

CONDITIONS FOR THE PROVISION OF GOODS & SERVICES/WORKS

1 FORMATION OF CONTRACT

1.1 These conditions (“**Conditions**”) should be read together with the terms, instructions and specifications specified in our award letter, our purchase order (if any) and any of our documents attached thereto (collectively, “**Award Letter**”) in relation to the goods and/or services/works (as the case may be) which are the subject of our Request For Quotation (RFQ) and subsequently accepted by way of our acceptance of your offer to supply such goods and/or services/works (as the case may be) with our issuance of the Award Letter, or our order issued in the Award Letter and accepted by you (as the case may be) (“**this Order**”).

These Conditions, the Award Letter, the Supplier Code of Conduct as may be updated from time to time and which may be found at <https://www.sats.com.sg/Tenders/Notices/SATS-Supplier-Code-of-Conduct.pdf> (“**Supplier Code of Conduct**”) the Safety Compliance Manual as may be updated from time to time and which may be found at <https://www.sats.com.sg/Tenders/Notices/SATS-Supplier-Safety-Compliance-Manual.pdf> (“**Safety Compliance Manual**”) and the Commercial Term Sheet annexed to these Conditions (laying out, inter alia, the Performance Criteria, Delivery Terms, Payment Terms, Warranty Terms, Intellectual Property Rights, Export-Import Controls declaration, Specifications, Term of Contract, Remedies for Non-Performance (Liquidated Damages), Packing Requirements, Reporting Requirements, Exit Plan, Obsolescence Management, Cost Reduction Incentives and Security Deposit in relation to the goods and/or services/works (as the case may be) which are the subject of this Order) (“**Commercial Term Sheet**”) shall, unless otherwise expressly consented or agreed to by us, constitute the entire agreement between the parties hereto in relation to such goods and/or services/works (as the case may be) under this Order, supersede and cancel all previous agreements, whether oral or written, between the parties, and shall apply to the exclusion of all other terms and conditions, including any terms or conditions which you may purport to apply under any quotation, sales offer or similar document.

In the event of any conflict between these Conditions and the Award Letter, these Conditions will prevail. In the event of any conflict between these Conditions and the Commercial Term Sheet, or the Award Letter and the Commercial Term Sheet, the Commercial Term Sheet will prevail. In the event of any conflict between these Conditions and the Supplier Code of Conduct, or the Award Letter and the Supplier Code of Conduct, the Supplier Code of Conduct will prevail. In the event of any conflict between these Conditions and the Safety Compliance Manual, or the Award Letter and the Safety Compliance Manual, the Safety Compliance Manual will prevail.

1.2 Nothing in these Conditions shall prejudice any condition or warranty expressed or implied, or any legal remedy to which we may be entitled, in relation to the goods and/or services/works (as the case may be) which are the subject of this Order, by virtue of any statute or custom or any general law, local law or regulation.

1.3 The construction validity and performance of these Conditions and this Order shall be governed by the law of Singapore.

1.4 References to “we”, “our” and “us” are to the relevant SATS group company being the purchaser of the goods and/or services/works (as the case may be) as stated in the Award Letter, and references to “you” and “yours” are to the vendor providing the goods and/or services/works (as the case may be) as stated in the Award Letter.

2 DELIVERY

2.1 In regard to performance of this Order by you, time is of the essence. The goods and/or services/works (as the case may be) shall be delivered and/or performed on the date and at the place stated in the Award Letter, and in accordance with the instructions in the Award Letter and any other relevant terms of this Order, during normal business hours unless previously arranged otherwise.

2.2 In the case of goods being shipped to us, if any, the delivery of such goods pursuant to this Order shall be governed by Incoterms published by the International Chamber of Commerce. However, in the event that there is any conflict between the terms of this Order and Incoterms 2008, the provisions of this Order shall prevail. Without prejudice to any other right of rejection arising under these Conditions, such goods shall be sold on a DDP basis, at the place of delivery stated in the Award Letter.

