action in reliance of the information contained in this Code of Conduct for any consequential, special or similar damages, even if advised or notified of the possibility of such damage.

## 1. INTRODUCTION

In June 2020, a Fair Tenancy Pro Tem Committee was set up under the auspices of the Singapore Business Federation. The Fair Tenancy Pro Tem Committee comprises representatives from both landlord and tenant communities, members of Government, industry experts and academia.

One of the objectives of the Fair Tenancy Pro Tem Committee is to jointly develop a Code of Conduct for Leasing of Retail Premises ("**Code of Conduct**") to set out clear leasing guidelines and negotiation principles for landlords and tenants of retail premises in Singapore leased or to be leased under a qualifying lease.

On 3 May 2021, the Fair Tenancy Industry Committee ("**FTIC**") was set up to be the custodian of the Code of Conduct and to, among other things, ensure that the Code of Conduct is kept up to date with the latest market practices, guided by the principles of transparency, fairness, reciprocity and sustainability, monitor the performance of the Code of Conduct, submit recommendations to the Government to enhance the regulatory framework and provide guidance to landlords and tenants of retail premises in Singapore leased or to be leased under a qualifying lease so that fair and balanced lease negotiations can be achieved. It is represented by both landlords and tenants, as well neutral parties to offer a holistic approach when addressing matters related to retail lease agreements.

This Code of Conduct is divided into four main sections:

Part A	:	Conduct and Spirit of Negotiations
Part B	:	Leasing Principles for Key Tenancy Terms
Part C	:	Leasing Principles for Confidentiality Clauses and Data Transparency
Part D	:	Dispute Resolution and Enforcement of Code of Conduct

The Schedules and Appendices to this Code of Conduct shall be taken, read and construed as parts of this Code of Conduct and the provisions thereof shall have the same force and effect as if expressly set out in the body of this Code of Conduct.

This edition of the Code of Conduct has effect from and including 1 February 2024 (the "**Effective Date**") and applies to all qualifying leases signed on or after the Effective Date. This edition of the Code of Conduct shall supersede all previous editions of the Code of Conduct without affecting the applicability of such previous editions of the Code of Conduct which had been then applicable to all qualifying leases entered into prior to the Effective Date.

This Code of Conduct is to be read together with the Lease Agreement for Retail Premises Act 2023 (the "**Act**", which shall include all subsidiary legislation made thereunder). In the event of any inconsistency with the Act, the provisions of the Act shall prevail to the extent of the inconsistency.

## 2. OBJECTIVES OF THE CODE OF CONDUCT

The key objectives of this Code of Conduct are:

- 2.1 to provide guidance to landlords and tenants of retail premises in Singapore to be leased under a qualifying lease in lease negotiations and for the inclusion of certain terms in qualifying leases, to ensure a fair and balanced position between landlords and tenants; and
- 2.2 to set out the process for the resolution of disputes between landlords and tenants relating to compliance with this Code of Conduct, recognising that landlords and tenants share a symbiotic interest in building and maintaining a long term and productive partnership.

## 3. APPLICATION OF THIS CODE OF CONDUCT

3.1 This Code of Conduct applies to all qualifying leases in Singapore, In this Code of Conduct:

3.1.1 “**qualifying lease**” means a lease for retail premises (as described below), or an extension or a renewal of such lease, where –

- (a) the agreement for the lease, extension or renewal (as the case may be) is signed on or after 1 February 2024; and
- (b) the period of the lease or the period of the extension or renewal (as the case may be) is or exceeds one year.<sup>1</sup>

3.1.2 “**lease**” includes a licence, a sub-lease and a sub-licence.

3.1.3 “**lease agreement**” means the agreement between a landlord and a tenant for a qualifying lease.

3.2 Premises are “**retail premises**” if they are used primarily for any of the following:

- (a) for the sale of goods by retail;
- (b) for the supply of services,

including, without limitation, any of the uses set out in the table at paragraph 3.5 below.

3.3 Despite paragraph 3.2 above, the premises mentioned in paragraph 3.2(b) are not retail premises if they are used primarily for the purpose of conducting administrative work in connection with the supply of services.

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<sup>1</sup> For the purpose of determining whether the period of a lease is one year, any period provided in the lease agreement for which the lease may be extended or renewed or further extended or renewed, is to be disregarded.

**3.4** This Code of Conduct applies to all retail premises in Singapore located in, without limitation, shopping centres, office buildings, industrial and business parks, mixed-use developments, shop houses and shop flats, hotels, community centres, recreation and social clubs, museums, schools, hospitals, petrol kiosks, MRT stations, bus interchanges and airports.

**3.5** The following table sets out examples of retail premises which are for reference and illustrative purposes only and are not intended to be exhaustive.

Use Category	General Description of Premises	Examples
Food & Beverage	<ul style="list-style-type: none"> <li>• <b>Restaurants:</b> Premises primarily used for sale of food for consumption at the premises without performance of live music, or live entertainment. The sale of liquor and alcoholic drinks, if any, is for consumption on the premises and incidental to the consumption of food.</li> <li>• <b>Bar/Pub:</b> Premises primarily used for the sale of alcoholic drinks for consumption on the premises without dancing, singing or performance of live music or live entertainment.</li> <li>• <b>Restaurant and Bar:</b> Premises used for the sale of food &amp; meals and alcoholic drinks for consumption on the premises without dancing, singing or performance of live music or live entertainment.</li> <li>• <b>Night Club:</b> Premises primarily used for the sale of alcoholic drinks (and food, if any) for consumption on the premises, with dancing, singing or performances involving recorded music, live music or live entertainment.</li> </ul>	<ul style="list-style-type: none"> <li>• Restaurant, café, cyber café, coffee shop, eating house, snack bar, cafeteria, food court and fast-food restaurant.</li> <li>• Outdoor refreshment areas (ORA), push carts, food kiosks</li> <li>• Karaoke lounges and discotheques.</li> </ul>

Use Category	General Description of Premises	Examples
Shop	<ul style="list-style-type: none"> <li>• Premises used for any trade or business where its primary purpose is the sale of goods or foodstuff by retail or provision of services.</li> </ul>	<ul style="list-style-type: none"> <li>• Retail shops (e.g. departmental store, supermarket, provision shop, minimart, pawnshop, fashion boutique, florist, gift shop, stationery shop, furniture shop, home furnishings and textile shop, art gallery, electrical appliances / equipment, computers and accessories shop, dispensary, Chinese medical hall, aquarium and other shops selling takeaway food and beverages without consumption on the premises); and</li> <li>• Services (e.g. barber shop, beauty salon, hairdressing salon, photo studio, tailor shop, massage and spa services, foot reflexology, receiving agency, money changer, walk-in bank branches, shoe repair, key cutting shop, travel / ticket agency, launderette (collection of goods to be cleaned elsewhere) and laundromat (washing machines and drying machines are provided for use on a self-service basis)).</li> </ul>
Medical / Dental Clinic / Aesthetic Clinic	<ul style="list-style-type: none"> <li>• Premises used by a medical practitioner, a dentist or any other person for diagnosis or treatment of persons suffering from any disease, injury or disability.</li> <li>• Premises used for aesthetic and beauty treatments, spa and beauty treatments and grooming services, by licensed practitioners.</li> </ul>	<ul style="list-style-type: none"> <li>• Clinics, Chinese physician / acupuncture, physiotherapy clinics.</li> <li>• Aesthetic clinics, medical spas.</li> </ul>
Pet Shop and Pet Boarding	<ul style="list-style-type: none"> <li>• Premises used for the sale of live animals normally kept as domestic pets.</li> </ul>	<ul style="list-style-type: none"> <li>• A veterinary clinic, pet grooming service and sale of pet related accessories.</li> </ul>

Use Category	General Description of Premises	Examples
	<ul style="list-style-type: none"> <li>• Premises which are primarily used for the boarding for pets. These are places where pet-owners pay to have their pets housed and cared for over a certain period of time.</li> </ul>	<ul style="list-style-type: none"> <li>• Places where pet-owners pay to have their pets housed and cared for over a certain period of time.</li> </ul>
Commercial School	<ul style="list-style-type: none"> <li>• Premises used for the purpose of teaching, training or imparting of knowledge or skill.</li> </ul>	<ul style="list-style-type: none"> <li>• Tuition centre, language school, computer school, baking and cooking school, art school, music school and dance school, speech and drama school.</li> </ul>
Childcare Centre	<ul style="list-style-type: none"> <li>• Premises used for the purposes of care and supervision of children during part of the day or for longer periods</li> </ul>	Kindergarten, student care centre and infant care centre
Sports and Recreation / Place of Entertainment	<ul style="list-style-type: none"> <li>• Premises used for physical exercise and fitness activities.</li> <li>• Premises with game machines (e.g. jackpot machines, pin-bill machines, darts machines) for entertainment.</li> </ul>	<ul style="list-style-type: none"> <li>• Gyms, sports club, sports complex and community sports and fitness buildings.</li> <li>• Arcade centre, computer gaming centre, billiard centre, bowling alley and darts club, visual and performing art studio.</li> <li>• Cinema.</li> </ul>



## **PART A: CONDUCT AND SPIRIT OF NEGOTIATIONS**

The following overarching principles apply in guiding landlords and tenants in the conduct of negotiations of qualifying leases:

1. Landlords and tenants share a symbiotic interest in working together to co-create a collaborative landlord-tenant ecosystem in which all stakeholders reap long term benefits from the increased vibrancy and competitiveness of Singapore's retail, food & beverage and lifestyle sectors.
2. Landlords and tenants must adopt a consensual approach to negotiate in good faith, which includes acting honestly and fairly having regard to the legitimate interests of the other party and observing accepted or reasonable commercial standards of fair dealing in the performance of identified obligations. Neither party shall attempt to unfairly profit, or take unfair advantage of the other party, from the known ignorance of the other party.
3. Landlords and tenants must refrain from conduct which in the relevant context, would be regarded as commercially unacceptable or unreasonable by honest and reasonable people.
4. Landlords and tenants must act in an open, honest and transparent manner and each provide sufficient and accurate information within the context of negotiations to achieve outcomes consistent with this Code of Conduct.
5. Landlords and tenants are entitled to have regard to their own commercial self-interest in the course of negotiations as long as they do not act in bad faith. Either party may in good faith take the position that certain provisions requested or required by the other party are not acceptable for commercial, business or risk allocation reasons.

