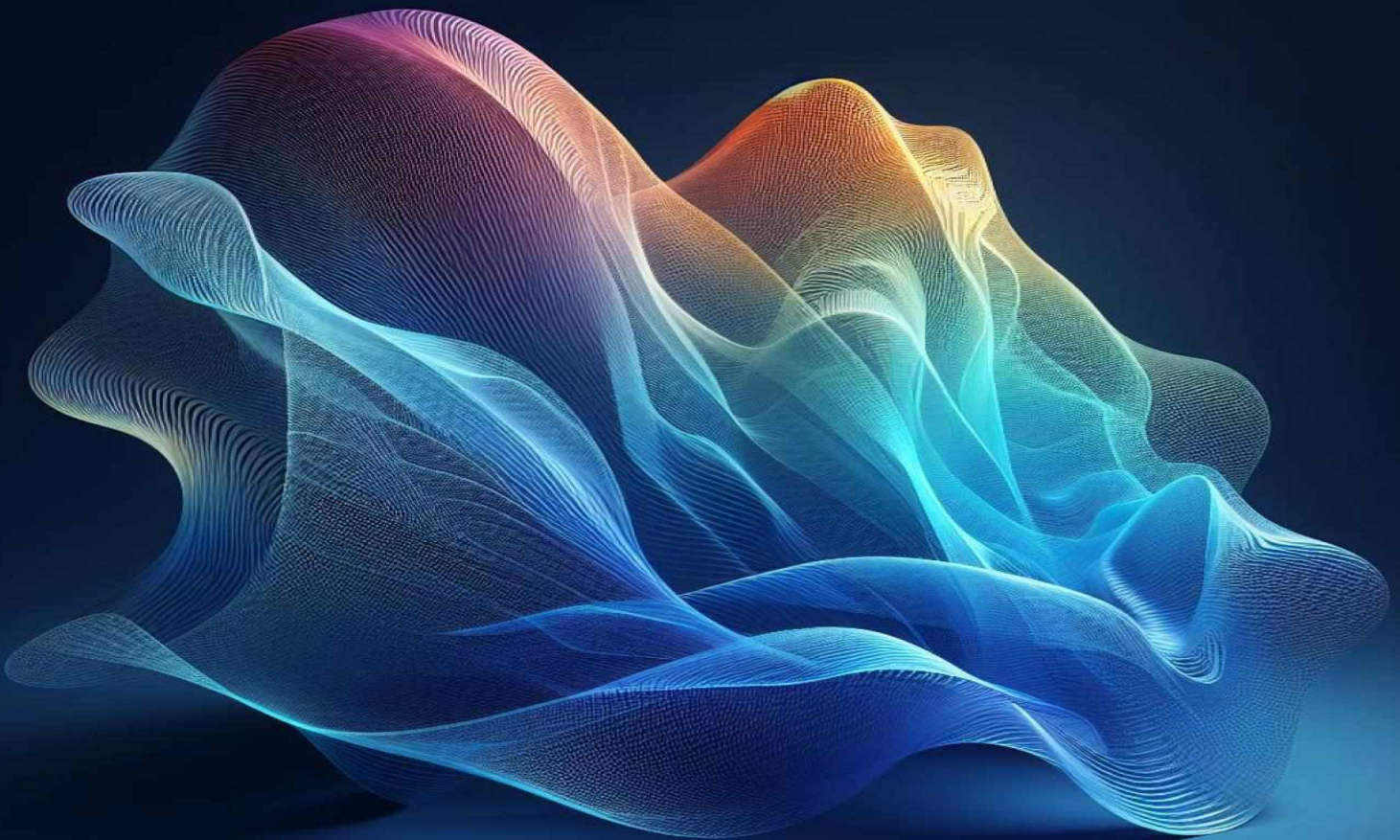




Prompt Engineering for Lawyers (2nd Edition)

Leveraging generative AI in the legal profession



Generative AI and the Law

Generative AI has great potential as a copilot to enhance lawyers' efficacy and efficiency, thereby enabling lawyers to focus their attention on more complex and higher value legal work. Generative AI tools are only as effective as the input they receive. This Guide aims to share good practices for prompt engineering, helping lawyers achieve better results when using this technology.

Early applications of AI in the legal profession centred around data analytics, making predictions based on data or searching large volumes of information. AI technology automating tasks such as discovery, due diligence and contract management has become widespread but, until now, many AI tools have seen rudimentary use in the legal profession.

Generative AI offers an unprecedented opportunity to advance innovation in the legal profession. By automating routine work, generative AI allows lawyers to focus on higher-value work – from offering strategic guidance to building trusted client relationships – where critical thinking, commercial acumen, and a holistic understanding of the client's needs come into play. Microsoft lawyers demonstrated that generative AI tools made them 32% quicker on tasks and 20% better on accuracy¹.

Generative AI capabilities are becoming readily accessible. For example, legal research and contract drafting tools are incorporating generative AI; and the Singapore courts are starting with assisting litigants-in-person at the Small Claims Tribunal². The Singapore Academy of Law is also augmenting its research databases with the technology.

Some lawyers have access to generative AI solutions designed for legal tasks, such as legal research, contract analysis and document review, while most can access general purpose generative AI tools.

This guide provides fundamental prompt engineering techniques that are helpful across various chat-based generative AI tools.

Examples of use cases for lawyers using appropriate AI tools:

Legal drafting: creating first drafts of contracts, legal advice and court pleadings.

Legal research: researching and summarising information drawn from various sources and extracting trends and insights.

Legal analysis: evaluating contracts to assess risks and compliance. Document intelligence tools are gaining popularity as AI becomes a standard part of due diligence exercises.

Summarisation: generating synopses, summaries and fact sheets for large swathes of data.

Negotiation support: generating standardised responses and providing negotiation and compete intelligence.

Knowledge management: retrieving information and generating insights from knowledge databases.

Communications: preparing first drafts of client and other communications in a customised voice.

Meetings: scheduling of meetings, translation features for more inclusive meetings, transcribing and summarising meetings and extracting insights.

Practice management: generating insights into performance metrics and financial optimisation.

Billing: automating billing processes, estimating time to complete tasks based on past instances.

Marketing: creating marketing content for firms and teams to showcase capabilities and achievements.

¹ Microsoft, [Beyond Anecdotal Success: Copilot Delivers Value for Microsoft's CELA Organization](#) (23 May 2024)

² Channel NewsAsia, [Generative AI being tested for use in Singapore Courts, starting with small claims tribunal](#) (27 September 2023)



Prompt Engineering Guide

Knowing the basics of prompt engineering – the practice of formulating instructions to achieve specific outcomes from a generative AI tool – will enable lawyers to generate more accurate and pertinent results. This Guide provides concepts and guidance that lawyers can apply to most prompt-based generative AI tools.

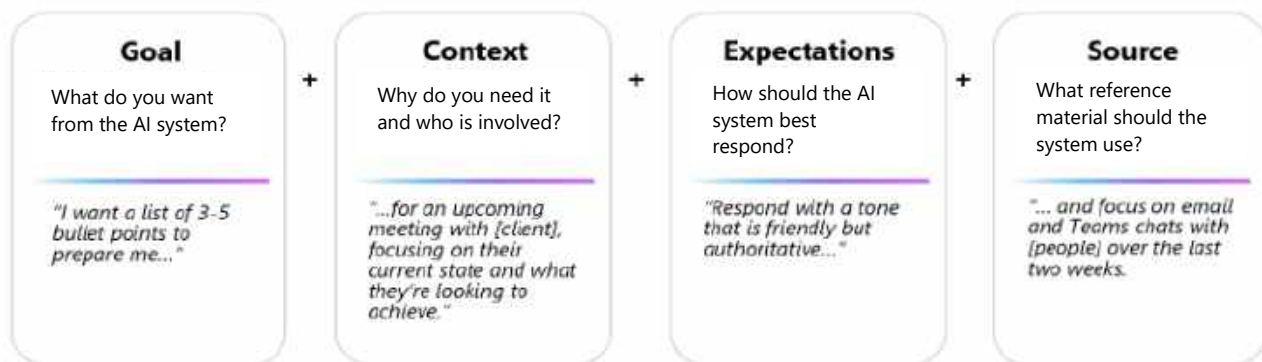
Basic Concepts

With prompt-based generative AI models, the user interacts with the model by entering a text prompt, to which the model responds with a text completion or output. While these AI models are powerful, their behaviour is very sensitive to the prompt. This makes prompt engineering an important skill to develop.

In practice, the prompts guide the AI model to complete the desired task. It is more of an art than a science, often requiring experience and intuition to craft a successful prompt. The goal of this section is to help get you started with this learning process. It attempts to capture general concepts and patterns that apply, although each model may behave differently.

