

**SINGAPORE AIRLINES LIMITED  
COMMERCIAL SUPPLIES DEPARTMENT**

**TERMS AND CONDITIONS FOR SUPPLY TO SINGAPORE AIRLINES LTD**

**1 TERMS OF APPLICATION**

- 1.1 Application by contractor/supplier constitutes acceptance by contractor/supplier of all terms and conditions printed on this form and all other Annexes which are attached.

**2 ITEM & REQUIREMENT**

- 2.1 The item(s) is listed in **Annexes B and C** (which will be sent to suppliers upon submission of the required documents as specified in the invitation letter of this document). The annual requirement is an estimate only and the successful supplier is required to make available the quantity when required.

**3 BID PRICE**

- 3.1 The pricing for the goods to be supplied or services to be rendered shall be exclusive of any Goods and Services Tax ("GST"), i.e., price quoted in the Quotation do not include any GST component. Suppliers must also indicate whether they will be charging SIA any GST for the supply.
- 3.2 SIA will not entertain any negotiation on price once a proposal has been submitted. The price quoted shall be treated as the last price the supplier is prepared to offer. Suppliers are therefore reminded to quote their best and last price.
- 3.3 Notwithstanding the above, should a change in specifications occur after the Quotation has been called and such change may have an effect on price, SIA may under such circumstances negotiate the price.

**4 COMPLETION OF BID APPLICATION FORM**

- 4.1 Annex C (Bid Form) is to be completed by entering the Bid prices and other particulars in the space provided. The Supplier must insert the words 'No Quote' against item not quoted. No space in Annex C (Bid Form) should be left blank. The supplier must sign and affix their company's stamp on the bottom right-hand corner of Annex C.

## **5 NO PRICE INCREASE**

- 5.1 No price increase will be allowed to the successful supplier during the contract period. For avoidance of doubt, the contract period includes the optional year(s) unless the context requires otherwise. Any increase in its costs of production or in other aspect may not be passed on to SIA by way of an increase in the awarded price or a change in the goods and/or services to be provided.

## **6 VALIDITY PERIOD**

- 6.1 The supplier's offer shall be valid for a period of 6 calendar months from the closing date of the Quotation. On expiry of the Quotation, the supplier shall, if SIA so requires, extend the validity of the offer for a further period to be mutually agreed upon.

## **7 SYSTEM COMPLIANCE**

- 7.1 The successful supplier hereby warrants and will further cause all its software suppliers, integrators and consultants to warrant that their products and services are free from date compliance problems and that the performance or obligations to be performed under the contract will not be affected, impeded or interrupted by the entry or processing of any date value or date-dependent function, whether such date is past, current or future.

## **8 ACCEPTANCE OF BID**

- 8.1 Singapore Airlines Limited shall not be bound to accept the lowest or any quote, nor is it liable for any claim for whatever costs which may be incurred in the preparation of the Quotation. Singapore Airlines Limited shall reserve the right to accept the whole or part of the Quotation.

## **9 SECURITY DEPOSIT**

- 9.1 The successful supplier shall pay a security deposit in Singapore currency only equivalent to five percent (5%) of the value of contract. If the deposit is below S\$2,000.00, the amount shall be paid by a crossed cheque (for local suppliers only) or bank draft (for local and overseas suppliers) made out in favour of Singapore Airlines Limited. Should the deposit be S\$2,000.00 and above, a banker's guarantee from a bank acceptable to SIA, in Singapore Airlines' standard format (specimen provided) duly stamped, if required by Law, or such form that SIA may furnish, will be acceptable. This deposit shall be retained by SIA for the duration of the contract and shall, after damages, if any, have been deducted, be refunded to the successful supplier at the end of the contract in Singapore currency. No interest shall be paid on the deposit and any gain or loss resulting from currency exchange shall be borne by the successful supplier.

## **10 CONTRACT**

- 10.1 The successful supplier is required to enter into a contract within two weeks from the date of the award of the contract, failing which SIA reserves the right to award the contract to another supplier. The contract shall commence with effect from the date of the letter of award from SIA and will be subject to approval of prototypes of the Item(s) to be supplied.