Examples of negotiating in bad faith are:

- A. A party has deliberately or by negligence misled the other party as to the nature or terms of the proposed lease, either by actually misrepresenting facts, or by not disclosing facts which should have been disclosed.
- B. A party has deliberately provided misleading or incomplete information which may mislead or wrongly influence the other party during the negotiations.

## **PART B: LEASING PRINCIPLES FOR KEY TENANCY TERMS**

In furtherance of the objective of this Code of Conduct as set out in Section 2.1 above, Part B of this Code of Conduct sets out the 11 leasing principles for key tenancy terms and Part C of this Code of Conduct sets out other leasing principles for confidentiality clauses and data transparency (collectively, “**Leasing Principles**” and each a “**Leasing Principle**”) which have been identified by the Fair Tenancy Pro Tem Committee.

Where a Leasing Principle provides that:

- (i) landlord or tenant must (a) do or carry out an act or thing, it is a mandatory requirement under this Code of Conduct to do or carry out such act or thing to or (b) not do, permit or allow any act or thing to be done, it is a mandatory requirement under this Code of Conduct not to do, permit or allow such act or thing, and any deviation from such mandatory requirement cannot be made unless the relevant Leasing Principle in this Code of Conduct expressly allows for such deviation with the agreement of both parties to the lease agreement;
- (ii) landlord or tenant may (a) do or carry out an act or thing, it is permissible or allowable under this Code of Conduct to do or carry out such act or thing, or (b) not do, permit or allow any act or thing to be done, it is permissible or allowable under this Code of Conduct not to do, permit or allow any act or thing to be done; and
- (iii) landlord or tenant should (a) do or carry out an act or thing, it is a best practice (although not mandatory) under this Code of Conduct to do or carry out an act or thing or (b) not do, permit or allow any act or thing to be done, it is a best practice (although not mandatory) under this Code of Conduct not to do, permit or allow any act or thing to be done.

A checklist in the form as set out in **Appendix 1 of Part D** of this Code of Conduct (“**Checklist**”) must be completed for each lease agreement and (where applicable) acknowledged by both landlord and tenant, in accordance with Part D of this Code of Conduct.

If a Leasing Principle in this Code of Conduct expressly provides that a lease agreement must contain the said Leasing Principle, such Leasing Principle must be included in the lease agreement.

Please refer to Part D (Dispute Resolution and Enforcement of Code of Conduct) of this Code of Conduct in the event of any non-compliance by landlord or tenant with the Leasing Principles in Part B and/or Part C of this Code of Conduct.

### **1. Exclusivity**

- 1.1** As a general rule, exclusivity clauses (e.g. any provision which prevents or restricts a tenant from opening a branch or franchise within a certain radius of the retail premises leased or to be leased under a qualifying lease or which prevents or restricts a landlord from leasing premises with a similar trade or business in the same building where the retail premises leased or to be leased under a qualifying lease are located), whether during or after the end of the lease term, must not be included in the lease agreement.

- 1.2** On an exceptional basis, if both parties agree to include an exclusivity clause in the lease agreement, such an exclusivity clause in the lease agreement may be included.
- 1.3** Landlord must submit the declaration of permitted deviation on the inclusion of the exclusivity clause to FTIC within 14 days (or such other period as may be prescribed by the Act) after the lease agreement has been signed by both parties. In the event landlord fails to submit the declaration of permitted deviation to FTIC in accordance with the requirements of the Act, such exclusivity clause in the lease agreement is deemed to be null and void (without affecting the other provisions of the lease agreement) notwithstanding that landlord and tenant have agreed to the inclusion of such exclusivity clause in the lease agreement. FTIC may charge filing fees for the submission of the declaration of permitted deviation in such amounts as may be specified by FTIC on its website from time to time, and landlord and tenant must share the filing fees on 50:50 basis.

## **2. Costs to Prepare the Lease Agreement and Third Party Costs**

**2.1 General Principles on all Costs:** Landlords and tenants must abide by the following general principles in respect of all costs incurred or to be incurred in connection with the qualifying lease:

**2.1.1** Transparency i.e. upfront disclosure of costs charged.

**2.1.2** Fees must be legitimate and justifiable in order to cover real costs (e.g. labour costs in coordinating work).

**2.1.3** There must be no profiteering.

**2.2 Point-of-Sales system (POS system):** In instances where landlord requires integration between landlord's POS system and tenant's POS system, the following principles must be included in the lease agreement:

**2.2.1** Each party must pay for its own costs for the regular maintenance of its own POS system.

**2.2.2** To enable tenant to share sales data with landlord during the lease term:

(i) If tenant's existing POS system is compatible for integration with landlord's POS system, the costs and expenses for the ad-hoc POS integration (including software) of tenant's POS system with landlord's POS system must be borne by tenant and landlord on a 50:50 cost sharing basis, unless landlord and tenant agree to each pay its own vendor for the costs and expenses for the ad-hoc POS integration (including software) of tenant's POS system with landlord's POS system.

(ii) If tenant's existing POS system is not compatible for integration with landlord's POS system and tenant has to purchase a new POS system in order to integrate with landlord's POS system, (a) the costs and expenses for the purchase of such new POS system must be borne by tenant and landlord

on a 50:50 cost sharing basis and (b) the costs and expenses for the ad-hoc POS integration (including software) of tenant's new POS system with landlord's POS system must be borne by tenant and landlord on a 50:50 cost sharing basis, unless landlord and tenant agree to each pay its own vendor for the costs and expenses for the ad-hoc POS integration (including software) of tenant's new POS system with landlord's POS system.

- 2.2.3** New tenants<sup>2</sup> must purchase a POS system which is compatible for integration with landlord's POS system at the tenant's costs and expenses. However, if the options for a compatible POS system which is available in the market are limited and the costs to a tenant to purchase a compatible POS system is substantially higher than a non-compatible POS system, new tenants must purchase a POS system which is compatible for integration with landlord's POS system and the costs and expenses for the purchase of such compatible POS system must be borne by tenant and landlord on a 50:50 cost sharing basis. The costs and expenses for the ad-hoc POS integration (including software) of tenant's POS system with landlord's POS system must be borne by tenant and landlord on a 50:50 cost sharing basis, unless landlord and tenant agree to each pay its own vendor for the costs and expenses for the ad-hoc POS integration (including software) of tenant's POS system with landlord's POS system.

## **2.3 Costs to Prepare the Lease Agreement:**

- 2.3.1** Each of landlord and tenant must have the flexibility to appoint its own lawyers. Landlord must not require tenant to use any specific panel of lawyers.
- 2.3.2** If there are no amendments to landlord's standard lease template that is compliant with this Code of Conduct, landlord must prepare the lease agreement at its own costs as part of its business operations and landlord must not require any legal fees or administrative fees to be payable by tenant to landlord for the preparation of the lease agreement.
- 2.3.3** If tenant asks for amendments to be made to landlord's standard lease template which is compliant with this Code of Conduct (including any amendment to include a Leasing Principle from this Code of Conduct which landlord has indicated in the Checklist as being "not applicable"), tenant must bear (a) at landlord's option, either the legal fees or administrative fees (but not both) of landlord and (b) its own legal fees associated with such amendments. If tenant requests for a Leasing Principle from this Code of Conduct to be included in the lease agreement, landlord must include such Leasing Principle from this Code of Conduct in the lease agreement.
- 2.3.4** If tenant asks for amendments to be made to landlord's standard lease template which is not compliant with this Code of Conduct to address any provisions which deviate

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<sup>2</sup> A tenant is considered a 'new tenant' if at the time of such tenant's entry into the lease agreement, the tenant does not have a subsisting agreement in respect of the retail premises leased or to be leased under such lease agreement, notwithstanding that the tenant is leasing premises in another building or development owned by the same landlord or the tenant has a subsisting agreement in respect of other premises in the same building or development in which such retail premises is located. For the avoidance of doubt, if the tenant has a subsisting agreement in respect of the retail premises leased or to be leased under the qualifying lease and subsequently enters into an agreement for the renewal or extension of the lease in respect of the same retail premises which commences after the expiry of such existing agreement, such tenant will not be considered a 'new tenant' under such agreement for the renewal or extension of the lease of such retail premises.

from this Code of Conduct, landlord must bear (a) at tenant's option, either the legal fees or administrative fees (but not both) of tenant and (b) its own legal fees associated with such amendments.

**2.3.5** The lease agreement must contain provisions reflecting the applicable Leasing Principle set out in paragraph 2.3.3 or paragraph 2.3.4 (whichever is applicable).

<b>Requested Amendments</b>	<b>Is landlord's standard lease template Code – Compliant? (Y/N)</b>	<b>Legal Fees or Administrative Fees (but not both) to be borne by</b>
No amendments to landlord's standard lease template	<b>Yes</b>	<b>Not applicable</b>
Tenant asks for amendments to be made to landlord's standard lease template which is compliant with this Code of Conduct (including any amendments to include a Leasing Principle from this Code of Conduct)	<b>Yes</b>	<b>Tenant</b>
Tenant asks for amendments to address any deviations in landlord's standard lease template	<b>No</b>	<b>Landlord</b>

**2.3.6** In the event the first draft lease agreement is prepared by tenant, all references to "tenant" is deemed to refer to "landlord", and all references to "landlord" is deemed to refer to "tenant" in:

- (i) this paragraph 2.3 of Part B of this Code of Conduct;
- (ii) paragraph 1 of Part D of this Code of Conduct; and
- (iii) the Note set out in Appendix 1 of Part D of this Code of Conduct.