Structuring a Good Prompt

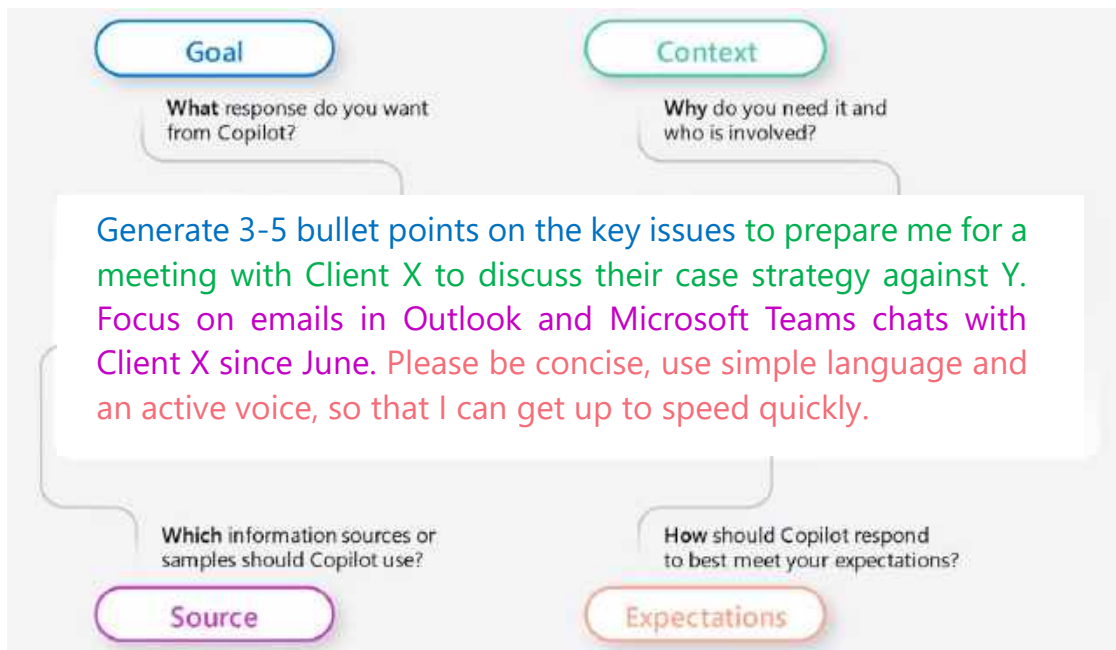
A good prompt will provide a clear description of the task, explain the role the AI tool needs to play, describe the audience, provide guidance on the tone, style and length of the expected output, and any additional context to be considered. An iterative process will help to refine the result.



Breaking It Down

Goal. We start with clear instructions to the generative AI model by laying out our goal. The sequence that information appears in the prompt matters due to the way most AI models are built. Telling the model the task you want it to do at the beginning of the prompt, before sharing additional contextual information or examples, can help produce higher quality outputs. Provide clear objectives, whether for legal research, document drafting or case analysis. Be as specific as you can and use action verbs such as “Draft”, or “Summarise” for better results. If your goals are complex, break them down and prioritise them.

Context. Including the relevant background information, constraints around the instruction, and parties involved helps the model better understand the overall contours of what it should aim to achieve. It is useful to include the “Persona” of the individual drafting the prompt and the intended audience of the output. The user can also include a few examples for the model to learn from and accordingly emulate – this is an approach called few-shot learning, which results in an output that is more tailored towards the examples provided. Include all necessary background, such as the legal issue being explored, jurisdiction, applicable laws, case details, key stakeholders or parties involved and intended audience for the output.



Expectations. Setting expectations as to how the output should be framed will help create an appropriate voice or format that suits your needs. This could include the level of depth, detail, tone of voice (e.g. friendly, authoritative or firm), format (e.g. the output should be in the form of a bulleted list, a table, or a concise summary), and intent of the output (e.g. inclusion in a memorandum, client brief or contract). You can also set an expectation for a word limit or request for brevity (e.g. give me the answer in a single sentence without any explanation”), if required. Try specifying that the output should be in accordance with Singapore law and see if the result is different. For more complex tasks, including the phrase “think through this step-by-step” can improve the output from the model. If there is a particular thinking process you would like to guide the model with, this is where you can break down the step-by-step thinking process. This is also known as Chain-of-Thought prompting.

Source. Lawyers using general-purpose prompt-based generative AI tools are strongly encouraged to include a reference source, which could either be an internal document or external website for better results. You may

include relevant sources (e.g. specific clauses or paragraphs) as part of your prompt. Some generative AI tools allow uploading of documents, references to folders or external webpages via URLs. When including reference materials, the more precise you are, the better. You should explicitly filter content and include specific paragraphs, clauses or sections instead of uploading the entire document or referencing an entire folder or website. This narrows the focus of the model, which typically relies on its broad-based training data. This would allow the model to provide more targeted output suited to your needs. When analysing and summarising multiple documents, consider requesting that references to sources be provided in the output. **NB.** Always ensure that the data being shared with the language model complies with your organisation's data privacy and security policies.

Be Creative

There are various ways in which properly crafted prompts can be a boon to productivity and boost your creativity as a lawyer. You should master prompt engineering and use generative AI responsibly. Here are some ways in which generative AI can help with your work.



Generate content ideas

Redraft a paragraph in an affidavit or a specific contract clause. Helps overcome writer's block. Gives new inspiration on how to rephrase troublesome or awkward sentences.



Gain insights

Summarise a lengthy document, such as an affidavit, statute or grounds of decision. Ask questions about the material to gain deeper insights.



Enable insightful meetings

Summarise a Teams call and ask for a meeting recap, quickly convert notes from a client meeting into an update to the senior partner and to the client.



Translation

Translate a piece of legislation, contract, regulatory guidance or advice from another language to English for ease of understanding.



Assist with storytelling

Convert a case you worked on into an interesting story for a client update. Extract information from emails and Teams chats to prepare a narrative for a presentation.



Expand on key points

Promptly convert a set of bullet points that you have prepared into a creative write-up, including for a client brief, programme for a client event or article for your firm's client publication.



Good Practices for Lawyers

Generative AI can greatly enhance your efficiency as a lawyer. However, its use must align with your professional and ethical responsibilities.

Professionalism. You are responsible for your work product, even when you are using generative AI. Generative AI will not be fully accurate. Remember what you learned in the first year of law school: do not rely on an authority that you have not read. Review and verify generated output before incorporating them into your work product.

Copilot, not autopilot. Generative AI works best when you provide substantive content and context. A lawyer's craft is in advocacy and drafting, and you should not be overly reliant on generative AI. It is helpful for fluency and generating permutations but should not be a substitute for developing subject matter expertise.

Disclosure. There may be situations where your firm's policy, codes of professional conduct or practice directions require disclosure of the use of generative AI to clients or the courts.

Confidentiality. Be aware of the terms of the generative AI service that you are using to prevent inadvertent disclosure of client information or personal data. Free-to-use generative AI services may use prompt content for continuous learning, content moderation or other purposes. On the other hand, generative AI services tailored for enterprises are likely to have robust confidentiality and personal data protection safeguards. Understand these terms and conditions well and anonymise your prompts accordingly.

DO

- ✓ Use generative AI to generate comparisons, summaries, key issues and brainstorm ideas based on trusted sources.
- ✓ Start a new chat for each task and provide clear context for prompts.
- ✓ Submit related prompts in a chain and run a prompt repeatedly to verify results.
- ✓ Experiment and iterate to get the results you need.

DON'T

- ✗ Ask the generative AI system to do too many things at one go.
- ✗ Expect perfect output on a single try.
- ✗ Assume that all output would be fully accurate and fit for purpose.
- ✗ Use output as work product without verification.

A Day in the Life

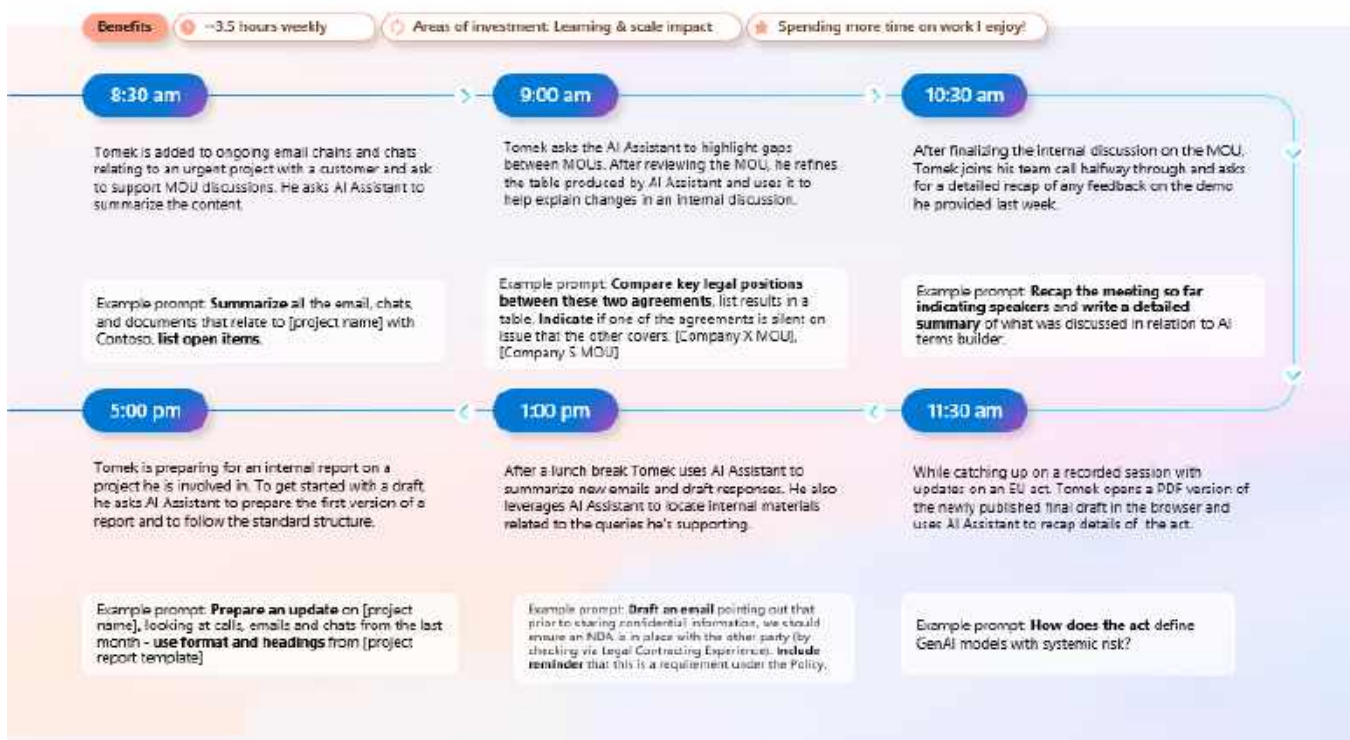
This section presents a glimpse into a typical workday across various legal roles, highlighting how one type of generative AI, namely Copilot, can be seamlessly integrated into everyday tasks. This series includes a variety of personas and task creations. As the content in these scenarios are illustrative samples only, you should evaluate how Copilot aligns with your organization's business processes, regulatory requirements and responsible AI principles.