3 SPECIFICATIONS, QUALITY TESTS, REJECTION AND WARRANTIES

3.1 The goods supplied and/or the services/works performed (as the case may be) must conform in all respects with the standards, drawings, specifications and other requirements or descriptions stated in the Award Letter. All services/works, if any, must be performed in a sound manner, and be free from all defects including (to the extent if any, that you are responsible for design) defects in design, and all goods supplied, if any must be of sound materials, workmanship and (where you are responsible for this) design and be free from any defects whatsoever, and shall be equal in all respects to relevant samples, or patterns provided by or accepted by us. In the case of goods being supplied, if any, you shall ensure that the goods are packed using adequate and appropriate packing to protect such goods against dust, moisture and all the usual risks incidental to the transportation of such goods.

3.2 All of the goods, if any, and the performance of all and any of the

services/works, if any, must pass the acceptance or any acceptance test of our inspector and such acceptance shall be at the sole and absolute discretion of the inspector. In the case of goods being supplied, if any, subject and without prejudice to the foregoing, we shall not be deemed to have accepted any goods until and after we have had a reasonable time to inspect such goods. We shall be entitled to reject all goods supplied and/or any services/works performed (as the case may be) which does not conform completely in every respect with the terms of this Order and in particular (but without prejudice to the generality of the foregoing) Conditions 3.1 and 3.5. Furthermore, if by the nature of the goods and/or services/works (as the case may be), any defects therein or any failure thereof to conform as aforesaid does not or would not become apparent (despite the carrying out of any examination and/or such tests) until after use, we may reject the same even after a reasonable period of use.

3.3 Any goods and/or services/works (as the case may be) rejected under Condition 3.2 must at our request be replaced or re-performed (as the case may be), by you at your expense; alternatively we may elect (at our option) to cancel this Order as provided in Condition 8.2 in respect of the goods and/or services/works (as the case may be) in question and of the whole of the undelivered balance of the goods, if any, and the remainder of the services/works, if any, covered by this Order. All rejected goods, if any, will be returned to you at your expense.

3.4 Our signature, given on any delivery note, or any other confirmation or documentation, presented for signature in connection with the delivery of the goods and/or the performance of the services/works (as the case may be), is evidence only of the number of packages received and/or of the fact that the services/works have commenced or been performed (as the case may be). In particular, it is not evidence that the correct quantity or number of goods has been delivered, that the goods delivered are in good condition or of the correct quality, and that the services/works have been completed, or that they have been performed in compliance with the requirements of this Order (as the case may be).

3.5 You will ensure that in all respects (except by way of design or specification where we have supplied the same) the goods supplied and/or the services/works provided (as the case may be), comply with all relevant requirements of any statute, statutory rule or order, or other instrument having the force of law, which may be in force when the goods are delivered and/or services/works are performed (as the case may be). In particular, without prejudice to the generality of the foregoing, all goods, if any, capable of use as, or in any way likely to be used in the preparing or packing of, food or any other goods for human consumption or for use upon the human body shall contain nothing rendering them unsuitable for their purpose and shall comply with all relevant requirements relating to their sale and composition and to the use of preservative or colouring matter or other additives therein.

3.6 You hereby warrant as follows:

- (a) The goods supplied and/or the services/works performed (as the case may be) shall be free from defects for a period of not less than twelve (12) calendar months (or such other time period as may be stipulated by us in the Commercial Term Sheet (as defined in) from the acceptance date of the goods and/or the completion date of the services/works (as the case may be). Any fault due to design, materials, workmanship or structural faults and/or the non-compliance of any other requirements which must be observed during this warranty period shall be made good by you at your own expense which shall include the cost of labour and replacement of goods/parts;
- (b) In the case of goods being supplied to us, if any, you will immediately prior to delivery of such goods in accordance with this Order have, and on such delivery shall be entitled to transfer and shall transfer, full legal and beneficial title to all of such goods, free of all liens, charges, encumbrances and adverse claims as to title of any and every kind which may affect your ability to pass full legal and beneficial title of such goods to us;
- (c) In the case of goods being supplied to us, if any, the transfer of title to such goods from you to us will not result in the imposition or creation of any encumbrances or adverse claims as to title of any kind whatsoever upon or with respect to such goods;
- (d) In the case of goods being supplied to us, if any, such goods delivered to us pursuant to this Order shall, at the time it is supplied and delivered, comply with the terms set out in Condition 3.1; and
- (e) you have obtained, at your own expense, all approvals, licences, permits, consents and authorisations as may be required from all relevant government authorities and/or agencies for the supply and delivery of such goods and/or provision of the services/works (as the case may be) pursuant to and in accordance with this Order.