**2.4 Fees for Tenant-Initiated Requests:** If landlord intends to charge tenant, at landlord's option, either administrative fees or legal fees (but not both) for the preparation of ancillary documents arising from tenant-initiated requests, (i) landlord is entitled to do so and (ii) landlord must inform in writing tenant of such administrative fees or legal fees upfront upon receipt of tenant's request. The lease agreement must contain provisions reflecting this Leasing Principle if at the time of preparation of the lease agreement, there are such ancillary documents arising from tenant-initiated requests. Examples of such ancillary documents include, but not limited to, side letters, variation letters, settlement agreement, novation agreement, supplemental agreement and surrender agreement.

## 2.5 Third Party Costs:

### 2.5.1 General Principles on Third Party Costs:

- (i) The lease agreement must not contain a “catch-all” provision requiring tenant to pay all unspecified and generic third-party costs.
- (ii) All third-party costs (e.g. consultant fees, vetting fees) which are to be borne by tenants must be communicated upfront to tenant and clearly set out in the lease agreement.

**2.5.2 Sales Audit Fees:** Landlord must not require tenants to conduct sales audit unless the rent payable to landlord comprises a variable component based on tenant’s gross sales or gross turnover (“**GTO Rent**”). In such cases where the rent payable to landlord comprises GTO Rent and landlord requires tenants to conduct sales audit, the following principles must be included in the lease agreement:

(i) **If tenant’s POS system is integrated to landlord’s POS system:**

- (a) In place of an annual audited sales report submission, subject to paragraph (b) below, tenant must be allowed to provide an upfront monthly undertaking by tenant’s director or Certified Public Accountant (CPA) on the accuracy of sales submission concurrently with tenant’s monthly sales submission together with an annual statutory declaration by tenant’s director.
- (b) However, landlord may request for tenant to submit an annual audited sales report. In which case, landlord’s right to make such request must be set out in the lease agreement together with the requirement that landlord and tenant must share the costs of such annual audited sales report on 50:50 basis.

(ii) **If tenant’s POS system is not integrated to landlord’s POS system:**

Tenant must comply with landlord’s requirements for sales to be verified as set out in the lease agreement. If landlord requires for an annual sales audit to be conducted and submission of an annual audited sales report, tenant must bear the full costs of such annual sales audit.

In all other cases where the rent payable to landlord does not comprise GTO Rent, landlords must not require tenants to conduct sales audit and the lease agreement must not include a provision requiring tenant to conduct sales audit.

**2.5.3 Public Liability Insurance:** The lease agreement must not include a provision requiring tenant’s public liability insurance coverage limit to be more than S\$3 million or the public liability insurance coverage limit in landlord’s public liability insurance policy, whichever is lower. This paragraph 2.5.3 does not apply to retail premises leased or to be leased under a qualifying lease which have a floor area of more than 15,000 square feet.

#### **2.5.4 Electricity Charges:**

- (i) If landlord is on the En-bloc Contestability Scheme (ECS), the following principles must be included in the lease agreement:**
  - (a) Landlord is not required to provide tenants with a choice of electricity retailer and landlord may arrange for the purchase of electricity for the building from an electricity retailer of its choice.
  - (b) Landlord must charge tenants for the total costs for the supply of electricity to tenant's premises calculated at the same rate(s) payable by landlord to the electricity retailer on a pass-through basis without any mark-up or price discrimination among landlord and its tenants in the same building.
  - (c) Landlord is entitled to charge tenants reasonable administrative costs for the administration of the bulk electricity purchase arrangement, provided that such administrative costs are communicated upfront to tenants.
  - (d) Landlord must not charge tenants for any infrastructure costs incurred by landlord in order to benefit from the open electricity market.
  
- (ii) If landlord is not on ECS, the following principles must be included in the lease agreement:**
  - (a) Tenants must be allowed to choose their own open electricity market (OEM) retailers as long as the existing physical infrastructure of the building is able to support this.
  - (b) Tenants must bear all costs and expenses incurred in procuring electricity from their choice of OEM retailers or any change of OEM retailers.

### **3. Advertising and Promotion Charge and Service Charge**

- 3.1** Gross rent typically consists of base rent, service charge and advertising and promotion (A&P) charge.
  
- 3.2** The lease agreement must provide that landlord is entitled to adjust the service charge and/or the A&P charge during the lease term, provided that the overall gross rent payable by tenant during the lease term, after such adjustment in the service charge and/or the A&P charge, does not increase.
  
- 3.3** Landlord should keep proper records and accounts in respect of the service charge and the A&P charge.

#### **4. Pre-termination by Landlord due to Landlord's Redevelopment Works**

In the event landlord requires a right to pre-terminate the lease due to redevelopment works, the lease agreement must include the matters set out in this Leasing Principle i.e., the lease agreement must contain, among others, provisions granting landlord such right of pre-termination, and for tenant's right to compensation, in accordance with this paragraph 4 of Part B of this Code of Conduct.

- 4.1** Landlord is only entitled to pre-terminate the lease of any premises, on the ground of redevelopment works, if landlord intends to carry out substantial redevelopment, asset enhancement or reconfiguration works to the building or part of the building where such premises are located for any reason (including changing the tenant mix in the building) ("**redevelopment works**") and requires vacant possession of such premises in order to carry out such redevelopment works. Landlord must not be entitled to pre-terminate the lease purely for the purposes of changing the tenant mix in the Building without carrying out any redevelopment works or if landlord is able to carry out such redevelopment works without requiring vacant possession of such premises.
- 4.2** Landlord must give no less than 6 months' prior written notice to tenant if landlord wishes to pre-terminate the lease by reason of the proposed redevelopment works, save where the proposed redevelopment works are required to be carried out pursuant to any prevailing laws, orders, directions, by-laws, codes, rules, regulations, notices or requirements of the authorities ("**Requirements**") and the time period given to landlord to comply with such Requirements is of such duration that landlord is unable to give tenant the requisite 6 months' prior written notice. Landlord must give the pre-termination notice to tenant promptly and without undue delay as soon as landlord is aware of such Requirements.
- 4.3** In the interest of transparency, where landlord has obtained Written Permission (WP) from URA for any asset enhancement initiative (AEI) works, landlord must inform tenant of such proposed AEI works prior to signing of the lease agreement. If landlord fails to do so, and the lease is pre-terminated by landlord by reason of the proposed redevelopment works, landlord must pay an additional compensation sum to tenant on top of the compensation sums payable under paragraph 4.4 or paragraph 4.5 below upon landlord's pre-termination of the lease. Landlord and tenant must, each acting reasonably, have discussions in good faith to agree on the amount of the additional compensation sum.
- 4.4** If the initial lease term is pre-terminated by landlord by reason of the proposed redevelopment works, landlord must pay tenant a compensation sum calculated based on the Agreed Declared Value of the Tenant's Fit Out Capex Works less depreciation on such Agreed Declared Value amortised on a straight-line basis across the entire period of the initial lease term.
- 4.5** Landlord must not be required to pay to tenant any compensation if the lease is pre-terminated during any renewal term(s) unless tenant has carried out the Tenant's Renewal Capex Works which has been agreed between landlord and tenant to form part of the Tenant's Renewal Capex Works for the purpose of computing the Agreed Declared Value. If tenant has carried out the Tenant's Renewal Capex Works and the renewal term is pre-terminated by landlord by reason of the proposed redevelopment works, landlord must pay tenant a compensation



sum calculated based on the Agreed Declared Value of the Tenant's Renewal Capex Works less depreciation on such Agreed Declared Value amortised on a straight-line basis across the entire period of the renewal term.

**4.6** For the purposes of this paragraph 4:

**4.6.1** "Agreed Declared Value" refers to the lower of:

- (i) the estimated value of the Tenant's Capex Works; and
- (ii) the actual value of the Tenant's Capex Works.

**4.6.2** "Tenant's Capex Works" refers to:

- (i) (in respect of the initial lease term) capital expenditure works (including external design fees but excluding any salvageable items) carried out by tenant during the fitting out period to fit out the premises ("**Tenant's Fit Out Capex Works**"); and
- (ii) (in respect of any renewal term) capital expenditure works (including external design fees but excluding any salvageable items) carried out by tenant at the time of renewal in order to repair, improve, upgrade or refresh the premises ("**Tenant's Renewal Capex Works**").

For the avoidance of doubt, Tenant's Capex Works must not include any tenant-initiated capital expenditure works carried out by tenant in its sole discretion during the initial term or any renewal term(s) if such works are not agreed to by landlord and tenant to form part of the Tenant's Capex Works for the purpose of computing the Agreed Declared Value.

**4.7** Prior to parties' entry into a binding lease agreement, landlord and tenant must, each acting reasonably, have discussions in good faith to agree on:

- (i) the items to be included as part of the Tenant's Capex Works; and
- (ii) the estimated value of such Tenant's Capex Works for the purpose of the computation of Agreed Declared Value.

In the event landlord and tenant are not able to agree on whether an item is a "salvageable item" or not, such item must be considered a non-salvageable item and included as part of the Tenant's Capex Works, and its value must be taken into account for the purpose of the computation of the Agreed Declared Value. However, in the event the aforesaid item is subsequently salvaged by tenant when removing its items and vacating the premises pursuant to paragraph 4.10 below, landlord must be entitled to deduct the value of such item from the Agreed Declared Value for the purpose of computing the compensation sum under paragraphs 4.4 and 4.5 above.

