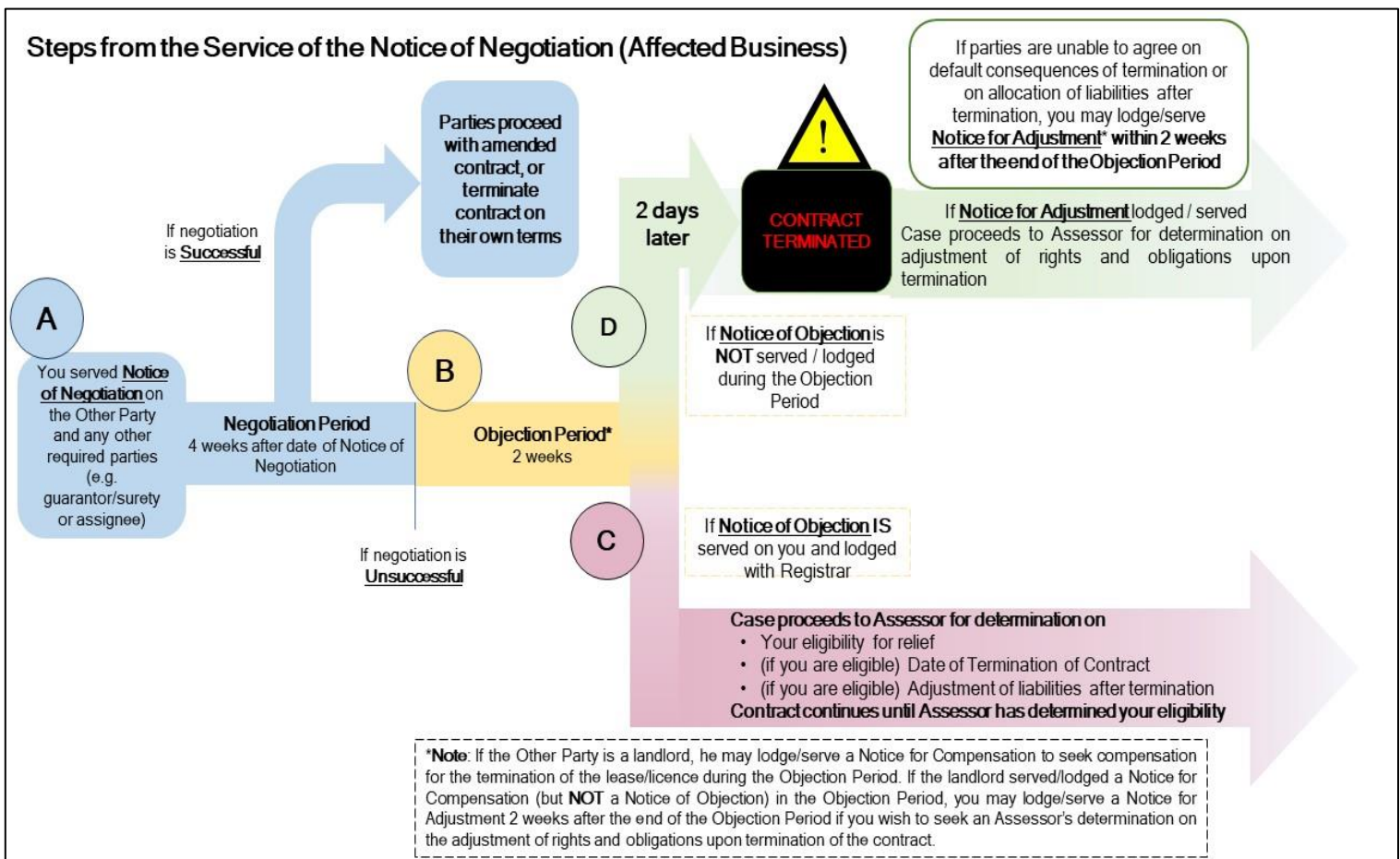


EXPLANATORY NOTES TO THE NOTICE OF NEGOTIATION (AFFECTED BUSINESS)

IMPORTANT: The service of the Notice of Negotiation has **legal effect** if you are eligible for relief under Part 10 of the COVID-19 (Temporary Measures) Act.

The service of the Notice of Negotiation triggers a 4-week Negotiation Period from the date of the Notice, during which, the counterparty (the “**Other Party**”) and you may renegotiate the contract. If the Other Party wishes to object to your eligibility for relief, he has to lodge and serve a Notice of Objection at www.go.gov.sg/re-align-objection during the 2-week Objection Period after the end of the 4-week Negotiation Period. If the Other Party does **not** lodge and serve the Notice of Objection, **your contract will be deemed terminated 2 days after the end of the Objection Period**. We therefore encourage you to reach out to the Other Party to discuss and reach a mutually acceptable solution.

You are advised to read the Explanatory Notes below on the steps you should take after you have served the Notice of Negotiation.



<u>You are at Step...</u>	<u>What you should do</u>
<p style="text-align: center;">A</p>	<p>You have served a Notice of Negotiation on the Other Party and any other required parties (e.g. guarantor/surety or assignee)</p> <ul style="list-style-type: none"> You have 4 weeks from the date of the Notice of Negotiation to renegotiate the contract with your counterparty (the “Other Party”). You are encouraged to reach out to the Other Party to try to reach a mutually acceptable solution. <ul style="list-style-type: none"> For example, parties may agree to cancel deliveries of goods previously ordered, or a temporary reduction of rent. Parties may also decide that it is best for parties to part ways, and negotiate to terminate a contract on terms you both agree with The other party is prohibited from taking legal and enforcement actions (e.g. court proceedings) against you if you fail to perform any contractual obligation that is due to be performed from the day the Notice of Negotiation is served.
<p style="text-align: center;">B</p>	<p>You did not reach an agreement with the Other Party during the 4-week Negotiation Period</p> <ul style="list-style-type: none"> During the 2-week period (“Objection Period”) after the end of the Negotiation Period, the Other Party may lodge and serve a Notice of Objection. During the Objection Period, if the Other Party is a landlord, he may also lodge and serve a Notice for Compensation to seek compensation for the termination of the contract.
<p style="text-align: center;">C</p>	<p>The Other Party has lodged/served Notice of Objection during the 2-week Objection Period</p> <ul style="list-style-type: none"> If the Notice of Objection is in order, the Registrar will send you and the Other Party a Notice of Appointment of Assessor, by email, stating that an independent Assessor has been appointed to determine your eligibility for relief and if you are eligible, the date of contract termination. <ul style="list-style-type: none"> If you are eligible, an Assessor may also be appointed to make a determination on the adjustment of rights and obligations upon termination of the contract. Your contract continues until the Assessor has determined your eligibility.
<p style="text-align: center;">D</p>	<p>The Other Party did not lodge / serve Notice of Objection during the 2-week Objection Period*</p> <p>*Including where the Other Party is a landlord has lodged/served Notice for Compensation, but not Notice of Objection</p> <ul style="list-style-type: none"> The contract will be deemed terminated 2 days after the Objection Period ends. The default consequences of termination are set out at Part 4 of the Second Schedule (see here). In general: <ul style="list-style-type: none"> You will still be liable for outstanding debts and obligations You will not have to pay early termination penalties and future obligations after the date of termination. If you do not agree with the default consequences of termination or you cannot agree with the Other Party on the parties’ rights and obligations after contract termination, in the 2-week period after the Objection Period, you may lodge a Notice for Adjustment for an Assessor to make a determination on the adjustment of rights and obligations upon termination of the contract.

For more information, visit www.go.gov.sg/re-align-negotiation