3.7 Each warranty given by you pursuant to Condition 3.6 is a separate and independent warranty. None of these warranties shall be limited by reference to any other warranty. You hereby acknowledge and agree that each of the warranties given by you pursuant to Condition 3.6 has been given to us as inducement for us to enter into this Order with you, and that we have entered into this Order in reliance on each of the warranties given by you pursuant to Condition 3.6.

3.8 You commit to clear away and remove from the delivery location all material, debris, rubbish, product packaging, waste materials of every kind arising out of your activities and/or product packaging at the delivery location and to make

every effort to avoid or minimise any disturbance or inconvenience to us or our operations.

4 PROPERTY, TITLE AND RISK

4.1 Property and title in the goods, if any, shall pass to us, when they are delivered in accordance with Condition 2.1. Risk shall only pass on acceptance in accordance with Condition 3.2. Such passing of property shall be without prejudice to any right of rejection arising under these Conditions, in particular (but without prejudice to the generality of the foregoing) under Conditions 3.1–3.5 inclusive.

4.2 Notwithstanding delivery of the goods, if any, and without prejudice to any provision above, you shall be responsible for any damage to such goods during shipment or transportation arising out of inadequate packing or any reason whatsoever caused by you.

5 PRICES AND PAYMENT

5.1 Prices, payment terms and currency shall be those specified in the Award Letter. Each invoice rendered by you shall contain such detail and be accompanied by such supporting documentation or certifications as we may require, including a report of all invoices, and which contains all pertinent details.

6 INSURANCE

6.1 Without prejudice to your obligations under these Conditions, you shall, at our request and at your own costs and expense, procure within reasonable time, and maintain in force such insurances, with one or more reputable insurers, in respect of such risks as are customary in the industry, or as we may otherwise reasonably request, such as an Aviation Liability Insurance against risks arising from the operation of vehicles and such other risks as are customarily insured in a standard aviation liability policy, including but not limited to Aviation Liability Insurance Policy against risks arising from the operation of vehicles and such other risks as are customarily insured in a standard aviation liability policy.

7 LIABILITY & INDEMNITY

7.1 You shall indemnify us against all loss, actions, costs, claims, demands, expenses and liabilities whatsoever (if any) which we may incur either at common law or by statute in respect of personal injury to or the death of any person or in respect of any loss or destruction of or damage to property (other than as a result of any default or neglect of ourselves or of any person for whom we are responsible) which shall have occurred in connection with any delivery of goods and/or services/works executed by you against this Order or shall be alleged to be attributable to some defect in any goods.

7.2 Should you use any personnel (including any employees, agents, subcontractors or other representative) to make any deliveries and/or execute services/works on our premises (as the case may be) against this Order, they shall be required to abide by the safety rules and other relevant regulations laid down by us from time to time. This Order is given on the condition that (without prejudice to the generality of Condition 7.1) you will indemnify us against all loss, actions, costs, claims, demands, expenses and liabilities whatsoever (if any) which we may incur either at common law or by statute (other than as a result of any default or neglect of ourselves or of any person for whom we are responsible) in respect of personal injury to, or the death of, any such personnel while on our premises whether or not such persons are (at the time when such personal injury or deaths are caused) acting in the course of their employment.