- 4.8** Not later than 3 months after the completion of the Tenant's Capex Works, tenant must declare the actual value of the Tenant's Capex Works to landlord in writing together with copies of all third-party invoices for verification and validation by landlord. If tenant does not declare the actual value of the Tenant's Capex Works to landlord in writing and/or submit copies of the aforesaid invoices within 3 months after the completion of the Tenant's Capex Works, landlord (acting reasonably) may determine the Agreed Declared Value, having regard to the estimated value of the Tenant's Capex Works (where applicable). Landlord must notify tenant in writing of its determination of the Agreed Declared Value and both landlord and tenant must accept the determination of the Agreed Declared Value by landlord (acting reasonably) as being the Agreed Declared Value.
- 4.9** Despite the definition of "Agreed Declared Value" in paragraph 4.6.1 above and without affecting paragraph 4.8 above, landlord may accept the estimated value of Tenant's Capex Works as the Agreed Declared Value. If landlord so accepts, landlord must notify tenant in writing of its acceptance of the estimated value of Tenant's Capex Works as the Agreed Declared Value and the requirements of paragraph 4.8 is waived. In such a case, the "**Agreed Declared Value**" refers to the estimated value of the Tenant's Capex Works as accepted by landlord hereunder.
- 4.10** If the lease is pre-terminated by landlord by reason of the proposed redevelopment works, tenant must not be required to reinstate the premises on such pre-termination but tenant must remove all tenant's signs, moveable items, furniture and belongings from the premises and deliver the premises and landlord's installations to landlord in a clean state and in a condition which does not pose any threat to health, safety and the environment. Tenant must make good all damage caused to the building where the premises are located resulting from such removal.
- 4.11** For the avoidance of doubt, this paragraph 4 does not affect landlord's and tenant's rights, remedies and obligations under the lease agreement if the lease term is pre-terminated by landlord for any other reason other than for redevelopment works.
- 4.12** A sample clause is set out in **Schedule 1** of this Part B of this Code of Conduct.

## **5. Sales Performance**

- 5.1** As a general rule, sales performance clauses (e.g. a clause which allows 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) must not be included in the lease agreement.
- 5.2** On an exceptional basis, if both parties agree to include a sales performance clause in the lease agreement, such sales performance clause may be included in the lease agreement.
- 5.3** Landlord must submit a declaration of permitted deviation on the inclusion of the sales performance clause to FTIC within 14 days (or such other period as may be prescribed by the Act) after the lease agreement has been signed by both parties. In the event landlord fails to submit the declaration of permitted deviation to FTIC in accordance with the requirements of the Act, such sales performance clause in the lease agreement is deemed to be null and void (without affecting the other provisions of the lease agreement) notwithstanding that landlord

and tenant have agreed to the inclusion of such sales performance clause in the lease agreement. FTIC may charge filing fees for the submission of the declaration of permitted deviation in such amounts as may be specified by FTIC on its website from time to time, and landlord and tenant must share the filing fees on 50:50 basis.

## **6. Material Adverse Change**

While not mandatory, landlord and tenant should re-negotiate the lease agreement in cases where tenant is prevented, obstructed or hindered from performing its typical business activity at the leased premises due to events beyond tenant's control e.g. compliance with the requirements of any law, regulation, by-law or requirements of a public authority (including but not limited to store closure due to public health interest).

## **7. Pre-Termination by Tenants**

In the event tenant requires a right to pre-terminate the lease due to exceptional conditions, the lease agreement must include the matters set out in this Leasing Principle, i.e., the lease agreement must contain, among others, provisions granting tenant such right of pre-termination, and for landlord's right to compensation, in accordance with this paragraph 7 of Part B of this Code of Conduct.

### **7.1** Tenant must be allowed to pre-terminate the lease upon the occurrence of either of the following two exceptional conditions ("**exceptional conditions**"):

**7.1.1** the business principal of the goods and/or services from which tenant has obtained the rights to sell the goods and/or provide the services which is being retailed at the premises is insolvent (as determined in accordance with the laws of insolvency in the country where the business principal is established or incorporated); or

**7.1.2** tenant loses the distributorship or franchise rights to sell the goods and/or provide the services which are being retailed at the premises where the loss of distributorship or franchise is not due to either the non-performance or breach by tenant of the distributorship or franchise agreement.

### **7.2** Tenant must give no less than 6 months' prior written notice or opt to pay 6 months' gross rent in lieu of the 6 months' notice period to landlord if tenant wishes to terminate the lease by reason of the occurrence of either of the exceptional conditions. Tenant must also be allowed to shorten the 6 months' notice period by paying an amount equivalent to the gross rent for the unfulfilled notice period, capped at 6 months' gross rent.

### **7.3** Tenant must pay to landlord a compensation sum equivalent to the security deposit amount for any pre-termination of the lease by tenant by reason of the occurrence of either of the exceptional conditions. Landlord must be allowed to apply the entire security deposit towards the compensation sum on the termination of the lease and any shortfall must be made good by tenant. The termination of the lease agreement and the payment of the compensation sum must not affect any outstanding amounts owing by tenant to landlord under the lease agreement.

- 7.4** On the termination of the lease by reason of the occurrence of either of the exceptional conditions, tenant must reinstate the premises and yield up the premises in accordance with the lease agreement. Tenant must make good all damage caused to the premises or the building resulting from such reinstatement and yielding up.
- 7.5** On the occurrence of either of the exceptional conditions, instead of exercising its right to pre-terminate the lease, tenant may request to assign the lease to a replacement tenant, subject to landlord's approval (such approval not to be unreasonably withheld).
- 7.6** A sample clause is set out in **Schedule 2** of this Part B of this Code of Conduct.

## **8. Security Deposit**

- 8.1** As a general rule, the lease agreement must not provide for a security deposit amount that exceeds an amount equal to 3 months' gross rent for **the** retail premises leased under a qualifying lease with a floor area of up to 5,000 square feet and with a lease term of up to 3 years. For the purpose of this paragraph 8:
- 8.1.1** where the rent payable to landlord comprises GTO Rent, "gross rent" may include the projected GTO Rent as may be agreed between landlord and tenant; and
- 8.1.2** for escalating or staggered rental formulas, "gross rent" may be calculated based on the lowest, average or highest rent rate payable during the lease term, as may be agreed between landlord and tenant.
- 8.2** On an exceptional basis, landlord and tenant may mutually agree to alternative security deposit amount for such qualifying lease to be stated in the lease agreement. In such cases, landlord must submit a declaration of permitted deviation on the alternative security deposit amount to FTIC within 14 days (or such other period as may be prescribed by the Act) after the lease agreement has been signed by both parties. In the event landlord fails to submit the declaration of permitted deviation to FTIC in accordance with the requirements of the Act, the security deposit amount required under the lease agreement is deemed to be 3 months' gross rent, notwithstanding that landlord and tenant have agreed to an alternative security deposit amount in the lease agreement. FTIC may charge filing fees for the submission of the declaration of permitted deviation in such amounts as may be specified by FTIC on its website from time to time, and landlord and tenant must share the filing fees on 50:50 basis.
- 8.3** Paragraph 8.1 and paragraph 8.2 of Part B of this Code of Conduct do not apply to retail premises leased under a qualifying lease which have a floor area of more than 5,000 square feet and/or has a lease term of more than 3 years. Paragraph 8.1 and paragraph 8.2 of Part B of this Code of Conduct also do not apply if the amount equal to 3 months' gross rent is equal to or less than S\$500.
- 8.4** If tenant wishes to provide the security deposit by way of a non-cash mode (for example, an 'on demand' bank guarantee issued by a reputable financial institution in Singapore), tenant must notify landlord upfront prior to signing of the lease agreement, and the lease agreement must include a term allowing tenant to furnish up to 50% of the security deposit by way of a non-cash mode of payment, and in a format, of landlord's choosing.

**8.5** A cover-all guarantee clause stating that tenant's directors, shareholders, employees or any persons are personally liable in cases of default by tenant must not be included in the lease agreement. However, tenant may choose to provide the security deposit by way of a personal guarantee, in lieu of cash or bank guarantee, subject to landlord's acceptance.

## **9. Floor Area Alterations**

**9.1** For each new letting (excluding renewals of the same premises), the lease agreement must provide that landlord provides to tenant a certificate from the registered surveyor confirming the surveyed area of the retail premises leased under a qualifying lease prior to handover (or such later date as landlord and tenant may agree).

**9.2** Instead of a certificate from the registered surveyor confirming the surveyed area of the retail premises leased under a qualifying lease, landlord and tenant may mutually agree to accept certified floor plans or building plans from relevant authorities (i.e. HDB, URA, BCA) which indicates the floor area of the retail premises leased under a qualifying lease.

**9.3** The lease agreement must provide for such agreement of landlord and tenant as set out in paragraph 9.2 or paragraph 9.3.

**9.4** If the floor area of the premises specified in the lease agreement is equal to or less than 300 square feet, the requirements of this paragraph 9 do not apply.

**9.5** For premises which have been formed or re-configured after redevelopment of the building or completion of AEI works, the lease agreement must provide that landlord must cause a re-survey of the premises to be carried out by a registered surveyor and provide to tenant a certificate from the registered surveyor confirming the surveyed area of the premises prior to handover (or such later date as landlord and tenant may agree).

**9.6** The lease agreement must provide that if the surveyed floor area is larger than the floor area originally specified in the lease agreement:

**9.6.1** if the difference is more than 5%, there must be an upward adjustment of gross rent and security deposit (and all other amounts payable in the lease agreement that are affected by the floor area of the premises) capped at 5%; and

**9.6.2** if the difference is 5% or less, there must be an upward adjustment of gross rent and security deposit (and all other amounts payable in the lease agreement that are affected by the floor area of the premises) based on the surveyed floor area.