From junior paralegals to senior associates, each scenario demonstrates how professionals in different roles can use AI tools to enhance their efficiency and accuracy. Whether it is summarising case law, analysing contract clauses, generating chronologies for litigation support, or drafting client communications, the examples illustrate real-world applications of GenAI that support, not replace, human judgment.

The visual format is intentional: each entry includes the prompt, AI-generated outputs, and commentary to show how changes in prompt wording influence the outcome. By situating prompts in practical, role-specific contexts, this section moves beyond generic suggestions to offer tailored, concrete examples of how AI can assist with daily legal work. It also reinforces the principle that GenAI is a copilot: useful for ideation, automation, and drafting support, but legal professionals remain responsible for verifying and refining all outputs.

Paralegal

A day in the life of Tomek, a Paralegal at Company X



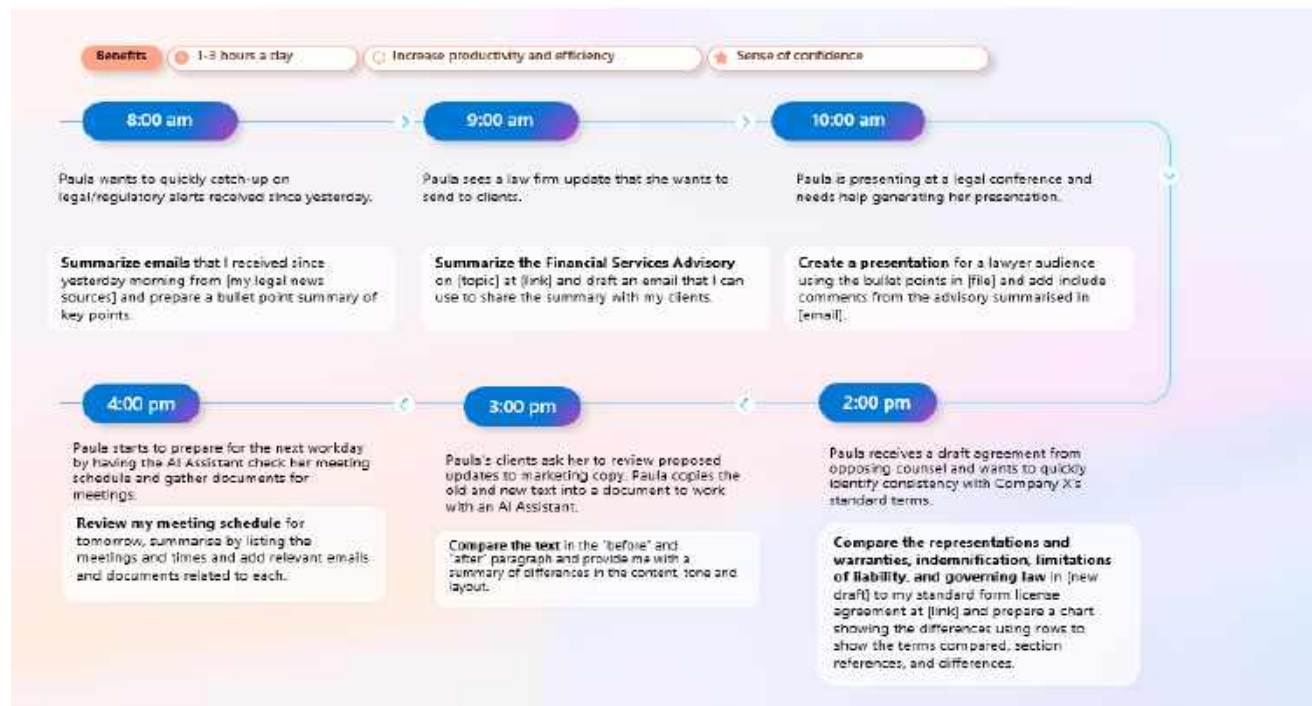
Corporate Counsel

A day in the life of Amanda, a Corporate Counsel at Company X

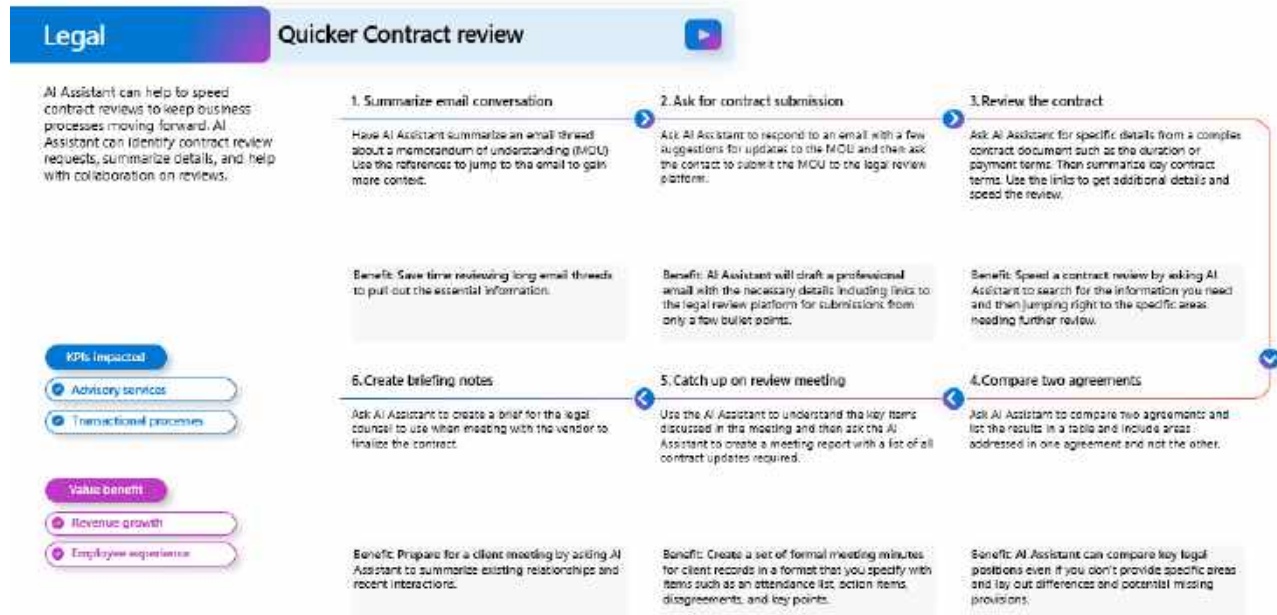


Senior Counsel

A day in the life of Paula, a Senior Counsel at Company X



Contract Review and Drafting



Regulatory Compliance



Litigation Strategy

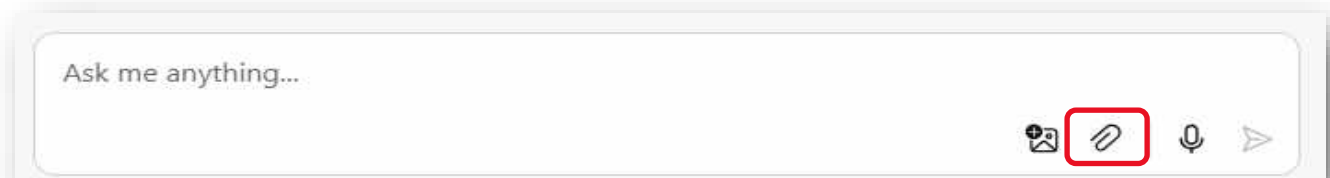


Legal Use Cases

The following use cases show how prompts can aid different aspects of a lawyer's work. Use these examples to inspire your learning journey. Adapt and experiment to achieve optimal results. When you identify prompts that suit your needs, be sure to save them.

Adopt the good practice of providing the goal, context, expectations and source to the generative AI system. In some examples, you may be providing sample documents to the generative AI service. Please ensure that the service you are using has adequate confidentiality and data protection safeguards before doing so. You should also minimise information in the samples that you are providing to only relevant paragraphs, clauses or sections. It is also advisable to redact client information from the samples that you are providing.