7.3 You will indemnify us against any and all loss, costs, expenses and liabilities caused to us whether directly, or as a result of the action, claim or demand of any third party, by reason of any breach by you of the agreed terms of this Order or of any terms or obligations on your part implied by the law or by any other statute or statutory provision relevant to this Order or to the goods and/or services/works (as the case may be) covered thereby. This indemnity shall not be prejudiced or waived by any exercise of our rights under Condition 3.3.

7.4 Whenever any sum of money is recoverable from or payable by you to us under these Conditions or as a result of any breach by you of the same, or whenever any sum of money is recoverable from or payable by you to any our affiliates under any other order or transaction placed or entered into by such affiliate with you, such sum may, without prejudice to our other rights and remedies against you, be deducted by us from any sum then due or which at any time thereafter may become due to you under any other order or transaction placed or entered into by us with you.

7.5 We shall not be liable to you or any third party for any special, punitive, consequential, incidental or exemplary damages (including lost or anticipated revenues or profits relating to the same) arising from any claim relating to this Order, whether such claims is based on warranty, contract, tort (including negligence or strict liability) or otherwise, even if we are advised of the possibility or likelihood of the same.

8 CANCELLATION

8.1 If either you or we are delayed or prevented from performing any of our obligations under this Order, by circumstances beyond the reasonable control of either of us notwithstanding reasonable diligence, foresight and care (including without limitation any form of government intervention, strikes and lock-outs relevant to this Order, or the breakdown of any plants concerned) such performance shall be suspended, and if it cannot be or is reasonably contemplated that it cannot be completed within a reasonable time after the due date as specified in or pursuant to

this Order, this Order may be cancelled by either party. We will pay to you such sum as may be fair and reasonable in all the circumstances of the case in respect of goods delivered and/or services/works performed by you (as the case may be) under this Order prior to cancellation, and in respect of which we have received the benefit. This Condition can only have effect if it is called into operation by the party wishing to rely on it giving written notice to the other to that effect.

8.2 Subject to Condition 8.1, we reserve the right to cancel the whole or any part of this Order or any consignment on account thereof, on the occurrence of any of the following events:

- (a) if the Order is not completed in all respects in accordance with the instructions and specifications stated in the Award Letter and with the foregoing Conditions, in particular (but without prejudice to the generality of the foregoing) with Conditions 2.1, 3.1 and 3.5;
- (b) if the goods and/or services/works (as the case may be) are found not to meet our expected requirements of performance after its delivery or during use;
- (c) if at any time we deem the goods and/or services/works (as the case may be) to be unsatisfactory through a test report either before or after use;
- (d) if any mortgagee, chargee or encumbrancer takes possession or a receiver is appointed over a substantial portion of your property or assets;
- (e) an order of court is made for your winding up or to place you under judicial management or a resolution is passed by your members for your winding up or liquidation;
- (f) any distress or execution is levied or enforced in relation to a substantial portion of your assets;
- (g) you cease, or threaten to cease, to carry on business or becomes insolvent; or
- (h) if you commit any breach of any of the Conditions of this Order and, in the case of a breach which is capable for remedy, fails to remedy the same within 15 days after receipt of a written notice from us giving full particulars of the breach and requiring it to be remedied.

8.3 In addition, in the event your permit(s) or other necessary authorisation(s) from any higher authority to supply the goods and/or the services/works (as the case may be), wholly or in part, being revoked, cancelled or suspended, you shall notify us immediately of such event and we may cancel this Order at the effective date of such revocation, cancellation or suspension by giving to you notice thereof within seventy-two (72) hours after such notice from you

8.4 In the event of our cancelling this Order as to all or any of the goods and/or services/works covered thereby (as the case may be), (a) we shall be entitled to contract with a third party to supply goods and/or perform services/works of a similar description and quality, or a reasonable alternative thereof, bearing in mind our need to take delivery of the goods and/or procure the services/works (as the case may be) by the date or during the period specified in the Award Letter, and (b) you shall be liable to reimburse to us on demand all expenditure incurred by us in connection with our said cancellation, including any increase in the price of any replacement or alternative goods and/or services/works (as the case may be) purchased over that stated in the Award Letter.