**9.7** The lease agreement must provide that if the surveyed floor area is smaller than the floor area originally specified in the lease agreement:

**9.7.1** if the difference is 10% or less, there must be a downward adjustment of gross rent and security deposit (and all other amounts payable in the lease agreement that are affected by the floor area of the premises) based on the surveyed floor area; and

- 9.7.2** if the difference is more than 10%, each of landlord and tenant must be allowed to terminate the lease agreement without liability (save as otherwise provided in this paragraph 9.7) by giving written notice to the other party within one month after landlord has provided the certificate from the registered surveyor to tenant.
- 9.7.3** If, at the time of the termination of the lease agreement, tenant has not taken possession of the premises, the lease agreement is deemed null and void from the beginning with the intent that each of landlord and tenant is put in the same respective position as if the lease agreement was not entered into. In this connection:
- (i) tenant must not be required to reinstate the premises as tenant has not taken possession of the premises; and
  - (ii) landlord must refund all monies paid by tenant to landlord pursuant to the lease agreement without interest (including any rent, service charge, A&P charge, security deposit and other deposits but excluding stamp duties and legal fees (if any)).
- 9.7.4** If, at the time of the termination of the lease agreement, tenant has taken possession of the premises and:
- (i) the lease agreement is terminated by landlord pursuant to a written notice given by landlord pursuant to paragraph 9.7.2 above, the lease agreement is deemed null and void from the beginning with the intent that tenant is put in the same position as if the lease agreement was not entered into. In this connection:
    - (a) tenant must not be required to reinstate the premises and must promptly deliver up possession of the premises to landlord; and
    - (b) landlord must refund all monies paid by tenant to landlord pursuant to the lease agreement without interest (including any rent, service charge, A&P charge, security deposit and other deposits but excluding stamp duties and legal fees (if any)); and
    - (c) landlord must pay a compensation sum equivalent to the amount actually incurred by tenant for the Tenant's Capex Works prior and up to the date of landlord's notice of termination under paragraph 9.7.2 above, as evidenced by invoices provided by tenant to landlord for verification and validation; or
  - (ii) the lease agreement is terminated by tenant pursuant to a written notice given by tenant pursuant to paragraph 9.7.2 above, tenant must promptly reinstate the premises and deliver up possession of the premises to landlord properly reinstated in accordance with the provisions of the lease agreement and the lease agreement is deemed terminated on the date of such delivery of possession of the premises by tenant to landlord, without prejudice to the rights and remedies of either party against the other party in respect of any

prior breach of the lease agreement by the other party. For the avoidance of doubt, all the provisions of the lease agreement continue to apply and are binding on landlord and tenant until the date of the deemed termination of the lease agreement.

**9.7.5** In the event neither landlord nor tenant exercises its right to terminate the lease agreement, there must be a downward adjustment of gross rent and security deposit (and all other amounts payable in the lease agreement that are affected by the floor area of the premises) based on the surveyed floor area.

**9.8** The lease agreement must provide that in cases where the surveyed floor area varies from the floor area originally specified in the lease agreement and the gross rent and security deposit (and all other amounts payable in the lease agreement that are affected by the floor area of the premises) need to be adjusted, such adjustments must take place within 2 months from landlord furnishing the certificate from the registered surveyor to tenant (or such other later date as landlord and tenant may agree). All adjustments pursuant to paragraph 9.6 and paragraph 9.7 of Part B of this Code of Conduct is with effect from the commencement date of the lease.

**9.9** A sample clause is set out in **Schedule 3** of this Part B of this Code of Conduct.

## **10. Building Maintenance**

**10.1** The lease agreement must contain an obligation on landlord to maintain:

- (i) the building where the leased premises are located (if landlord owns the whole of such building); or
- (ii) such part(s) of the building which are owned by landlord where the leased premises are located (if landlord does not own the whole of such building).

**10.2** The lease agreement must provide that landlord is responsible for any loss or damage suffered by tenant due to the gross negligence or wilful default on the part of landlord to maintain the building or such part(s) thereof where the leased premises are located as provided in paragraph 10.1.

## **11. Rental Formula**

**11.1** As a general rule, in a lease agreement, the rental formula must not have an “either/or, whichever is higher” formula or have a GTO Rent component when GTO Rent is more than a specified amount. The rental formula must be based on a single rental computation throughout the lease term.

S/N	Type of Rental Formula	Compliant with Code? (Y/N)
1.	S\$X psf <u>or</u> Y% of GTO, <u>whichever is higher</u>	<b>No – any exception must be mutually agreed by landlord and tenant</b>
2.	(S\$X psf + Y% of GTO) <u>or</u> Z% of GTO, <u>whichever is higher</u>	<b>No – any exception must be mutually agreed by landlord and tenant</b>
3.	S\$X psf + Y% of GTO above S\$Z per month	<b>No – any exception must be mutually agreed by landlord and tenant</b>
4.	S\$X psf	<b>Yes</b>
5.	Y% of GTO	<b>Yes</b>
6.	S\$X psf + Y% of GTO	<b>Yes</b>

**11.2** On an exceptional basis, if both parties agree to an alternative rental formula that is not based on a single rental computation, such alternative rental formula may be included in the lease agreement.

**11.3** Landlord must submit a declaration of permitted deviation on the agreed alternative rental formula to FTIC within 14 days (or such other period as may be prescribed by the Act) after the lease agreement has been signed by both parties. In the event landlord fails to submit the declaration of permitted deviation to FTIC in accordance with the requirements of the Act, FTIC may, after making its own assessment, publish any details of non-compliance with the Act or this Code of Conduct, in accordance with the Act. FTIC may charge filing fees for the submission of the declaration of permitted deviation in such amounts as may be specified by FTIC on its website from time to time, and landlord and tenant must share the filing fees on 50:50 basis.



## SCHEDULE 1 OF PART B

### SAMPLE CLAUSE (REFERRED TO IN PARAGRAPH 4.12 OF PART B)

*(Note: This sample clause is provided for reference only and should not be used in its entirety without the necessary changes (where appropriate) being made to align this clause with the other provisions (including definitions) of each individual lease agreement)*

#### [ ] **Landlord's Termination Right in the event of Redevelopment Works**

- (i) In the event the Landlord intends to carry out substantial redevelopment, asset enhancement or reconfiguration works to the Building or part of the Building where the Premises are located for any reason whatsoever (including changing the tenant mix in the Building) ("**redevelopment works**") and requires vacant possession of the Premises in order to carry out such redevelopment works, the Landlord shall be entitled to pre-terminate this Lease by giving to the Tenant six (6) months' prior notice in writing ("**Landlord's Termination Notice**") subject to Clause [•](iii) below. For the avoidance of doubt, Landlord shall not be entitled to pre-terminate this Lease purely for the purposes of changing the tenant mix in the Building without carrying out any redevelopment works or if the Landlord is able to carry out such redevelopment works without requiring vacant possession of the Premises.
- (ii) In the event the Landlord has obtained the grant of written permission from Urban Redevelopment Authority for any asset enhancement initiative works ("**AEI Works**"), the Landlord must inform the Tenant of such AEI Works prior to [signing of this Lease / the Tenant's acceptance of the Letter of Offer]. If the Landlord fails to do so, and this Lease is pre-terminated by the Landlord by reason of the proposed redevelopment works, the Landlord must pay an additional compensation sum to the Tenant in addition to the compensation sums payable under Clause [•](iv) or Clause [•](v) below upon the pre-termination of this Lease pursuant to this Clause [•]. The Landlord and the Tenant shall, each acting reasonably, have discussions in good faith to agree on the amount of such additional compensation sum.
- (iii) In the event the proposed redevelopment works are required to be carried out by the Landlord pursuant to any prevailing laws, orders, directions, by-laws, codes, rules, regulations, notices or requirements of the authorities ("**Requirements**") and the time period given to the Landlord to comply with such Requirements is of such duration that the Landlord is unable to give the Tenant the requisite six (6) months' prior notice in writing, the Landlord shall, as soon as practicable, after the Landlord is aware of such Requirements, give the Tenant such shorter notice in writing as may be required to enable the Landlord to comply with the Requirements.
- (iv) # [If this Lease is pre-terminated by the Landlord during the Term by reason of redevelopment works, the Landlord must pay the Tenant a compensation sum calculated based on the Agreed Declared Value (as defined below) of the Tenant's Fit Out Capex Works (as defined below) less depreciation on such Agreed Declared Value amortised on a straight-line basis across the entire period of the Term.]

**# [Drafting Note: Clause [•](iv) to be deleted from renewal leases if tenant has not carried out any Tenant's Renewal Capex Works.]**

- (v) The Landlord and the Tenant agree that the Landlord shall not be required to pay to the Tenant any compensation if the lease of the Premises is pre-terminated during any renewal term(s) unless the Tenant has carried out the Tenant's Renewal Capex Works (as defined below) which has been agreed between the Landlord and the Tenant to form part of the Tenant's Renewal Capex Works for the purpose of computing the Agreed Declared Value. Prior to the Landlord's and the Tenant's entry into a binding agreement for the renewal of the lease for the Premises, the Landlord and the Tenant shall, each acting reasonably, have discussions in good faith to agree on (a) the items to be included as part of the Tenant's Renewal Capex Works and (b) the estimated value of such Tenant's Renewal Capex Works for the purpose of the computation of Agreed Declared Value under this Clause [•](v). If the Tenant has carried out the Tenant's Renewal Capex Works and the renewal term is pre-terminated by the Landlord by reason of redevelopment works, the Landlord must pay the Tenant a compensation sum calculated based on the Agreed Declared Value of the Tenant's Renewal Capex Works less depreciation on such Agreed Declared Value amortised on a straight-line basis across the entire period of the renewal term.
  
- (vi) For the purposes of this Clause [•]:
  - (a) **"Agreed Declared Value"** refers to the lower of:
    - (I) the estimated value of the Tenant's Capex Works being S\$[•] **[Note: to insert estimated value of Tenant's Capex Works as discussed and agreed between the parties prior to the entry into a binding lease agreement];** and
    - (II) the actual value of the Tenant's Capex Works as declared or to be declared by the Tenant to the Landlord in writing not later than 3 months after completion of the Tenant's Capex Works together with copies of all third-party invoices for verification and validation by the Landlord.
  
  - (b) **"Tenant's Capex Works"** refers to:
    - (I) (in respect of the Term) capital expenditure works (including external design fees but excluding any salvageable items) carried out by the Tenant during the fitting out period in order to fit out the Premises (**"Tenant's Fit Out Capex Works"**); and
    - (II) (in respect of any renewal term) capital expenditure works (including external design fees but excluding any salvageable items) carried out by the Tenant at the time of renewal in order to repair, improve, upgrade or refresh the Premises (**"Tenant's Renewal Capex Works"**).