Quick Tip: Many prompts for your legal use will require reference to documents either pasted into the prompt window or attached via functionality provided by the language model. In the case of Copilot, this is done by clicking the paperclip icon within the prompt window, as shown below.



Contract Review and Drafting

Review a contract, draft clauses from provided samples, compare a contract against standard templates and highlight deviations.

Prompt: Please detail how an employee who is under the following ESOP *[insert ESOP document]* will receive equity benefits over a 5-year period. Assume that the employee has already been with the company for 5 years and is classified as a senior management staff. Provide output in formal legal language. Cite specific sections of the ESOP that apply.

Prompt: Draft an IP indemnity clause in favour of the licensor. I am a lawyer acting for a licensor in a negotiation on a software IP licensing agreement. Ensure that the clauses are in formal legal language using the active voice and concise. Base your drafts on these samples: [sample 1] and [sample 2].

Prompt: Draft a clause that outlines representations and warranties for a software IP licensing agreement. I am a lawyer acting for the licensor. The clause should strongly favour the licensor, ensuring that the licensor's ownership of the IP is clearly affirmed, there are no existing infringement claims, and the software meets defined standards. The language must be formal and legally robust, appropriate for inclusion in a legal contract. Based on the clause in [sample A] and [sample B], ensuring that the licensor's interests are thoroughly protected.

Prompt: I am an in-house lawyer, and I am trying to create a playbook for reviewing commercial agreements with customers. The main concerns I have are legal, but I want to ensure that any obligations or rights necessary under the terms of the agreement are maximised for the company. I have reviewed the attached agreements. Please identify the topics that I have reviewed and the comments that I have made and use them to create a list of areas to look out for and the positions that we should adopt. Organise this list according to topics. This will be included in the playbook. In addition to these issues, please also list other areas that should be included in the playbook. It would also be helpful to delineate what is or is not considered a commercial issue, e.g. pricing, payment periods and invoicing considerations, and to create specific headers for the same.

[New!] Prompt: I am a lawyer advising on a transaction governed by Singapore law. I want to update the attached Master Services Agreement (MSA) to incorporate all negotiated changes reflected in the accompanying email chain/summary, and produce a clean, execution-ready draft.

The deliverable is a clean, revised version of the MSA that accurately reflects these agreed amendments. You must ensure that all defined terms are used correctly and that the revisions do not result in internal contradictions within the agreement. Do not introduce any new substantive legal terms or modify clauses that were not subject to negotiation. Maintain the original formatting and clause numbering of the base document, unless specific changes require re-numbering.

Use only these materials:

- Base document: original MSA (.docx).
- Negotiation record: email chain or a summary document listing each agreed change.

Where attachments are referenced, restrict analysis and drafting to those materials and provide pinpoint references where applicable.

[New!] Prompt: I am a paralegal in a real estate practice group in Singapore. We have received a signed Letter of Intent (LOI) from the landlord and prospective tenant. My task is to draft the first version of the Tenancy Agreement (TA) for the landlord's review based on the agreed terms.

Prepare a complete Tenancy Agreement (TA) from the attached Letter of Intent (LOI), using the firm's TA template provided. Systematically populate the template with the following key details: full names and

UEN/NRIC of the Landlord and Tenant, the address of the demised premises, lease term (including commencement and expiry dates), monthly rent and any rent-free period, the security deposit amount, permitted use of the premises, any option to renew, and responsibility for stamp duty and legal costs. At the end of the draft, insert a short section titled "Review Notes for Solicitor" to flag: (1) any terms in the LOI that deviate from our standard template (e.g. an unusual break clause), and (2) any standard clauses in the template that are not addressed in the LOI (e.g. if the LOI is silent on reinstatement obligations). Do not alter any standard legal clauses in the template unless the LOI specifically requires it. The final output should be a clean, ready-to-review draft of the Tenancy Agreement.

Use only these materials:

- Core Terms: [Attach the signed Letter of Intent (LOI).]
- Base Document: [Attach the firm's standard commercial Tenancy Agreement template for this type of property, e.g., "Standard Commercial Office TA.docx".]

Where attachments are referenced, restrict analysis and drafting to those materials and provide pinpoint references where applicable.

Dispute Resolution

Manage a dispute resolution process effectively.

Prompt: Analyse the plaintiff's affidavit against the statement of claim to identify areas of inconsistencies. I am a lawyer acting for the defendant in suit. The analysis should be presented in a table format, with each row describing a specific inconsistency, referencing the relevant sections or paragraphs in both documents. The table should be clear, precise and professional, suitable for legal strategy discussions. Use the attached affidavit and statement of claim, ensuring that all relevant sections are thoroughly cross-referenced.

Prompt: Analyse the plaintiff's affidavit against the statement of claim in a civil dispute case to identify inconsistencies and discrepancies. We need a comprehensive comparison of the two documents to highlight any contradictions, omissions, or areas where the affidavit provides additional information that is not present in the statement of claim. This analysis will help us challenge the plaintiff's credibility and strengthen our client's position.

Present your findings in a clear, well-structured table format with the following columns:

- Item Number
- Statement of Claim Reference (paragraph/section)
- Affidavit Reference (paragraph/section)
- Description of Inconsistency/Discrepancy
- Potential Impact on Case

Prioritise significant inconsistencies that could materially affect the case. Include both factual discrepancies and differences in the characterisation of events or intentions. Be objective in your analysis, focusing on factual comparisons rather than making legal arguments. If you encounter any ambiguities or areas where additional context might be needed, please indicate this in your analysis.

For this analysis, use only the two documents provided [insert reference files], and do not reference any external sources or make assumptions beyond the contents of these two documents:

- The plaintiff's statement of claim
- The plaintiff's affidavit

Prompt: Analyse the affidavit of the witness and the transcript of his oral testimony during the trial to identify inconsistencies and discrepancies. I am preparing written submission after trial. The inconsistencies and

discrepancies will be used to attack the witness's credibility. Think through this step-by-step, focusing on inconsistencies that could materially affect his credibility. Include discrepancies in facts, timelines, event interpretations, and characterisations of key interactions or documents.

Present your findings in a clear, well-structured table format with the following columns:

- Item Number
- Affidavit (Para/Section)
- Transcript (Page/Line Number)
- Description of inconsistency
- Impact on Credibility

Use only the following documents that we will provide: the witness' affidavit and extract of transcript. In the transcript, the witness is labelled "DW3". Do not reference any external sources or make assumptions beyond the content of these documents.

[New!] Prompt (Part 1): I am a lawyer advising on motor accident claims. My firm represents the Claimant in a motor vehicle collision matter scheduled for an Early Neutral Evaluation (ENE) submission at the Singapore State Courts. Our task is to draft a compelling submission on liability, arguing for a favourable apportionment in the claimant's favour based solely on the attached materials.

The ENE submission must strictly adhere to the standard structure established by the State Court's Practice Directions [Appendix B: Guidelines for Court Dispute Resolution for Non-Injury Motor Accident Claims and Personal Injury Claims](#) that is provided (or the provided template), comprising the following sections: Introduction, Undisputed Facts, Disputed Facts, The Parties' Positions, Submissions on Liability, and Conclusion.

In this first step, prepare the Introduction, Undisputed Facts, Disputed Facts, and The Parties' Positions.

The factual summary should present a concise and persuasive narrative, highlighting specific evidence from the case file documents provided that supports the Claimant's position.

Use only these materials:

- *State Court's Practice Directions Appendix B*
- Case file documents (e.g., Traffic Police report, accident sketch plan, medical reports, client's statement, any dashcam transcript/summary)
- Any firm template or a past, successful ENE submission for formatting/style reference

The tone of the submission must be formal, objective and persuasive, in keeping with the standards expected by the Singapore Courts. Importantly, all factual assertions must be explicitly grounded in the evidence provided within the case file; no facts are to be invented or inferred.

Where attachments are referenced, restrict analysis and drafting to those materials and provide pinpoint references where applicable.

[New!] Prompt (Part 2): Building on the previously prepared factual narrative, continue drafting the ENE submission with the remaining sections: Submissions on Liability and Conclusion. Analyse the factual summary and identify relevant principles and scenarios from the latest uploaded copy of the *Singapore Motor Accident Guide (MAG)* that is provided and can be relied upon to substantiate the Claimant's case.

The submission should:

- Critically analyse the available evidence, particularly the sketch plan and photographs
- Highlight any inconsistencies or potential weaknesses in the Defendant's anticipated arguments
- Reference specific MAG sections that support the Claimant's case

Conclude with a clearly reasoned proposal for liability apportionment (insert proposed percentage, e.g. 90%). Identify relevant evidence from the factual summary and sections of the MAG that can be relied on to justify the proposed percentage. Provide structured and detailed reasons to substantiate the justification, highlighting the facts that demonstrate why the Claimant's case is more consistent with the relevant MAG section.

Use only these materials:

- State Court's Practice Directions [Appendix B: Guidelines for Court Dispute Resolution for Non-Injury Motor Accident Claims and Personal Injury Claims](#)
- Case file documents (e.g., Traffic Police report, accident sketch plan, medical reports, client's statement, any dashcam transcript/summary)
- Relevant extracts from the latest uploaded copy of the *Singapore Motor Accident Guide (MAG)*
- Any firm template or a past, successful ENE submission for formatting/style reference

The tone of the submission must be formal, objective and persuasive, in keeping with the standards expected by the Singapore Courts. Importantly, all factual assertions must be explicitly grounded in the evidence provided within the case file; no facts are to be invented or inferred.