## **11 DURATION OF CONTRACT**

- 11.1 The contract if awarded shall be in force for a period of 24 months. SIA reserves the right to extend the contract for a further period on the same terms and conditions of the contract including the price.
- 11.2 SIA may at any time terminate the contract for convenience, in whole or in part, by giving the successful supplier not less than ninety (90) days' written notice. The successful supplier shall, however, be bound to accept orders for the supply of the items until the expiry of the notice. All orders received during the notice period must be delivered by the successful supplier in accordance with provisions of the applicable Contract.

## **12 TERMINATION OF CONTRACT**

- 12.1 SIA may immediately terminate this contract, in whole or in part, by giving written notice to the successful supplier if any of the following events occur in relation to the successful supplier :
- (a) the successful supplier commits a material breach of any of its duties or obligations under the contract and fails to cure such breach or non-performance within thirty (30) days after receiving notice of the same, where such breach or non-performance is capable of being remedied; or
  - (b) the successful supplier commits numerous or persistent breaches of, or persists in not performing its duties or obligations under the contract which in the aggregate are material; or
  - (c) the successful supplier files for bankruptcy, becomes or is declared insolvent, or is the subject of any proceedings related to its liquidation, insolvency or the appointment of a receiver or similar officer for it.

## **13 ASSIGNMENT OR TRANSFER**

- 13.1 SIA may assign or transfer the whole or any part of the contract to a subsidiary or associate company of SIA.

**14 NOVATION OF CONTRACT TO THIRD PARTY**

- 14.1 Upon notification in writing by SIA at any time, the successful supplier will cooperate to novate the contract to any third party that SIA may select whereby such third party will replace SIA in the contract with the successful supplier. Such cooperation of the successful supplier will include, but not be limited to, the execution of a novation agreement amongst the successful supplier, SIA, and the said third party.

**15 NO SEPARATE CONTRACT FOR DELIVERY PERIOD NOT EXCEEDING THREE MONTHS**

- 15.1 For purchases where no contract has been signed and where the delivery period does not exceed three months, the terms and conditions in the SIA Quotation documents shall constitute a contract between SIA and the successful supplier.

**16 STAMP DUTY**

- 16.1 Any stamp duty and other taxes levied or payable pursuant to the contract shall be borne by the successful supplier.

**17 DELIVERY**

- 17.1 The estimated annual quantity shall be delivered upon the issue of purchase orders as and when required during the term of the Contract.
- 17.2 The items ordered must be delivered to any delivery point/points in Singapore and/or in other countries as specified by SIA upon issue of the purchase orders to the successful supplier. Supplier shall be responsible for all delivery costs and expenses including freight, insurance, etc.
- 17.3 All orders received during the term of the Contract must be completed by the successful supplier at the contract price notwithstanding that delivery is to be made after the expiry of the Contract.
- 17.4 Delivery of goods must be made within the stipulated date/dates as stated in the SIA Purchase Orders. A grace period of up to 7 days may, at SIA's discretion, be granted for late deliveries (Sundays and Public Holidays inclusive) after which the successful supplier will be liable to pay liquidated damages as set out herein.

## **18 LIQUIDATED DAMAGES**

- 18.1 All delays will be subject to payment by the successful supplier of liquidated damages of one percent (1%) per calendar week, in respect of the total value of the quantity due for delivery, up to a maximum of ten percent (10%) of the contract value. If there are three (3) or more occasions of delay occurring in a rolling twelve (12)-month period, the liquidated damages will be five percent (5%) per calendar week, in respect of the total quantity due for delivery, up to a maximum of twenty percent (20%) of the contract value. Such payment will be without prejudice to any other rights or remedies that SIA may have hereunder or at law including the right to terminate the contract immediately by giving written notice to the successful supplier.
- 18.2 Notwithstanding any other provision to the contrary contained in the contract, SIA may, at any time and from time to time, without notice to the successful supplier, to set off and deduct from any and all amounts payable to the successful supplier (whether under the contract or any other agreements), any and all sums that may be due and owing by the successful supplier to SIA, its related or associated companies, whether under the contract or otherwise (including without limitation, any liquidated damages payable under any of the clauses of the contract, or any amounts previously overpaid to the successful supplier).