For the avoidance of doubt, Tenant's Capex Works shall not include any tenant-initiated capital expenditure works carried out by the Tenant in its sole discretion during the Term or any renewal term(s) if such works are not agreed to by the Landlord and the Tenant to form part of the Tenant's Capex Works for the purpose of computing the Agreed Declared Value.

- (c) The Landlord and the Tenant agree that any item which has been (1) agreed between the Landlord and the Tenant to be a "non-salvageable item" or (2) failing agreement, deemed to be a "non-salvageable item" (each, a "**Non-Salvageable Item**") shall be included as part of Tenant's Capex Works, and its value shall be taken into account for the purpose of the computation of the Agreed Declared Value. In the event such Non-Salvageable Item is subsequently salvaged by the Tenant when removing its items and vacating the Premises pursuant to Clause [•](ix) below, the Landlord shall be entitled to deduct the value of any such Non-Salvageable Item from the Agreed Declared Value for the purpose of computing the compensation sum under Clause [•](iv) or Clause [•](v) above.
  
- (vii) Not later than three (3) months after completion of the Tenant's Capex Works, the Tenant must declare the value of the Tenant's Capex Works actually incurred by the Tenant to the Landlord in writing together with copies of all third-party invoices for verification and validation by the Landlord. In the event the Tenant does not declare the value of the Tenant's Capex Works to the Landlord in writing and/or submit copies of the aforesaid invoices within 3 months after the completion of the Tenant's Capex Works, the Landlord (acting reasonably) shall be entitled to determine the Agreed Declared Value, having regard to the estimated value of the Tenant's Capex Works (where applicable). The Landlord shall notify the Tenant in writing of its determination of the Agreed Declared Value and both the Landlord and the Tenant shall agree that references to "**Agreed Declared Value**" in this Lease shall refer to the Agreed Declared Value as determined by the Landlord (acting reasonably) and notified in writing by the Landlord to the Tenant.
  
- (viii) Notwithstanding the definition of "**Agreed Declared Value**" in Clause [•](vi) above and without affecting Clause [•](vii) above, the Landlord shall be entitled to accept the estimated value of Tenant's Capex Works as the Agreed Declared Value. In the event the Landlord so accepts, the Landlord shall notify the Tenant in writing of its acceptance of the estimated value of Tenant's Capex Works as the Agreed Declared Value and the requirements of Clause [•](vii) shall be waived. The Landlord and the Tenant agree that references to "**Agreed Declared Value**" in this Lease shall refer to the estimated value of the Tenant's Capex Works as accepted by the Landlord.
  
- (ix) Upon the expiry of the Landlord's Termination Notice, the Term shall absolutely cease and determine but without prejudice to the rights and remedies of either Party against the other Party in respect of any antecedent breach of this Lease by the other Party and the Tenant shall not be required to reinstate the Premises in accordance with Clause [•] but the Tenant must remove the Tenant's signs, moveable items, furniture and belongings from the Premises and the Tenant shall deliver vacant possession of

the Premises and the Landlord's installations in a clean state and in a condition which does not pose any threat to health, safety and the environment. The Tenant shall make good any damage caused to the Building resulting from such removal. The Landlord shall refund the Tenant the Security Deposit without interest in accordance with the provisions of Clause [•] or return the bank guarantee(s) furnished by the Tenant for cancellation, after proper deductions by the Landlord in accordance with the provisions of this Lease.

- (x) The Tenant hereby agrees that save for the compensation sum under Clause [•](ii), Clause [•](iv) or Clause [•](v) (as the case may be) and the refund of the Security Deposit in accordance with Clause [•], the Tenant shall have no further claims against the Landlord arising out of or in connection with the earlier termination of this Lease pursuant to this Clause [•].
- (xi) The provisions of this Clause [•] shall continue to apply notwithstanding the earlier termination of this Lease.

## SCHEDULE 2 OF PART B

### SAMPLE CLAUSE (REFERRED TO IN PARAGRAPH 7.6 OF PART B)

*(Note: This sample clause is provided for reference and for illustrative purposes only and should not be used in its entirety without the necessary changes (where appropriate) being made to align this clause with the other provisions (including definitions) of each individual lease agreement.)*

#### [ ] **Tenant's Termination Right under Exceptional Conditions**

[ ] The Tenant shall be entitled to pre-terminate this Lease by giving to the Landlord no less than six (6) months' prior notice in writing upon the occurrence of either of the following two exceptional conditions ("**exceptional conditions**"):

[ ] the business principal of the goods and/or services from which the Tenant has obtained the rights to sell the goods and/or provide the services which is being retailed at the Premises is insolvent (as determined in accordance with the laws of insolvency in the country where the business principal is established or incorporated); or

[ ] the Tenant loses the distributorship or franchise rights to sell the goods and/or provide the services which are being retailed at the Premises where the loss of distributorship or franchise is not due to either the non-performance or breach by the Tenant of the distributorship or franchise agreement.

[ ] The Tenant shall be entitled to elect to pay six (6) months' gross rent in lieu of the six (6) months' notice period to the Landlord or shorten the six (6) months' notice period by paying an amount equivalent to the gross rent for the unfulfilled notice period, capped at six (6) months' gross rent. The six (6) months' notice period or such shorter notice period applicable pursuant to this Clause [•] shall herein be called the "**Applicable Notice Period**".

[ ] The Tenant shall pay a compensation sum equivalent to the Security Deposit Amount (the "**Compensation Sum**") to the Landlord for any pre-termination of this Lease by the Tenant pursuant to this Clause [•] on or prior to the expiry of the Applicable Notice Period. The Landlord shall be entitled to apply the entire security deposit towards the Compensation Sum on the expiry of the Applicable Notice Period and any shortfall shall be payable by the Tenant on or prior to the expiry of the Applicable Notice Period. The pre-termination of this Lease and the payment of the Compensation Sum pursuant to this Clause [•] shall not affect any outstanding amounts owing by the Tenant to the Landlord under this Lease.

[ ] Upon the pre-termination of this Lease pursuant to this Clause [•], the Tenant must reinstate the Premises and yield up the Premises in accordance with Clause [•] of this Lease on the expiry of the Applicable Notice Period. For the avoidance of doubt, the Tenant must make good all damage caused to the Premises or the Building resulting from such reinstatement and yielding up.

- [ ] Upon the expiry of the Applicable Notice Period, the Term shall absolutely cease and determine but without prejudice to the rights and remedies of either Party against the other Party in respect of any antecedent breach of this Lease by the other Party.
- [ ] Upon the occurrence of either of the two exceptional conditions, instead of exercising its right to pre-terminate the lease under this Clause [•], the Tenant may request to assign this Lease to a replacement tenant, subject to the Landlord's approval (such approval not to be unreasonably withheld).
- [ ] The provisions of this Clause [•] shall continue to apply notwithstanding the earlier termination of this Lease.

## SCHEDULE 3 OF PART B

### SAMPLE CLAUSE (REFERRED TO IN PARAGRAPH 9.9 OF PART B)

*(Note: This sample clause is provided for reference and for illustrative purposes only and should not be used in its entirety without the necessary changes (where appropriate) being made to align this clause with the other provisions (including definitions) of each individual lease agreement.)*

“Floor Area” means *[Drafting Note: definition to set out surveyor practice of measuring floor area]*:

#### [ ] Floor Area

<sup>#</sup>[ ] [The Landlord and the Tenant agree to accept certified floor plan(s) or building plan(s) from *[insert name of relevant authority]* which indicates the Floor Area of the Premises instead of appointing a registered surveyor to carry out a survey to determine the Floor Area of the Premises.] *#[Drafting Note: If landlord and tenant agree to accept the certified floor plan or building plan from the relevant authority, provisions relating to survey of floor area by registered surveyor are to be omitted from the lease agreement.]*

<sup>##</sup>[ ] [The Landlord and the Tenant acknowledge that the agreed Floor Area of the Premises is equal to or less than 300 square feet. The Landlord and the Tenant agree that the Landlord is not required to appoint a registered surveyor to carry out a survey to determine the Floor Area of the Premises.] *##[Drafting Note: This provision can only be included if the agreed Floor Area of the Premises is equal to or less than 300 square feet. In such a case, provisions relating to survey of floor area by registered surveyor are to be omitted from the lease agreement.]*

[ ] Pending survey of the Floor Area of the Premises pursuant to Clause [•], the estimated floor area of the Premises is [•] (“**Estimated Floor Area**”). The Parties hereby agree that:

- (a) until the Floor Area of the Premises is determined by measurement by the Landlord’s Surveyor, the Floor Area shall be the Estimated Floor Area; and
- (b) upon determination of the Floor Area of the Premises by the Landlord’s Surveyor (whose certificate of the Floor Area shall be accepted by the Parties as final and conclusive) all references to the Floor Area in this Lease shall refer to the Agreed Floor Area.

[ ] The Landlord shall, at the Landlord’s cost and expense, appoint a registered surveyor (the “**Surveyor**”) to carry out a survey to determine the Floor Area of the Premises. The Landlord shall provide the Tenant with a copy of the certificate from the Surveyor certifying the Surveyor’s final determination of the Floor Area of the Premises prior to the Possession Date (or such later date as the Parties may agree). The Floor Area of the Premises as stated in the Surveyor’s certificate shall herein be called the “**Surveyed Floor Area**”. The determination of the Surveyed Floor Area by the Surveyor shall be final, conclusive and binding upon the Parties.