Where attachments are referenced, restrict analysis and drafting to those materials and provide pinpoint references where applicable.

Litigation Support

Provide assistance in preparing for litigation, including document review.

Prompt: Generate a list of documents that I have to provide to the defendant for a case. I represent the plaintiff in this case. Emails from clients need to be included in this list. Create a list of emails from the email archive [insert reference file].

Produce the list in the format of a table with the following columns:

- Item number
- Date of email
- Name of sender
- Short summary of the email subject heading
- Reference link to the source email

Restrict your reference to the attached email archive and do not include any emails outside this set of files.

Prompt: Construct a chronology of events to help me with my investigation of a case. I am conducting an internal investigation after my company discovered that a former employee has been stealing company's confidential information. I am the in-house counsel. Generate a chronology of communications between the former employee and all external parties relating to Project X from the email archives of the former employee provided [insert reference].

Set out the chronology in a table, organised according to:

- Date of email
- Email recipient
- Short summary of the email content in no more than 20 words
- Whether the email contains any attachments that are larger than 100 KB
- Reference link to the source email

Restrict your reference to the attached email archive and do not include any emails outside this set of files.

Mergers and Acquisitions

Support due diligence and documentation.

Prompt: Analyse the attached contract in the context of the acquisition deal to identify any red flags or unfavourable contract terms that could impact the value or viability of the transaction. I am a corporate lawyer who specialises in mergers and acquisitions. I am representing the acquirer. Focus on issues such as liabilities, indemnities, restrictive covenants, change of control provisions, intellectual property rights, and other clauses that might be unfavourable to my client. Produce a table that lists the issues, a summary of the relevant clauses, references to relevant actual clauses, the implications for my client, and proposed remediations. Restrict your analysis to the contract attached and do not analyse any reference material outside of this attachment.

Prompt: Analyse the provided third party IP licensing contracts in the context of the merger of two companies. I am a corporate lawyer representing the merged entity. I want to identify IP licensed from third parties and analyse the potential impact if these licences are terminated. Analyse the contracts provided and identify all relevant IP licensing clauses and analyse the potential impact if these licences are terminated.

Generate a table with information organised according to:

- Name of third-party licensor
- Summary of the licensing clauses
- Permitted use and scope of licensed IP
- Whether licence is exclusive or non-exclusive
- Whether licence is perpetual or renewable
- Whether licence is revocable
- Whether licence is world-wide or if not, the regions or countries it covers
- Whether regular licence fees have to be paid
- Is there a right to sub-license
- Reference link to the source contract

Restrict your analysis to the contracts attached and do not include any analysis of contracts beyond the attached set.

[New!] Prompt: I am a corporate lawyer advising on a new Joint Venture (JV) transaction. Our client has signed a high-level Memorandum of Understanding (MOU) with a potential JV partner. We now need to draft a comprehensive and more detailed, non-binding Term Sheet that will form the basis for drafting the definitive JV Agreement.

Prepare a detailed Joint Venture (JV) Term Sheet by populating the firm's standard template using the commercial terms set out in the attached Memorandum of Understanding (MOU). Translate the high-level principles of the MOU into the appropriate detailed clauses of the Term Sheet.

Pay close attention when extracting and inserting the following key elements into the relevant sections:

- the names of the JV partners; the business objective of the JV;
 - each party's capital contributions (form and amount);
 - proposed ownership percentages;
 - governance arrangements including board composition, voting rights, and management appointments;
- and
- any agreed mechanisms for deadlock or dispute resolution.

At the end of the document, include a separate section titled "Points for Discussion" listing any standard commercial or legal terms not addressed in the MOU, such as IP licensing, dividend policy, exit scenarios, or restrictive covenants. The Term Sheet must clearly state that it is non-binding, except for specific provisions like

Confidentiality and Governing Law. Do not invent or infer commercial terms; any missing information should be noted under "Points for Discussion" rather than filled in.

Use only these materials:

[MOU, term sheet template, ...]

Where attachments are referenced, restrict analysis and drafting to those materials and provide pinpoint references where applicable.

Regulatory Compliance

Obtain an explanation of how a scenario fits in with a policy or law.

Prompt: List out the Rules of Court of Singapore and Supreme Court Practice Directions that would apply to personal service on a defendant. I am a lawyer acting for the plaintiff in a litigation in the Singapore High Court. Generate the list in the formal legal language used in these courts. Use the SG Courts [insert URL] and Singapore Statutes Online [insert URL] websites as primary sources and provide detailed citations.

Prompt: Analyse the references provided to assess if we can stop collecting NRIC numbers of our customers. My company provides massage and spa services in Singapore. Before starting the session, customers are asked to fill up a questionnaire so that our therapists can provide more personalised treatment. I am the data protection officer for the company, and I have been asked whether we can stop collecting NRIC numbers of customers. Ensuring compliance with the Singapore Law, provide your assessment objectively with a clear justification. Analyse the following:

- Personal Data Protection Act
- Personal Data Protection Regulations
- Advisory Guidelines on Key Concepts
- Advisory Guidelines on Selected Topics
- NRIC Guidelines

Think through this step-by-step. Restrict the analysis to the references above and please cite applicable sections of the legislative or regulatory provisions.

Prompt: Generate a list of obligations for an employer during a retrenchment exercise. My company is closing a department. I am the in-house counsel, and I need a list of obligations that I can refer to. Produce a checklist that includes references and arranged according to the areas that the Human Resource, Finance, Corporate Communications and Legal departments must be briefed on.

Additionally, identify the conditions for proper termination and any additional considerations. Limit your analysis to the Singapore Employment Act, Tripartite Guidelines on Fair Employment Practices, and Ministry of Manpower guidelines and advisories.

[New!] Prompt: I am a data protection counsel supporting a Singapore organisation. Using only the attached incident log and timeline, prepare: (i) an internal incident report; (ii) a data subject notification; and (iii) a regulator-facing summary compliant with the Personal Data Protection Act 2012 (Singapore) and any provided internal standards.

The internal report must follow this structure: Incident Overview & Timeline (facts-only chronology), Affected Personal Data (types, volumes, data subjects), Containment & Eradication Actions, Risk Assessment (likelihood/severity of harm), Mitigation Steps, Notifiability Analysis under PDPA (threshold and rationale), and Recommendations (actions, owners, timelines).

Access against these statutory thresholds for the Notifiability Analysis:

- Significant harm (Regulation 3): whether the breach involves full name/NRIC or other identifiers, or account credentials combined with passwords/security codes/biometric data.
- Significant scale (Regulation 4): whether ≥ 500 individuals are affected.
- Document the rationale for whether notification to the PDPC and/or affected individuals is required, referencing the PDPC Advisory Guidelines on how to determine likelihood of harm and appropriate mitigation steps.

Draft the regulator summary and the individual notification using clear, neutral language, with placeholders for dates, contacts, and references. For the PDPC notification, include the mandatory particulars under Regulation 5 (e.g. date awareness, chronology of containment steps, number of affected individuals, types of data, potential harm, remedial actions, contact person). For notifications to individuals (Regulation 6), include required information such as circumstances, types of data, potential harm, remedial steps by the organisation, and steps individuals can take to mitigate misuse. Do not speculate on root cause or impact; state what is known, what is suspected, and what remains unknown. Maintain consistency with defined terms and any pagination in the source materials.

Use only these materials:

- Incident timeline
- Data categories
- Containment actions
- Impact assessment
- Personal Data Protection Act 2012 Part 6A Notification of Data Breaches
- Personal Data Protection (Notification of Data Breaches) Regulations 2021
- PDPC Advisory Guidelines on Key Concepts

Where attachments are referenced, restrict analysis and drafting to those materials and provide pinpoint references where applicable.

[New!] Prompt: I am a compliance adviser at a Singapore organisation. A regulator or standards body has issued updated requirements on ESG reporting (e.g., sustainability disclosures under ACRA's reporting framework). I am to prepare a Regulatory Change Impact Assessment for internal approval, setting out what has changed, how it applies to us, and the remediation required to achieve timely compliance.

The memorandum shall follow this structure with the following headings:

(1) Background & Scope; (2) Summary of Regulatory Change; (3) Applicability to the Organisation (entities, functions, products/services, locations); (4) Gap Analysis (current state vs new requirements); (5) Risk Assessment (legal/compliance, conduct, data protection/privacy, operational/technology, financial/reputation, and health & safety where relevant); (6) Remediation Plan (measures, owners, dependencies); (7) Implementation Timeline & Milestones; and (8) Approvals, Assurance & Ongoing Monitoring.

The analysis should map each new requirement to a concrete control (policy, procedure, system/configuration, training/communications, contracts/third-party oversight) and identify any areas requiring legal interpretation or regulator engagement.

Draft language must be precise, neutral, and decision-oriented, with clear asks for management approval of resources and timelines. Do not create obligations that are not present in the source documents or attachments; where ambiguity exists, set out conservative options with pros/cons and a recommended position. Maintain a traceability table linking each clause/section to the proposed control and evidence.

Use only these materials:

- The ACRA Sustainability Reporting requirements and official FAQs/circulars.