8.5 The cancellation of this Order for any reason whatsoever shall not affect the accrued rights of either party or release either party from any liability which at the time of such cancellation has already accrued, or which thereafter may accrue, or affect the continuation in force of the provisions of these Conditions which are not expressed to be contingent upon the continuation in force of this Order. The rights to cancel this Order given by this Condition 8 shall not prejudice any other right or remedy of either party in respect of the breach concerned (if any) or any other breach.

9 CONFIDENTIALITY

9.1 You will keep secret and will not disclose to any third party (except subcontractors accepting a like obligation of secrecy, and then only to the extent necessary for the performance of the subcontract) all information given by us in connection with this Order, or which becomes known to you through your supply of goods and/or performance of services/works (as the case may be) under this Order. You will not mention our name in connection with this Order or disclose the existence of this Order in any publicity material or other similar communication to third parties without our prior consent in writing.

10 NOTICES

10.1 All notices, demands or other communications required or permitted to be given or made hereunder shall be in writing and may be delivered personally or sent by prepaid registered post with recorded delivery, addressed to the intended recipient thereof at its address set out in the Award Letter (or to such other address as a party may from time to time duly notify the other in writing). Any such notice, demand or communication shall be deemed to have been duly served (if delivered personally) immediately or (if given or made by letter to an address within Singapore) two (2) days after posting and in proving the same it shall be sufficient to show that personal delivery was made or that the envelope containing such notice was properly addressed as a prepaid registered delivery letter.

11 **GENERAL**

11.1 You shall not subcontract, assign, transfer or delegate any of your rights or obligations under these Conditions or any part thereof without our prior written consent, which consent may be given on such terms and subject to such conditions as we deem fit. Regardless of whether any consent is sought from us for any such subcontracting or delegation, you shall remain solely responsible to us for observing and complying with and the due performance of all your duties, obligations, undertakings, warranties and covenants set out in this Order and the Award Letter.

11.2 Conditions 1, 3.2, 3.6, 7, 8, 9, 10, 11 and 12 shall survive any cancellation of this Order and shall remain in full force and effect as between the parties insofar as the same are not fulfilled or insofar as the same are required to be observed and performed by either party.

11.3 A person who or which is not party to these Conditions shall not have any right under the Contracts (Rights of Third Parties) Act (Chapter 53B) to enforce any provision of these Conditions.

11.4 In case any provision in these Conditions shall be, or at any time shall become invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not in any way affect or impair any other provision of these Conditions but these Conditions shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

11.5 No failure on the part of either party to exercise, and no delay on its part in exercising, any right or remedy under these Conditions will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.

11.6 No variation to these Conditions shall be binding unless agreed in writing between both parties' authorised representatives.

11.7 You shall comply with all laws and regulations.

11.8 You shall in your collection, processing, disclosure or other use of Personal Data (as defined in the Personal Data Protection Act of 2012 ("PDPA")), and/or other applicable data protection laws (together with the PDPA, "**Applicable Data Protection Laws**") for any purpose arising out of or in connection with these Conditions, the Award Letter and/or this Order, adhere to the requirements of the PDPA and other Applicable Data Protection Laws.

11.9 You undertake, represent and warrant that you, your officers, servants and agents and any other person responsible for providing goods and/or performing services hereunder are in compliance with all anti-corruption and anti-bribery laws, and will remain in compliance with all such laws. Without prejudice to the generality of the foregoing, you shall not, and shall ensure that your officers, servants and agents, at any time, does not, directly or indirectly offer or give or agree to give to any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do, any action in relation to these Conditions, the Award Letter and/or this Order, or for showing or forbearing to show favour to any person in relation to these Conditions, the Award Letter and/or this Order, whether or not such action shall comprise an offence under Chapter IX of the Penal Code (Chapter 224) or the Prevention of Corruption Act (Chapter 241).