- [ ] Upon the determination of the Surveyed Floor Area by the Surveyor, there shall be an adjustment in the Rent, Service Charge, A&P Charge and Security Deposit, with effect from the Lease Commencement Date, subject always to the following provisions:
- (i) where the Surveyed Floor Area is more than the Estimated Floor Area and the difference between the Surveyed Floor Area and the Estimated Floor Area is less than or equal to 5% of the Estimated Floor Area, the Rent, Service Charge, A&P Charge and Security Deposit shall be calculated based on the Surveyed Floor Area;
  - (ii) where the Surveyed Floor Area is more than the Estimated Floor Area and the difference between the Surveyed Floor Area and the Estimated Floor Area is more than 5% of the Estimated Floor Area, the Rent, Service Charge, A&P Charge and Security Deposit shall be calculated based on a Floor Area which is equivalent to 105% of the Estimated Floor Area; and
  - (iii) where the Surveyed Floor Area is less than the Estimated Floor Area, the Rent, Service Charge, A&P Charge and Security Deposit shall be calculated based on the Surveyed Floor Area.
- [ ] The Landlord and Tenant hereby agree that the Floor Area which shall be used for the purpose of calculating the Rent, Service Charge, A&P Charge and Security Deposit payable by the Tenant under this Lease pursuant to Clause [•](i) or Clause [•](ii) or Clause [•](iii) (whichever is applicable) shall herein be called the “**Agreed Floor Area**”.
- [ ] In addition and without prejudice to any provisions in this Lease, if the Surveyed Floor Area is less than the Estimated Floor Area and the difference between the Surveyed Floor Area and the Estimated Floor Area is more than 10% of the Estimated Floor Area, either Party may terminate this Lease by giving to the other Party written notice (“**Termination Notice**”) within one (1) month after the Landlord has provided the Surveyor’s certificate to the Tenant. Upon receipt of the notice, the Term will be terminated and the following provisions shall apply:
- (i) If, on the date of the Termination Notice, the Tenant has not taken possession of the Premises, this Lease shall be deemed null and void from the beginning with the intent that each of the Landlord and the Tenant shall be put in the same respective position as if this Lease was not entered into. In this connection:
    - (a) the Tenant shall not be required to reinstate the Premises as the Tenant has not taken possession of the Premises; and
    - (b) the Landlord shall refund all monies paid by the Tenant to the Landlord pursuant to this Lease without interest (including any Rent, Service Charge, A&P Charge, Security Deposit and other deposits but excluding stamp duties and legal fees (if any)).



- (ii) If, on the date of the Termination Notice, the Tenant has taken possession of the Premises and:
  - (a) this Lease is terminated pursuant to a Termination Notice given by the Landlord to the Tenant, then this Lease shall be deemed null and void from the beginning with the intent that the Tenant shall be put in the same position as if this Lease was not entered into. In this connection:
    - (I) the Tenant shall not be required to reinstate the Premises and shall promptly deliver up possession of the Premises to the Landlord; and
    - (II) the Landlord shall refund all monies paid by the Tenant to the Landlord pursuant to this Lease without interest (including any Rent, Service Charge, A&P Charge, Security Deposit and other deposits but excluding stamp duties and legal fees (if any)); and
    - (III) the Landlord shall pay a compensation sum equivalent to the amount actually incurred by the Tenant for the Tenant's Capex Works prior and up to the date of the Landlord's Termination Notice, as evidenced by invoices provided by the Tenant to the Landlord for verification and validation.
  - (b) this Lease is terminated pursuant to a Termination Notice given by the Tenant to the Landlord, then the Tenant must promptly reinstate the Premises and deliver up possession of the Premises to the Landlord properly reinstated in accordance with the provisions of this Lease and this Lease shall be deemed terminated on the date of such delivery of possession of the Premises by the Tenant to the Landlord, without prejudice to the rights and remedies of either Party against the other Party in respect of any antecedent breach of this Lease by the other Party. For the avoidance of doubt, all the provisions of this Lease shall continue to apply and be binding on the Landlord and the Tenant until the date of the deemed termination of this Lease.

Save as otherwise provided in this Clause [●], the Landlord and the Tenant will not be liable to the other Party for any loss, damage, cost, expense or compensation in connection with the termination under this Clause [●].

- [ ] In the event neither the Landlord nor the Tenant exercises its right to terminate the lease agreement within one (1) month after the Landlord has provided the Surveyor's certificate to the Tenant, there shall be a downward adjustment of the Rent, Service Charge, A&P Charge and Security Deposit based on the Surveyed Floor Area in accordance with Clause [●](iii).
- [ ] Any underpayment in the Rent, Service Charge, A&P Charge and Security Deposit under this Lease determined by reference to the Agreed Floor Area shall be paid by the Tenant to the Landlord, free of interest, within two (2) months of the Tenant's

receipt of the Surveyor's certificate (or such other later date as the Landlord and the Tenant may agree). Any overpayment in the Rent, Service Charge, A&P Charge and Security Deposit under this Lease determined by reference to the Agreed Floor Area shall be applied by the Landlord towards the Rent payable by the Tenant within two (2) months of the Tenant's receipt of the Surveyor's certificate (or such other later date as the Landlord and the Tenant may agree).

## **PART C: LEASING PRINCIPLES FOR CONFIDENTIALITY CLAUSES AND DATA TRANSPARENCY**

In furtherance of the objective of this Code of Conduct as set out in Section 2.1 above, Part C of this Code of Conduct sets out the Leasing Principles relating to confidentiality clauses in lease agreements and to allow for more data transparency as agreed by the Fair Tenancy Pro Tem Committee.

### **1. Confidentiality**

**1.1** Lease agreements may contain confidentiality clause requiring landlords and tenants not to share lease-related information.

**1.2** If a confidentiality clause (with such exceptions as may be agreed between landlord and tenant) is included in lease agreements, it must apply to both landlord and tenant as such confidentiality clause is intended to ensure the sanctity of information exchanged between landlord and tenant in respect of the lease of the premises in a reciprocal manner, provided always that each party must be allowed to disclose any lease-related information:

**1.2.1** as may be required by present and future laws, legislation, subsidiary legislation, statutes, orders, directions, by-laws, codes, rules (including rules of any relevant stock exchange), regulations and notices and requirements of any relevant governmental, quasi-governmental, statutory, regulatory, administrative or supervisory body ("**Authority**"); or

**1.2.2** which is required in connection with any arbitral or judicial proceedings or any legal process issued by any court or any Authority.

### **2. Data Transparency**

**2.1** This Leasing Principle only applies to landlords who collect sales data from tenants as part of the GTO Rent formula.

**2.2** Landlords who are entitled to collect sales data from tenants as part of the GTO Rent formula under the lease agreement must share sales data metrics by trade category (i.e. total monthly sales and total floor area) on a one-on-one basis before the signing of the lease agreement. The lease agreement must provide that landlords must share such sales data on a bi-annual basis with tenants during the duration of the lease. For reasons of confidentiality, the lease agreement must provide that landlord must not be required to share sales data where the number of tenants for the relevant trade category is less than 3.

**2.3** For tenants whose lease agreements are entered into prior to the Effective Date and who pay rent under a GTO Rent formula, landlords must share such sales data with such tenants on a bi-annual basis with effect from the Effective Date, regardless of whether or not there is an obligation to do so in the lease agreement.

By way of illustration only:

<b>Period</b>	<b>Trade Category</b>	<b>Number of units</b>	<b>Total monthly sales turnover of category</b>	<b>Total Floor Area (sqft) occupied by category</b>	<b>Average Sales (psf)</b>
E.g. 1 Jan – 30 June 2021	Fashion	6	\$1,323,000	10,000	\$132.36

## **PART D: DISPUTE RESOLUTION AND ENFORCEMENT OF CODE OF CONDUCT**

### **1. Checklist**

- 1.1** Landlord must complete the checklist in the form as set out in **Appendix 1** of Part D of this Code of Conduct (the “**Checklist**”) and provide it to tenant at the same time when landlord sends the first draft of the lease agreement to tenant.
- 1.2** The completed Checklist must clearly indicate:
- (i) the Leasing Principles which deviate from the mandatory requirements of this Code of Conduct (if any); and
  - (ii) the Leasing Principles which are not applicable (if any).
- 1.3** Where there is any Leasing Principle which deviates from the mandatory requirements of this Code of Conduct and both parties mutually agree to such deviation, both parties must indicate its acknowledgement in the Checklist.
- 1.4** Tenant must conduct its own due diligence to review the lease agreement.

### **2. Non-Compliance during Lease Negotiations**

- 2.1** In the event that a landlord or tenant fails to have regard to, or adhere with, the principles (as the case may be) in Part A, Part B and/or Part C of this Code of Conduct during lease negotiations (for example, landlord unreasonably demands that tenant agree to a “mutually agreed” deviation), either party may inform the FTIC of the matter.
- 2.2** The FTIC will monitor the incidence of occurrences of events under paragraph 2.1 above during lease negotiations. If there are reports made by either landlord or tenant (the “**reporting party**”) against the other party (the “**other party**”) for such incidents on a frequent or regular basis, FTIC may require the reporting party to provide further and better particulars and information in writing to support such reports and provide the other party with the opportunity to provide justifications or make representations in response, so as to facilitate FTIC’s functions under the Act. The FTIC shall not be liable to either landlord or tenant and neither party shall claim against the FTIC for any claims, demands, actions, proceedings, judgements, damages, losses, costs and expenses of any nature which any party may suffer or incur arising out of or in connection with the publication of any details of non-compliance with the Act or this Code of Conduct in accordance with the Act.

### **3. Non-Compliance after signing of Lease Agreement**

In the event of any non-compliance (as defined in the Act) with a Leasing Principle found in Part B and/or Part C of this Code of Conduct in relation to the lease agreement by landlord or tenant, after the lease agreement is signed, landlord and tenant must comply with the dispute resolution procedure set out in the Act, where applicable.