- The organisation's current policies, procedures, control inventories, contracts/templates, and risk assessments for the impacted area.
- Any prior governance papers (e.g., management/committee papers) and action trackers relevant to this topic.

Where attachments are referenced, restrict analysis to those materials and provide pinpoint references where applicable.

Client Communication and Billing

Facilitate clear and professional communication with clients and easily compose narratives for timesheets and billing as a fee-earner in a law firm.

Prompt: Summarise the key points from the attached meeting minutes [attach file] and draft a follow-up email to the client, ensuring that it includes the following:

- Date, time and location of the meeting, with a list of persons in attendance
- A list of the topics discussed during the meeting
- Key decisions and actions, with a summary of the main points agreed upon
- A detailed action plan with responsibilities assigned to specific team members with deadlines for each action item

Please use plain language and be concise. Restrict your summary to materials within the attached meeting minutes.

Prompt: Compose descriptions of the work I have done based on my emailed advice to Client A. Take reference from the following categories of emails only:

- The emails I have sent to and received from all @clientA.com addresses from 1 January to 31 March 2024, paying particular attention to emails where I have included attachments
- The emails I have sent to and received from all [team members working on file for Client A] and emails which include [file reference number]

Do not include any emails outside these categories. Place the descriptions in a table with the following columns: date; email; subject; client email address; and description of work done.

Prompt: Generate a consolidated bill narrative for the monthly client invoice, based on the time entries extracted from the firm's billing system in [insert reference file]. Create a consolidated narrative that:

- Organises activities chronologically or by workstream or task category, whichever is more logical for this case
- Eliminates redundant descriptions by consolidating similar activities
- Attributes each activity to the correct fee earner(s)
- Provides sufficient detail to justify the time billed in a firm but polite tone

Follow the firm's standard billing language and format in [insert reference file]. Include a summary at the beginning that provides a description of each workstream or task category, and outlines the total hours billed by each fee earner during the billing period. Match these against the attached document [attach email or file] where we had previously set out our fee estimate to the client. Ensure your narrative is based on information found in [insert reference file] only and do not include any activities or information not found in this file.

Worked Examples: Judgement Analysis

This section demonstrates how structured prompts can be applied to real-world legal materials, illustrated with ***Deutsche Bank AG Singapore Branch v ARJ Holding Limited and Mohammad Ahmad Ramadhan Juma [2025] SGHC 163***.

The judgment is examined through five guiding questions:

1. What are the main issues framed by Court in this matter?
2. List the main arguments presented by the claimant in this matter. Give a detailed explanation of each argument presented by the claimant.
3. List the main arguments presented by the defendants in this matter. Give a detailed explanation of each argument presented by the defendants.
4. What decision did the court arrive at? Explain the court's reasoning and analysis for each of the issues in this judgement.
5. Identify and summarize the precedents cited in this judgement. Which precedents did court rely on in its decision.

By working through these questions step by step, the examples illustrate how prompt engineering can organise and distil complex case law into a clear analysis, providing a practical framework that can be adapted to other cases, research exercises, and professional training.

Disclaimer: The examples provided are illustrative samples only. For brevity, the full responses generated by the LLM have not been reproduced. The excerpts are included solely to demonstrate how prompts can be structured and applied to legal materials. They should not be regarded as a definitive or complete analysis of the case, nor as an endorsement of the accuracy or reliability of the generated responses.

PDF - Prompt 1

Answers and comments may be included.

PDF - Prompt 2

Augmented version has been created

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3) List the main arguments presented by the defendants in this matter. Give a detailed explanation of each argument presented by the defendants.

PDF - Prompt 3

To LLM the main arguments presented by the defendants in this matter. Give a detailed explanation of each argument presented by the defendants, give page references only from the pdf document, do not give and use any external sources.

Copied

Here is a detailed list of the main arguments presented by the Defendants (DB) (holding Ltd and Mr. Muhammad Ahmad Rashed bin Juma) in the judgment [2023] SGHC 183, with page references from the PDF:

1. The Diversification Condition Was Not Communicated or Agreed

- The Defendants argued that the General Diversification Requirement listed specifically and that the Diversification Condition (i.e., no single security exceeding 30% of total lending value) was never communicated to them.
- They claimed that the 10 May 2021 email was related to a separate corporate finance facility, not the loan facilities in question.
- They relied on a 25 May 2021 email suggesting that the requirement to transfer additional securities was dropped.
- They invoked the Entire Agreement clause (3.17) to argue that any additional terms outside the Service Agreement were invalid.

Pages: 14-15, 19-23

2. DB Was Not Entitled to Reduce the Lending Value (LV) of the Bonds

- The Defendants argued that the 5 August 2022 email was vague and did not properly invoke Clause 18(c) of the Service Agreement.
- They claimed that the LV reduction was unjustified, as there was no proven breach of the Diversification Condition.
- They challenged the authenticity and reliability of DB's internal sheets.
- They argued that DB failed to prove that the Bonds were not fully paid up and that they had good title to the Bonds.

Pages: 35-36, 43-45

3. DB Breached an Implied Term of Good Faith

- The Defendants argued that DB's disposition under Clause 18 was subject to an implied term of good faith, requiring DB to act reasonably and not arbitrarily.
- They claimed DB acted in bad faith by:
 - Misrepresenting that both ARJ and LS Bonds were over-collateralized.
 - Cutting LV despite ongoing discussions with ARJ and CS for diversification.
- They relied on clause 18 supporting the implication of good faith in the exercise of contractual discretion.

Pages: 52-62

4. DB Cannot Rely on Unknown Irregularities to Justify Termination

- The Defendants argued that DB could not rely on irregularities discovered after termination (e.g., issues with ARJ's financial statements and unpaid borrowings).
- They claimed that such reliance was unfair and that they were deprived of the opportunity to rectify the situation.
- They disputed the admissibility of hearsay evidence from DB's & Pwema Home Loans (Pvt) Ltd and Mr. [redacted].

Export table to Excel format | Summarize key precedents by issue | Export impact of top 3 precedents

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4) What decision did the court arrive at? Explain the court's reasoning and analysis for each of the issues in this judgement.

PDF - Prompt 4

What decision did the court arrive at? Explain the court's reasoning and analysis for each of the issues in this judgement.

Copied

Here is a detailed explanation of the Court's decision and reasoning for each of the five issues in [2023] SGHC 183, based entirely on the judgment document:

Issue 1: Whether DB communicated the General Diversification Requirement / Diversification Condition to ARJ

Decision: ☒ Yes, DB communicated both requirements to ARJ.

Court's Reasoning:

- The 10 May 2021 email from DB clearly stated that ARJ's account needs to be maintained with a diversified portfolio to enjoy standard lending value (LV).
- Mr. Juma replied, "I confirm the content of your email," which the Court interpreted as agreement to the terms.
- The Court rejected the Defendants' claim that the email related to a separate corporate finance facility.
- The Court found that ARJ was aware of the contractual obligations and took steps to address them, indicating acknowledgment of the diversification requirement.

Pages: 20-22

Issue 2: Whether DB was entitled to reduce the LV of the Bonds in early August 2022

Decision: ☒ Yes, DB was entitled to reduce the LV.

Court's Reasoning:

- DB had contractual discretion under Clause 18 of the Service Agreement to reduce collateral values.
- The reduction was based on ARJ's failure to meet the Diversification Condition, non-receipt of bond coupons, and increased exposure to liquid securities.
- The Court found that the 5 August 2022 email sufficiently communicated the reduction and that ARJ was given notice.
- The Defendants failed to prove that the Bonds were fully paid up, and DB was justified in assigning its value later.

Pages: 34-37

Issue 3: Whether there is an implied Good Faith term in the Service Agreement and if DB breached such term

Decision: ☒ Yes, a Good Faith term is implied; ☒ No, DB did not breach it.

Court's Reasoning:

- The Court accepted that a good faith term applies to the exercise of contractual discretion (Clause 18).
- However, DB's actions were not arbitrary, capricious, or perverse.
- DB gave ARJ multiple opportunities to diversify and communicated clearly.
- The Court found that ARJ's assurances (e.g., financial transfer) were unreliable and that DB acted reasonably in reducing LV and terminating the facilities.

Pages: 57-73

Issue 4: Whether DB can rely on irregularities that existed but

Decision: ☒ Yes, DB can rely on irregularities that existed but

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PDF - Prompt 5A

5) Identify and summarize the precedents cited in this judgement. Which precedents did court rely on in its decision?

Identify and summarize the precedents cited in this judgement. Which precedents did court rely on in its decision?

Copilot

Here is a summary of the precedents cited in the judgment (2025) SGHC 163, along with how the Court relied on each in its decision:

- Ng Giap Hon v Westcomb Securities Pte Ltd and others [2009] 3 SLR(R) 518**
 - Used to assess whether a general duty of good faith can be implied in contracts.
 - The Court distinguished this case, noting that while Ng Giap Hon rejected a broad implied duty of good faith, it did not preclude a narrower implied term of good faith in the exercise of contractual discretion.

Pages 58-60, 62
- MGA International Pte Ltd v Wajilam Exports (Singapore) Pte Ltd [2010] SGHC 319**
 - Relied on to support the implication of a good faith term in the exercise of contractual discretion.
 - The Court cited this case to affirm that discretion must be exercised honestly, in good faith, and not capriciously or arbitrarily.