## **19 PURCHASES IN DEFAULT FROM ALTERNATIVE SOURCE(S)**

- 19.1 On expiration of the deadline, grace period (if any) for delivery of the item(s) and/or on expiry of the normal delivery lead time for replacement of defective goods and/or rectification of any type of defects, or any written confirmation of a potential delay by the Supplier, SIA may, without any further notification to the successful supplier, purchase any items which may function in an equivalent manner as the items which has/have not been supplied and/or replaced/rectified from other source(s) and recover damages (including but not limited to the price difference) from the successful supplier. For the avoidance of doubt, should the price charged by the alternative source(s) be lower than that charged by the successful supplier, the successful supplier shall not be entitled to claim the price difference from SIA.
- 19.2 Such purchases in default shall be made as many times as it is necessary to do so to prevent disruption of supplies.
- 19.3 If purchases are made in default, then liquidated damages shall also be charged based on the period of delay between the date on which the delivery was supposed to have been made by the successful supplier (including grace period, if any), and the date on which the delivery was actually made by the alternative source(s).

## **20 PACKING AND PACKAGING**

- 20.1 The goods must be suitably packed and packaged for seafreight or airfreight depending on the applicable transport mode in accordance with SIA's specifications and/or standard trade practices and/or mandatory requirements.
- 20.2 The successful supplier is liable for damages resulting from inadequate packing and packaging. Packings to be used for foodstuffs shall comply with the hygienic, sanitary regulations in force at the country of origin. All wrappings shall bear the life expiry date of the item, if applicable.

## **21 QUALITY AND REJECTION OF ITEMS**

- 21.1 The quality of the items supplied shall be in accordance with the approved sample and/or specifications accepted by SIA at the time of Event. No alterations to such specifications may be made without the prior written consent of SIA.
- 21.2 If the items supplied fail to meet the stipulated specifications and/or workmanship, in the opinion of SIA, is not satisfactory, SIA may reject such items and the successful supplier shall replace the rejected items with items complying with the stipulated specifications and/or workmanship within one (1) week from the date of rejection without any additional charge to SIA and the supplier shall be liable for any and all damages and costs to SIA arising from this breach.
- 21.3 SIA may conduct random quality checks on the items using SIA resources or external professional services. If the items so checked do not meet the quality standards of SIA, SIA may conduct further checks on up to one hundred percent (100%) of the items delivered, to ascertain the quality. The successful supplier will reimburse SIA the costs of conducting such checks which include manpower, professional fees, time and other materials which SIA expends to conduct such quality checks. SIA may deduct or set off such costs from the supplier's security deposit and/or outstanding invoices with SIA, under advice to the successful supplier.
- 21.4 The item(s) supplied shall be safe for human use and shall not contain any harmful, banned or restricted substances. For item(s) where restricted substances will be present, they shall not exceed the amount allowed, in accordance with any existing applicable standards that are applied by any relevant authority having jurisdiction on our operations or acquisition of supplies at any time. Should any item(s), supplied under the contract contain any harmful, banned or restricted substances (in the case of restricted substances where restricted substances will be present and they exceed the amount allowed), it shall constitute a breach of the contract. The Supplier shall be obliged to replace the item(s) at no additional cost to SIA and the supplier shall be liable for any and all damages and costs to SIA arising from this breach.

## **22 WARRANTY**

- 22.1 The successful supplier warrants that the items supplied fully conforms to the order made and that it is suitable for the use for which it is intended and is free from any defects whatsoever.
- 22.2 The successful supplier guarantees the item(s) supplied under the contract against any defect in manufacture, or any defect arising out of faulty materials or workmanship for a period of twelve (12) months from the date of receipt by SIA from the successful supplier of the item(s).
- 22.3 If the characteristics of the quality are not specified in the part number description, the supply shall be of the best commercial quality. Supplies in respect of which a specific warranty is requested shall be accompanied by the relevant Certificate(s).
- 22.4 In case of any minor defect or discrepancy which does not jeopardize the final use of the supply, SIA has the right, at its option, to request a correction of such a defect or discrepancy by and at the expense of the successful supplier or have a reduction for the price payable for the supply.