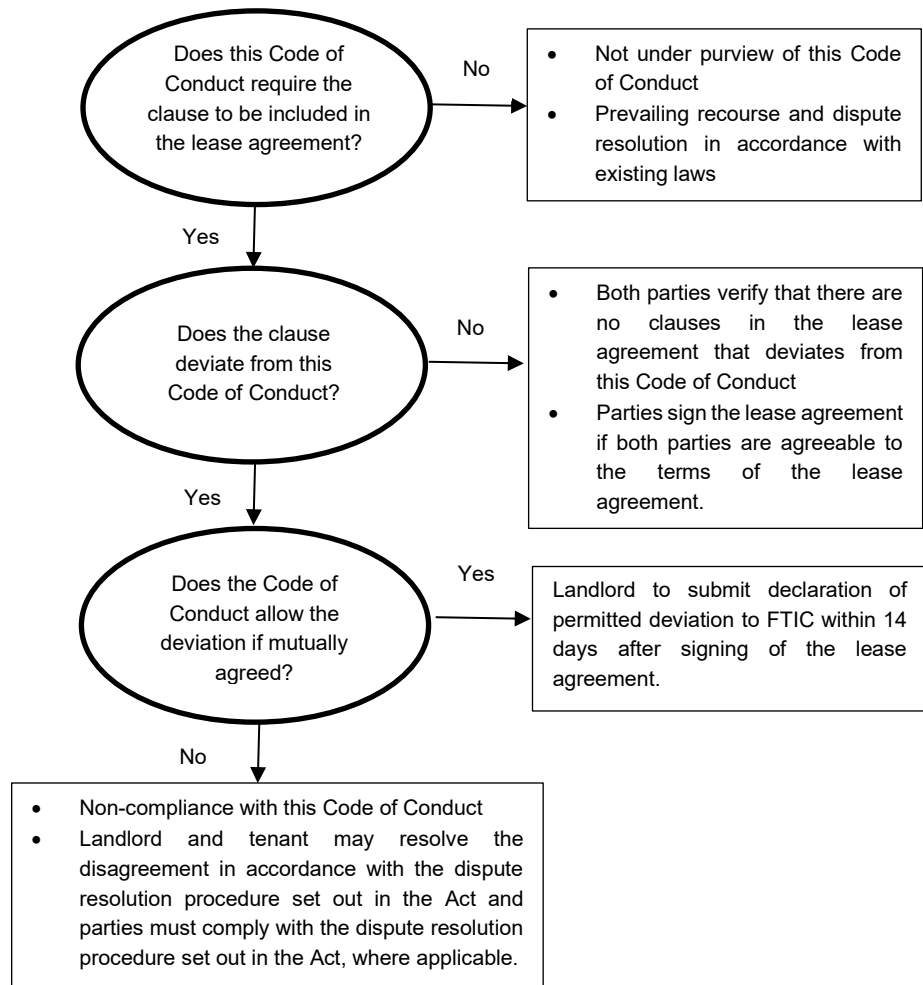
#### 4. Process for Dispute Resolution and Enforcement of this Code

##### Pre-contract phase

If landlord or tenant fails to have regard to or adhere with the principles in Part A, Part B and/or Part C of this Code of Conduct during lease negotiations (for example, landlord unreasonably demands that tenant agree to a “mutually agreed” deviation), parties may inform FTIC of the matter. If there are reports made by either landlord or tenant against the other party on a frequent or regular basis, FTIC may require the reporting party to provide further information in writing to support such reports and provide the other party with the opportunity to provide justifications or make representations in response, to facilitate FTIC’s functions under the Act.

##### Post-contract phase (Within 14 days of signing of the lease agreement)

All lease agreements issued must be accompanied by a Checklist (Appendix 1 of Part D of this Code of Conduct).  
All clauses which deviate from this Code of Conduct must be flagged by landlord for tenant’s attention, or where the lease agreement is prepared by tenant, must be flagged by tenant for landlord’s attention.  
Tenant must conduct its own due diligence to review the lease agreement.



**APPENDIX 1 OF PART D  
CHECKLIST  
(REFERRED TO IN PARAGRAPH 1.1 OF PART D)**

*(Note: Landlord must complete and provide the Checklist to tenant together with the first draft of the lease agreement in respect of retail premises. Where there are any deviations in any of the Leasing Principles, landlord must indicate the same by checking the box under "Deviation" column and may include remarks under the "Remarks" section. Please ensure that one box is checked for every item in this Checklist.*

*The Code of Conduct allows for certain deviations in the Leasing Principles if such deviations are mutually agreed and in which case a declaration of permitted deviation must be submitted by landlord to FTIC in accordance with the Act. These are indicated with an asterisk (\*).*

*If landlord and tenant mutually agree to the deviation, kindly initial in the two boxes below the check box. Please do not initial in the box if you do not agree to the deviation.*

*If a Leasing Principle is not applicable to the lease agreement, parties must indicate this by checking the box indicating that it is "Not Applicable", e.g. if landlord does not require integration of tenant's POS system with landlord's POS system, the box under the "Not Applicable" section for S/N 2.2 is to be checked.)*

S/N	Leasing Principle	Code - Compliant	Deviation from Code requiring submission of declaration to FTIC?	Not Applicable
<b>PART B OF CODE OF CONDUCT: LEASING PRINCIPLES FOR KEY TENANCY TERMS</b>				
1.	* Exclusivity	<input type="checkbox"/> To check if there is no exclusivity clause	<input type="checkbox"/> To check if there is exclusivity clause  Landlord      Tenant To initial if deviation is agreed	-
<b>Remarks:</b>				
2.	Costs to Prepare the Lease Agreement and Third Party Costs			
2.1	General Principles on all Costs	<input type="checkbox"/>	-	-
2.2	Point-of-Sales system (POS system)	<input type="checkbox"/>	-	<input type="checkbox"/> To check if landlord does not require integration of tenant's POS system with landlord's POS system
2.3	Costs to Prepare the Lease Agreement	<input type="checkbox"/>	-	-

S/N	Leasing Principle		Code - Compliant	Deviation from Code requiring submission of declaration to FTIC?	Not Applicable	
	2.4	Fees for Tenant-Initiated Requests	<input type="checkbox"/>	-	<input type="checkbox"/> To check if there are no ancillary documents arising from tenant-initiated requests at time of lease preparation	
	2.5	Third Party Costs				
	2.5.1	General Principles on Third Party Costs	<input type="checkbox"/>	-	-	
	2.5.2	Sales Audit Fees	<input type="checkbox"/>	-	<input type="checkbox"/> To check if the rent payable to landlord does not comprise GTO Rent	
	2.5.3	Public Liability Insurance	<input type="checkbox"/>	-	<input type="checkbox"/> To check if the floor area of the leased premises is more than 15,000 square feet	
2.5.4	Electricity Charges	<input type="checkbox"/>	-	-		
3.	Advertising and Promotion Charge and Service Charge		<input type="checkbox"/>	-	<input type="checkbox"/> To check if there is no A&P charge and no service charge payable to landlord	
4.	Pre-termination by Landlord due to Landlord's Redevelopment Works		<input type="checkbox"/>	-	<input type="checkbox"/> To check if landlord does not require the right to pre-terminate the lease for redevelopment works	
5.	* Sales Performance		<input type="checkbox"/> To check if there is no sales performance clause	<input type="checkbox"/> To check if there is sales performance clause		-
				Landlord	Tenant	
				To initial if deviation is agreed		
<b>Remarks:</b>						



S/N	Leasing Principle	Code - Compliant	Deviation from Code requiring submission of declaration to FTIC?	Not Applicable		
6.	Pre-Termination by Tenants	<input type="checkbox"/>	-	<input type="checkbox"/>  Tenant  To check and initial above if tenant is not trading under the brand name of a principal or franchisor or if tenant does not require the right to pre-terminate the lease for exceptional conditions		
7.	* Security Deposit	<input type="checkbox"/> To check if security deposit does not exceed 3 months' gross rent	<input type="checkbox"/> To check if security deposit exceeds 3 months' gross rent  <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Landlord</td> <td style="width: 50%; text-align: center;">Tenant</td> </tr> </table> To initial if deviation is agreed	Landlord	Tenant	<input type="checkbox"/> To check if floor area of premises is more than 5,000 square feet and/or lease term is more than 3 years or if 3 months' gross rent is equal to or less than \$500
Landlord	Tenant					
<b>Remarks:</b>						
8.	Floor Area Alterations	<input type="checkbox"/>	-	<input type="checkbox"/> To check if lease is a renewal lease or if the agreed floor area is equal to or less than 300 square feet		
9.	Building Maintenance	<input type="checkbox"/>	-	-		
10.	*Rental Formula	<input type="checkbox"/> To check if rental formula is a single rental formula (i.e. <u>not</u> an "either/or" formula, and <u>does not</u> have a GTO component if GTO is more than S\$Z)	<input type="checkbox"/> To check if rental formula is not a single rental formula  <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; text-align: center;">Landlord</td> <td style="width: 50%; text-align: center;">Tenant</td> </tr> </table> To initial if deviation is agreed and to select and complete the alternative agreed rental formula in the section below	Landlord	Tenant	-
Landlord	Tenant					

S/N	Leasing Principle	Code - Compliant	Deviation from Code requiring submission of declaration to FTIC?	Not Applicable
<p><b><u>Agreed Rental Formula</u></b></p> <p><input type="checkbox"/> S\$ XX psf <b>or</b> Y% of GTO, <b><u>whichever is higher</u></b></p> <p><input type="checkbox"/> (S\$XX psf + Y% of GTO) <b>or</b> Z % of GTO, <b><u>whichever is higher</u></b></p> <p><input type="checkbox"/> S\$XX psf + Y % of GTO above S\$XY per month</p> <p><input type="checkbox"/> Others: _____</p>				
<p><b>PART C OF CODE OF CONDUCT: LEASING PRINCIPLES FOR CONFIDENTIALITY CLAUSES AND DATA TRANSPARENCY</b></p>				
11.	Confidentiality	<input type="checkbox"/> To check if confidentiality clause applies to both landlord and tenant	-	<input type="checkbox"/> To check if there is no confidentiality clause binding on both parties
12.	Data Transparency			
12.1	Sharing of sales data prior to signing of lease agreement	<input type="checkbox"/> To check if landlord has shared sales data prior to signing of lease agreement	-	<input type="checkbox"/> To check if landlord do not collect sales data from tenants as part of the GTO Rent formula
12.2	Sharing of sales data on a bi-annual basis during the lease term	<input type="checkbox"/>	-	<input type="checkbox"/> To check if landlord do not collect sales data from tenants as part of the GTO Rent formula