Pages 52, 63-64
- Edwards Jason Glenn v Australia and New Zealand Banking Group Ltd [2012] SGHC 61**
 - Relied on to reinforce the principle from MGA International.
 - The Court cited it to support the requirement that discretion must not be exercised arbitrarily or capriciously.

Pages 50, 64
- Leiman, Ricardo and another v Noble Resources Ltd and another [2018] SGHC 166**
 - Relied on to support the implication of a good faith term in law.
 - The Court cited it to show that discretion must be exercised rationally and in good faith.

Pages 56, 63
- AL Shams Global Ltd v BNP Paribas [2019] 3 SLR 1189**
 - Relied on to affirm the application of good faith in the exercise of discretion.
 - The Court used this to support its finding that DB's discretion was not exercised arbitrarily.

Pages 56, 64
- Sembcorp Marine Ltd v PPL Holdings Pte Ltd [2012] 4 SLR 193**
 - Mentioned in relation to the test for implying terms in fact.
 - The Court found it unnecessary to imply the good faith term in fact, having already implied it in law.

Page 59

Export table to Excel format | Summarize key precedents by issue | Explain impact of top 3 precedents

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Identify and summarize the precedents cited in this judgement. Which precedents did court rely on in its decision?

Copilot

Here is a summary of the precedents cited in the judgment (2025) SGHC 163, including their citation, the issue addressed, and their relevance to the Court's decision:

Precedent	Citation	Issue Addressed	Relevance to Judgment
Ng Giap Hon v Westcomb Securities	[2009] 3 SLR(R) 518	Whether a general duty of good faith can be implied in contracts	Distinguished; Court held a narrower good faith term can be implied in the exercise of contractual discretion
MGA International v Wajilam Exports	[2010] SGHC 319	Good faith in exercise of contractual discretion	Relied on to support implication of good faith term in law
Edwards Jason Glenn v ANZ Bank	[2012] SGHC 61	Good faith in contractual discretion	Reinforced MGA International; cited support rational exercise of discretion
Leiman v Noble Resources	[2018] SGHC 166	Implication of good faith term in law	Relied on to support rational and good faith exercise of discretion
AL Shams Global Ltd v BNP Paribas	[2019] 3 SLR 1189	Good faith in discretionary powers	Applied to assess whether DB acted arbitrarily or capriciously
Sembcorp Marine v PPL Holdings	[2012] 4 SLR 193	Test for implying terms in fact	Mentioned; Court found it unnecessary to imply term in fact due to implication in law

Export table to Excel format | Summarize key precedents by issue | Explain impact of top 3 precedents

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PDF - Prompt 5B

Provide table summarizing each precedent with its citation, issue and relevance to the judgment.

Provide table summarizing each precedent with its citation, issue and relevance to the judgment.

Copilot

Here is a table summarizing the precedents cited in the judgment (2025) SGHC 163, including their citation, the issue addressed, and their relevance to the Court's decision:

Precedent	Citation	Issue Addressed	Relevance to Judgment
Ng Giap Hon v Westcomb Securities	[2009] 3 SLR(R) 518	Whether a general duty of good faith can be implied in contracts	Distinguished; Court held a narrower good faith term can be implied in the exercise of contractual discretion
MGA International v Wajilam Exports	[2010] SGHC 319	Good faith in exercise of contractual discretion	Relied on to support implication of good faith term in law
Edwards Jason Glenn v ANZ Bank	[2012] SGHC 61	Good faith in contractual discretion	Reinforced MGA International; cited support rational exercise of discretion
Leiman v Noble Resources	[2018] SGHC 166	Implication of good faith term in law	Relied on to support rational and good faith exercise of discretion
AL Shams Global Ltd v BNP Paribas	[2019] 3 SLR 1189	Good faith in discretionary powers	Applied to assess whether DB acted arbitrarily or capriciously
Sembcorp Marine v PPL Holdings	[2012] 4 SLR 193	Test for implying terms in fact	Mentioned; Court found it unnecessary to imply term in fact due to implication in law

Export table to Excel format | Summarize key precedents by issue | Explain impact of top 3 precedents

Message Copilot

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Copilot Prompt Examples

We have set out some sample prompts that can be used in Microsoft's Copilot tools, which incorporates generative AI capabilities into Microsoft apps that are commonly used by lawyers, such as Word, Outlook and Teams. These demonstrate how prompts can be used to support day-to-day work for lawyers.



Microsoft Word

- Please analyse the following contracts [*reference contracts in OneDrive*] and extract all IP-related clauses in the contracts into a table. Please create a column that comments on the nature of the clauses and whether they are in favour of the licensor or licensee.
- Use [*reference affidavits and other material in a OneDrive folder*] as the primary source. Please create a chronology of events, citing sources and the key witnesses involved in each event.



Microsoft Teams

- Please recap this meeting and create a table of the options discussed with pros and cons.
- Please convert the transcript of this meeting into a concise set of notes, identifying key action items and who is responsible for each of them.
- Can you draft an email to [w] summarizing action items from the call, and that I'm looking forward to following up on them during our discussion this Wednesday?



Microsoft PowerPoint

- I am a lawyer advising a client on the key issues in a potential dispute. Create a presentation based on [*insert reference file*]. Please include separate slides for each key issue. Add one slide with a summary of obligations for a designated critical information infrastructure under Singapore's Cybersecurity Act.



Microsoft Outlook

- Summarise this thread of emails and let me know if there are action items that I need to attend to.
- I have been away on leave for 2 weeks. Please summarise all emails that require my attention, prioritising [*insert type of matters*].
- Please write an email of no longer than 50 words in a formal tone to congratulate the team on the deal closing.



Microsoft Edge

- I am a lawyer advising a client on cross-border data protection issues. I am preparing for a presentation to the client's board of directors. Please summarise this webpage for the purpose of the presentation and translate it from Japanese to English.
- Compare [*weblink A*] and [*weblink B*]. Please let me know the key differences and/or similarities in the two webpages' description of Vietnam's Personal Data Protection Law.

One Scenario, Five Perspectives: The Art of Prompt Engineering

This section showcases the top 5 entries submitted for the Prompt Engineering Competition 2024, organised by the Singapore Academy of Law in collaboration with Microsoft Singapore. Participants were challenged to craft prompts around a singular legal scenario, demonstrating how varied and high-quality outputs can be generated through thoughtful prompt design. The diversity of responses ranging in structure, tone, and depth illustrates the creative and strategic discipline that underpins effective prompt engineering.

Scenario

A multinational corporation, Netcore Limited, with a significant presence in Singapore is planning to acquire a local small medium enterprise, Showytunes Pte Ltd. You are a member of a legal team of Netcore. You have been tasked to prepare a term sheet that includes at least the major terms of the proposed merger. Your business unit has asked you to highlight all issues that they should consider. The shareholders of the SME have mentioned that they are concerned about the fair treatment of its existing employees.

How This Section Is Organised

This section features the five highest-ranked submissions. Each entry includes the full prompt crafted by the participant, followed by the AI-generated output. To help readers reflect on the techniques used, each entry is accompanied by brief notes on what makes the prompt effective. While all entries were based on the same scenario, the resulting responses demonstrate the breadth of insight that different prompting styles can unlock.

Entry 1:

Prompt Author: Mr Rodney Yap



Rodney's career trajectory illustrates the legal profession's quiet revolution. Seven years ago, Rodney began exploring legal technology systems, a move that would define his professional identity. Today, as Senior Manager at PwC NewLaw, he occupies a unique position in Singapore's legal ecosystem. His foundation remains thoroughly traditional: qualified as a solicitor and advocate of the Singapore Bar and armed with degrees in Law and Business Management. Yet his current preoccupation lies with legal generative AI. This duality proved helpful in 2024 when Rodney won the SAL-Microsoft Legal Prompt Engineering Competition, validating years spent bridging legal practice and technological innovation. Beyond consultancy work, Rodney maintains academic ties through his adjunct lectureship at Singapore Management University and training role with SAL's Legal Innovation Workshop.

Prompt Style: Role-based, multi-phase prompt combining legal, business, and compliance perspectives. The prompt directs the model to act as various professionals (M&A lawyers, CEOs, and a compliance officer), synthesise their views, and produce both a negotiation table and a detailed term sheet using a structured template.

Strengths:

- Demonstrates layered thinking by simulating input from different corporate functions
- Clearly instructs the model to separate analysis, negotiation strategy, and drafting stages
- Aligns with realistic M&A workflows and legal documentation standards (VIMA format)
- Incorporates stakeholder sensitivities (e.g. employee treatment) and commercial nuance

- Uses placeholders ([●]) to indicate pending details, prompting further refinement

Prompt:

Goal

Your task is to help me analyse and prepare a term sheet and a negotiation document for the full acquisition of the target company. Before you begin, you will provide an analysis of the considerations we as the acquirer should consider.

Your analysis will come in three steps. In the first step, you shall take on the role of three experienced Mergers and Acquisitions (M&A) lawyers versed in Singapore law. Each will propose a list of legal considerations that we should consider. In the second step, you shall take on the role of three Chief Executive Officers (CEO) and each will propose a list of business considerations that we should consider. In the third step, you shall then take on the role of a Singapore trained compliance officer and propose a list of compliance and transaction related considerations for the acquisition of a private company. Finally, combine all the considerations listed. Take into consideration also any hints provided.