11.10 You acknowledge and agree that you may not be the exclusive supplier of the goods supplied and/or the services/works performed (as the case may be) to us and we may purchase any goods and/or the services/works (as the case may be) similar to the scope supplied from, or otherwise conduct business with other parties who may be in competition, whether directly or indirectly, with you.

12 **SECURITY DEPOSIT**

12.1 You shall no later than 14 days after the date of the Award Letter or your acceptance of the Award Letter (where applicable), pay to us an amount as set out in the Commercial Term Sheet (the "**Security Deposit**"), or in lieu of such payment, provide us with a banker's guarantee in such form prescribed by us, and issued by a bank approved by us.

12.2 Any payment pursuant to Condition 12.1 shall constitute security for the payment of any sum due and payable to us from you as liquidated damages, compensation or otherwise, and we shall be entitled to retain the amount of such payment until the expiry or cancellation of this Order, and may utilise at any time the whole or any part of such payment in payment of any sum due to us from you. We shall not be required to pay any interest on the Security Deposit. In any event, nothing herein shall be construed as in any way limiting our right of recovery against you to the amount of the Security Deposit.

12.3 In the event that you provide us with a banker's guarantee in lieu of paying us the amount of the Security Deposit:

12.3.1 we may, but shall not be obliged to, invoke the banker's guarantee and recover therefrom in respect of any sum due and payable to us from you, without prejudice to any other rights or remedy which may be available to us whether under these Conditions or at law; and

12.3.2 you shall procure that the date specified in such banker's guarantee as the "expiry date" is successively extended so that demands under the banker's guarantee can continue to be validly made by us and honoured by the issuing bank at any time throughout the period from the date of issuance of such banker's guarantee up to the expiry or cancellation of this Order.

13 **DISPUTE RESOLUTION**

13.1 These Conditions shall be governed by the laws of Singapore. Any dispute arising out of or in connection with these Conditions, including any question regarding the existence, validity or cancellation of this Order, shall be referred to and finally resolved by the courts of Singapore.

14 **ELECTRONIC DATA INTERCHANGE**

14.1 You may be required by us to sign up with SESAMi or other vendor portals and/or electronic means, including emailed reports in an excel file format as determined by us for transactions that will be performed by way of electronic data interchange, in which case, you shall bear all such costs and expenses relating thereto.

15. **URGENT REMEDY PLAN**

Without limiting its other rights or remedies, we may by written notice require you to remedy a breach by you of any of these Conditions. You shall continue to perform all of your obligations under this Order and shall:

15.1 devote all necessary resources to the resolution or mitigation of the breach for immediate resolution, promptly meet with us to agree on a strategy (the "**Urgent Remedy Plan**"), which if approved by us, shall be implemented by you immediately;

15.2 and to draft a "Prevention Plan" to prevent a recurrence, reporting on a daily basis until resolution to our satisfaction.

15.3 A failure by you to comply these obligations constitutes a material breach of this Order, without prejudice to our other rights and remedies.