## **23 INTELLECTUAL PROPERTY**

- 23.1 The drawings, samples, models, equipment, sketches, photographs, printing plates supplied ("SIA materials") or approved by SIA shall not be copied, transferred to third parties or used in any manner whatsoever contrary to the provisions of the Final Quotation and the Contract. Upon completion of the last delivery to SIA, the above material(s) shall be returned to SIA with immediate effect.
- 23.2 The successful supplier agrees that all copyrights, goodwill, patents, know-how, trade secrets and other intellectual property rights ("Intellectual Property Rights") whether now known or hereafter becoming known and comprised or subsisting in SIA materials, any derivative materials, and the confidential information as well as any and all other materials provided to the successful supplier by SIA, or created or developed by the supplier exclusively for SIA, in connection with or for the purposes of the contract are and will be the sole and absolute property of SIA and the supplier hereby assigns to SIA all its Intellectual Property Rights in respect thereof, in accordance to the contract. In the event that notwithstanding the above, the supplier has or acquires the Intellectual Property Rights, the supplier is deemed to have irrevocably assigned and transferred the same to SIA free from any requirement on the part of SIA to pay any fees. Further and if required by SIA and at the cost of SIA, the supplier will execute and deliver to SIA all relevant documents or assignments and transfer in respect of the Intellectual Property Rights and the documents will be in such form as may be required by SIA in this regard. Further if any such Intellectual Property Rights cannot be assigned to SIA and cannot be waived, the supplier hereby grants to SIA an exclusive, perpetual, worldwide and royalty-free license to use, apply and otherwise exploit the Intellectual Property Rights and to extend sub-license (through any number of tiers or sub-license) in and to the same. This clause is without

prejudice to and does not limit the extent of the supplier's obligations herein provided that nothing in the above clause or this clause is intended to confer on SIA any intellectual property rights which belong to or are vested in (i) the supplier prior to the commencement of the contract, any such rights created independent of the provision of services under the contract including all software, tools, processes, utilities and methodologies belonging to the supplier and used in the provision of the contract, even if such intellectual property or any part thereof is incorporated into or forming part of the material developed for SIA, (ii) any alterations, modifications, enhancements or customisation made to any of the above in the item(s) in the course of provision of the services hereunder and (iii) any third party software as set forth in any license extended by any such supplier. The supplier further agrees not to: (i) make claims or assist any third party in any claim to the Intellectual Property Rights; (ii) do or permit any act to be done which is likely to prejudice any rights of SIA in and to the Intellectual Property Rights; and (iii) do or permit to be done any act or thing which is likely to jeopardize or invalidate any rights of SIA in and to the Intellectual Property Rights.

- 23.3 The successful supplier fully covenants to SIA that the supply of the item(s) has not been and will not be produced in infringement of any intellectual property right including patent, trade mark or copyright and the successful supplier shall indemnify and hold SIA, its servants and agents free and harmless from any prejudice, damages and expenses, including legal expenses incurred as a result of claims or legal proceedings brought against SIA, its servants or agents in connection with the foregoing.
- 23.4 If any legal proceeding is instituted for an alleged infringement of intellectual property rights, SIA reserves the right to cancel immediately all items yet to be accepted by SIA and/or to purchase all such items from elsewhere without prejudice to all or any of SIA's rights in the contract.

## **24 EXCLUSIVITY OF ITEMS**

- 24.1 The successful supplier will not dispose any item(s) which carries the SIA logo, logo-type, name or any other registered or unregistered trademark of SIA which is exclusively designed/produced for SIA, to a third party through sale, gift or any other means.

## **25 PLACEMENT OF VENDOR'S/MANUFACTURER'S NAME, BRAND NAME AND LOGO**

- 25.1 Unless instructed or mutually agreed upon in writing, the successful supplier will in no way display his company's name, logo, brand name or any other representation on the item(s).

## **26 PROVISION FOR BACK-UP STOCK**

- 26.1 To ensure a continuous supply of the items to SIA, the successful supplier will be required to hold at least one and a half (1½) months' stock at any one time in their warehouse to meet SIA's urgent requirement. This one and a half months' stock is part of the estimated annual quantity and it is not in addition to the estimated annual quantity. SIA, however, will not be responsible for either the expenses arising out of the provision and maintenance of such warehousing facilities or the security of goods contained therein. SIA will upon expiry or termination of this contract undertake to accept the balance of these stocks, if any, provided that there has been no breach of any of the terms of the contract and that such balance stocks are not in excess of the one and a half (1½) months' quantity.
- 26.2 If the successful supplier fails to hold one and a half (1½) months of stock in his premises at any one time, SIA reserves the right to purchase the equivalent quantity of stock from another supplier to build up the required stockholding. The cost of purchases and the expenses incurred will be debited to the incumbent supplier's account or paid by the supplier to SIA, at the option of SIA.
- 26.3 The purchase to build up this stockholding will be made as many times as is necessary to maintain the one and a half (1½) months' stockholding.