COMMERCIAL TERM SHEET

SN	Key Commercial Terms	Conditions
A	Performance Criteria	As described in our RFQ specifications/requirements and its attachments
B	Delivery Terms	DDP, Singapore (excluding only GST)
C	Payment Terms	60 Days
D	Warranty Terms	As stated in our RFQ specifications/requirements and its attachments
E	Intellectual Property Rights	All foreground IP rights arising out of any goods supplied and/or services performed is vested solely in SATS
F	Export-Import Controls	Declared as NOT controlled goods and NOT prohibited goods in Singapore.
G	Specifications	As attached in your submitted quotation to our RFQ.
H	Duration of supply scope (Term)	As stated in our RFQ specifications/requirements and its attachments
I	Remedies for Non-Performance, (Liquidated Damages).	One percent (1%) of the amount in respect of the supply scope due for delivery and/or completion per day or ten dollars (\$\$10.00) per day, whichever is the higher, up to a period not exceeding 60 days.
J	Packing Requirements	<ul style="list-style-type: none"> You are required to comply with all copyright, intellectual property, statutory and regulatory laws, requirements and directives of both origin and destination of the goods for packaging and labels. Environmental packaging labels (e.g. recycling symbols) must be clearly and accurately displayed on the packaging, to identify packaging material type. You must label the goods and provide packing documentation that includes all pertinent information available for identifying the shipment and the goods to the respective shipment. The relevant shipping documentation and packing list should be sent ahead before delivery to notify us in advance of the delivery to be made. The packaging selected should be in accordance with an Environmental Code of Practice for the Packaging. For example: NEA's Singapore Packaging Agreement. The packaging must be able to withstand the stresses of the planned mode of transport. The Goods must arrive free from damage and contamination. You are liable for all damage and expenses caused by packaging or from lack of packaging protection against mechanical damage and corrosion. Packaging must be designed to ease handling and removal. You shall use environmentally responsible packaging and environmental friendly materials, the packaging must have the minimum net impact on environment and fully preserve the Goods it contains. You are to provide reusable packaging and support reverse logistics or explore opportunities where packaging to promotes reuse or other uses; prioritizing reduction of packaging material by weight and volume.
K	Reporting requirements	<ul style="list-style-type: none"> As described in our RFQ specifications/requirements and its attachments. You are required to provide a monthly statement of accounts according to our defined format.
L	Exit Plan	<ul style="list-style-type: none"> On termination of this Order, you shall cease to use for any purpose, and shall deliver to us, in our chosen format, on media free of viruses (where relevant), within seven (7) days of termination, the supply scope (whether or not in final form) of goods and/or the services/works, and any other associated documentation so related. The exit plan is required to ensure there is a smooth hand over to the next appointed contractor. A duration of one month is required to ensure this. The notice starts when you are notified. You will prepare a record of transfer which will be used to document each individual item and documentation transferred to our control. The list must be itemized to record all items and documents.
M	Obsolescence Management	<ul style="list-style-type: none"> Without prejudice to any of your other obligations under these Conditions, obsolescence management for spares and maintenance service support, relating to expected lifetime, shall have the following requirements: You shall provide a written statement indicating the last date of production of the supplied scope, one year in advance or as soon as it is known to you. You shall provide a written statement indicating the number of years of support and spares supply after the last production cycle, one year in advance or as soon as it is known to you. You hereby undertake to inform us in writing of the last opportunity to procure spares and/or support, one year in advance or as soon as it is known to you. You hereby undertake to inform us in writing on any part or component changes, one year in advance or as soon as it is known to you.
N	Cost Reduction Incentives	<ul style="list-style-type: none"> In consideration for continued competitiveness, both parties are required to put in reasonable time from their respective engineering, operations and procurement resources to reduce the costs through collaborative effort by both parties. The cost reduction team shall comprise of at least one experienced subject matter expert, one operations supervisor and one experienced procurement officer from you and one representative from us, who will decide on the cost reduction effort and prioritization. If there are savings derived from this cost improvement effort, the net saving shall be shared by the parties in the following manner. The net saving is derived from the difference between existing prices/rates and the new price/rates less the cost of improvement. Fifty (50%) per cent of the net saving shall be credited to you and the contract price shall be amended to the new price plus the Fifty (50%) per cent of the net saving. Both parties shall bear their own costs for undertaking the cost improvement describes in above including without limitation their own non-recurring costs. The cost reduction exercise shall be an on-going effort and is not limited to engineering design, as it may include processes, man power deployment, administration procedures, automation and any other innovations to bring this about. A final cost reduction report, which has been reviewed and approved by us, shall be submitted by you to us at the end of the exercise to conclude the collaborative effort and determine the new price and/or rates .
O	Aviation Liability Insurance	<ul style="list-style-type: none"> As stated in our RFQ specifications/requirements and its attachments
P	Security Deposit	5% of the Contract Value payable by cheque or by way of a banker's guarantee.