## **27 SPARE PARTS (WHERE APPLICABLE)**

- 27.1 The successful supplier hereby guarantees that spare parts necessary for the efficient working of the equipment shall be made readily available for a period of ten (10) years.
- 27.2 The successful supplier shall not be relieved of his obligations should there be a transfer or change of agency for any reasons whatsoever.

## **28 TERMS OF PAYMENT**

- 28.1 SIA will pay the successful supplier within 45 days of receipt of the successful supplier's invoice or upon receipt of the items by SIA whichever is the later.

## **29 INDEMNITY**

- 29.1 The successful supplier hereby agrees to indemnify and hold harmless SIA, its agents and servants from and against all liabilities, claims, damages, losses, costs and expenses (including but not limited to those in respect of death or injury to any person or loss of or damage to property) arising out of or in any way connected with the item(s) and/or the use of the item(s) supplied by the successful supplier.

### **30 LIABILITY FOR DAMAGES**

- 30.1 The successful supplier assumes all liabilities for damages of any kind whatsoever suffered by any person and/or property of SIA, its servants or agents or third parties, during and as a result of any service to be performed in the premises or offices of SIA caused by the successful supplier's employees, agents, servants or their representatives.

### **31 INSURANCES**

- 31.1 Pursuant to the liability and indemnity provisions of Clause 29 and Clause 30 herein, the Successful Supplier shall procure and maintain adequate insurance cover for the items/services provided under the contract and such insurance shall name SIA as an additional insured with a waiver of all the insurers' rights of subrogation against SIA.
- 31.2 The Successful Supplier shall furnish, as and when required by SIA, certificates of insurance evidencing the above

### **32 GIFTS, INDUCEMENT AND REWARDS**

- 32.1 All suppliers are advised to refrain from offering gifts and rewards in any form or manner to any SIA employee in relation to the obtaining or execution of any contract with SIA, whether or not the like acts are performed by the supplier(s) or persons acting on his/their behalf with or without the knowledge of the supplier(s).
- 32.2 SIA shall terminate the contract, forfeit the deposits and debar the supplier(s) for any appropriate period of time if it is proven that the supplier(s) has/have offered and/or given gifts and rewards in obtaining or in execution of any contract.

### **33 MEDIATION**

- 33.1 Any dispute, controversy or difference will first be referred to the Singapore Mediation Centre within fourteen (14) days from the time it arises, in accordance with the Mediation Procedures, unless any party serves a written notice ('the Notice') on the other party and the Singapore Mediation Centre stating that it will not submit the matter to mediation, or that it will submit the dispute for arbitration or litigation. The parties will participate in mediation in good faith and will abide by the terms of any settlement reached.
- 33.2 The right to arbitration or litigation arises when one party serves the Notice on the other party and the Singapore Mediation Centre.

### **34 APPLICABLE LAW AND VENUE**

- 34.1 The successful supplier further warrants that the item(s) is in compliance with all applicable laws and requirements relating to the item(s) and the production thereof, including but not limited to child labour laws, employment laws and industrial laws.
- 34.2 The contract shall be governed by and interpreted in accordance with the laws of the Republic of Singapore, and the parties hereto hereby submit to the non-exclusive jurisdiction of the Courts of the Republic of Singapore.

### **35 ENFORCEABILITY**

- 35.1 Neither party will be liable for any default or delay in the performance of its obligations under the contract:

(a) if and to the extent the default or delay is caused, directly or indirectly, by fire, flood, elements of nature, acts of God, health epidemics declared by the World Health Organisation, acts of war, terrorism or civil unrest, industrial action in any form (except industrial action by employees of either Party) in the country in which such obligations are being performed or any other similar events beyond the reasonable control of the party ("**Force Majeure Event**"); and

(b) provided the party affected by the Force Majeure Event is without fault and the default or delay could not have been prevented by reasonable precautions.

In such event, the party affected by the Force Majeure Event is excused from further performance for as long as such circumstances prevail.

- 35.2 If any one or more of the foregoing conditions shall to any extent be invalid or unenforceable, the other conditions shall remain in full force and effect.
- 35.3 A person who is not a party to the contract has no right under the contract (Rights of Third Parties) Act (Cap 53B) to enforce or enjoy the benefit of the contract.
- 35.4 In the interpretation of the contract, no rule of construction will apply to the disadvantage of one party on the basis that that party put forward the contract.