Using the full list of considerations, generate negotiation table. Create a list of details that need to be negotiated or confirmed with the target company during the next round of negotiations.

Then draft the term sheet and include all the considerations that was a part of your analysis into the term sheet. For any information that is missing or pending confirmation, notate it with [●].

Hints:

Context

A multinational corporation, Netcore Limited, with a significant presence in Singapore is planning to acquire a local small medium enterprise, Showytunes Pte Ltd. You are a member of a legal team of Netcore. You have been tasked to prepare a term sheet that includes at least the major terms of the proposed merger. Your business unit has asked you to highlight all issues that they should consider. The shareholders of the SME have mentioned that they are concerned about the fair treatment of its existing employees.

Expectations

Organisation of output:

The negotiation table and the draft term sheet should be in a separate section called "Draft outputs" separated from the previous sections with a line break.

Format of the negotiation table:

The negotiation table should list the considerations, the position that is most favourable to us, the most reasonable position that both parties can accept, and relevant factors or items that we can use to negotiate for our position.

Format of term sheet:

Your output term sheet should include all the considerations listed earlier, added to the format of the term sheet template added below to the general table and also include verbatim all the terms in the boilerplate table.

TERM SHEET RELATING TO THE SUBSCRIPTION OF
SERIES A PREFERENCE SHARES OF [• INVESTEE COMPANY]

Dated: [•]

This term sheet summarises the principal terms of the proposed subscription (the "Subscription") of Series A Preference Shares (the "Series A Shares" and each, a "Series A Share") of [• Investee Company] (the "Company") by [●Lead Investor] (or its nominees) (the "Lead Investor") and [●Investor(s)] (or its

nominees) (each, an "Investor" and collectively together with the Lead Investor, the "Investors" and together with the Company and the Founders, the "Parties" and each, a "Party").

This term sheet is not a commitment to invest, and is conditional upon the completion of due diligence, legal review and documentation that is satisfactory to the Lead Investor.

This term sheet shall expire on [• date] if not accepted by the Company and the Founders by such date. This term sheet is not legally binding except for the terms stated in paragraph 14 – "Non-Binding".

In this term sheet, all capitalised terms and references shall have the meanings ascribed to them in Appendix V. The boilerplate terms in the Schedule are hereby incorporated by reference.

GENERAL

| No. | Item | Description |

| 1 | Amount to be Raised | S\$[•], as per Appendix I. |

| 2 | Percentage of Ownership | [•]% of the Company on a fully-diluted post-money basis, as per Appendix I. |

| 3 | Subscription Price | S\$[•] per Series A Share (the "Initial Subscription Price Per Share"), to be paid in full on completion of the Subscription ("Completion"). |

| 4 | Pre-Money Valuation | S\$[•], as per the pre-financing capitalisation table in Appendix II. |

| 5 | Post-Completion Capitalisation | Immediately following Completion, as per the post-financing capitalisation table in Appendix II. |

| 6 | Anticipated Date of Completion | On or about [•]. |

| 7 | Investors and Founders | As listed in Appendix IV. |

| 8 | Use of Proceeds | The proceeds of the Subscription must be used for the Company's [working capital requirements] / [•other use of proceeds]. |

| 9 | Business | [•Description of the business of the Company]. |

| 10 | Definitive Documentation | The definitive documentation shall include:
 (a) subscription agreement with customary terms;
 (b) shareholders' agreement;
 (c) amended constitution of the Company. |

| 11 | Liability Basis | All representations, warranties, and obligations shall be given on a [several and not joint] / [joint and several] basis, subject to limitations on liability. |

| 12 | Exclusivity | The Company and Founders observe a [•] day exclusivity period. During this period, they will not solicit or engage in any other investment or acquisition discussions without the prior written consent of the [Investor(s)]. |

| 13 | Confidentiality | Terms of this term sheet are confidential and shall not be disclosed without consent, except to related corporations and advisers involved in the Subscription. |

| 14 | Non-Binding | Except for the clauses on Liability Basis, Exclusivity, Confidentiality, Expenses, and others as specified, this term sheet is not binding and subject to negotiation and execution of Definitive Documentation. |

| 15 | Other Rights and Privileges | Investor(s) shall enjoy rights and privileges no less favourable than those currently enjoyed by existing shareholders of the Company. |

| 16 | Expenses | Each party shall bear its own costs, save for specific Investor(s) whose legal, financial, or other deal expenses will be borne by the Company up to a cap of S\$[•] upon Completion. |

BOILERPLATES

| No. | Item | Description |

| 1 | Counterparts | This term sheet may be signed in any number of counterparts and by the Parties on separate counterparts, each of which, when executed, shall be an original. All counterparts shall constitute one document. Signatures may be exchanged by e-mail, with original signatures to follow. |

| 2 | Notice | Any notice ("Notice") shall be deemed received:
 (a) by hand, at the time of delivery;
 (b) by registered post, on the [second] Business Day after posting (or the [sixth] Business Day for registered airmail);
 (c) by e-mail, when the sender receives an automated confirmation. |

| 3 | Variation | No variation of this term sheet shall be effective unless in writing and signed by or on behalf of each Party. |

| 4 | Assignment | All rights and obligations are personal to the Parties. A Party may not assign or transfer rights or obligations under this term sheet without the prior written consent of the other Party. |

| 5 | Severance | If any provision of this term sheet is rendered void, illegal, or unenforceable by any legislation, it shall only affect that provision to the extent of the illegality or unenforceability, and the remainder of the term sheet shall remain enforceable. |

| 6 | Applicable Statutes and Governing Law | This term sheet is subject to the Companies Act, Chapter 50 of Singapore. A person who is not a party has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore. This term sheet shall be governed by the laws of Singapore. |

| 7 | Dispute Resolution | If a dispute arises, a Party may submit it to mediation at the Singapore Mediation Centre ("SMC"). If mediation fails or the Parties do not agree to mediate, the dispute may be resolved either by:
 OPTION 1: Courts of Singapore
 OPTION 2: Arbitration at the Singapore International Arbitration Centre. |

SHAREHOLDER RESERVED MATTERS

(a) Any initial public offering of the Company or any public offer of shares in the Company, save for a Qualifying IPO;

(b) (i) Any merger, acquisition, consolidation, reorganisation or spin-off of the Company;

(ii) Any sale or disposal, directly or indirectly, of the whole or a substantial part of the undertaking or assets of the Company (where such sale or disposal may include, without limitation, any grant by the Company of an exclusive licence of intellectual property to a third party);

(c) Any change in the maximum and minimum number of Directors;

(d) Any transaction by the Company with any of its related corporations, any shareholder or director of the Company, or any company or business in which the shareholders or directors of the Company or any one of them has a financial interest;

(e) Any amendment to the constitution of the Company;

(f) Any declaration or payment of any dividends or other distribution of profits of the Company (whether in cash or in specie);

(g) Any reduction, consolidation, subdivision or reclassification or other alteration of the Company's capital structure;

(h) The variation of any rights attaching to any shares in the capital of the Company or making of any call upon monies unpaid in respect of any issued shares;

(i) The liquidation, dissolution or winding up of the Company, and any other Liquidity Event to which the Company is a party;

(j) Save for the issuance of shares or the grant of options in connection with or pursuant to any duly approved and established ESOP of the Company:

(i) any increase in the share capital of the Company;

(ii) the issue of any new class of shares in the capital of the Company;

(iii) any issue or grant of any option over the unissued share capital of the Company or any issue of any security convertible into any equity securities of the Company.

Result:

Step 1: Legal Considerations from M&A Lawyers

1. Employee Rights and Obligations (Labour Law Compliance)

- Ensure compliance with Singapore's Employment Act.
- Confirm that all employment contracts are up to date.
- Identify any risks related to employee retention or unfair dismissal.
- Verify severance policies, outstanding benefits, and long-service entitlements.

2. Due Diligence on Contracts and Liabilities

- Review existing contracts for change of control clauses.
- Check for any pending or threatened litigation.
- Evaluate supplier, customer, and partnership agreements for any consent rights or termination risks.

3. Intellectual Property (IP) Rights

- Confirm ownership and validity of all intellectual property rights, including patents, trademarks, and copyrights.
- Assess any risks related to third-party IP infringement claims.

4. Regulatory Approvals and Compliance

- Verify if any regulatory approvals are required for the acquisition under the Competition Act or other Singapore laws.
- Check for licenses or permits that are non-transferable and must be reapplied for by the acquirer.

5. Shareholder Agreements and Minority Rights

- Review existing shareholder agreements to identify any tag-along, drag- along, or pre-emptive rights.
- Evaluate if there are any restrictions or rights that could affect the acquisition.

6. Warranties and Indemnities

- Determine the scope of warranties and indemnities that the seller will need to provide regarding the company's condition.
- Define potential limitations of liabilities, including time and financial caps.

Step 2: Business Considerations from CEOs

1. Employee Integration and Cultural Fit

- Assess the potential for integrating Showytunes' employees into Netcore's corporate culture.
- Determine the strategy for managing and retaining key employees.

2. Business Continuity and Synergies

- Evaluate how the acquisition will contribute to achieving synergies and business continuity.
- Identify potential areas of overlap or redundancy that may lead to cost savings.

3. Market Position and Customer Relationships

- Consider Showytunes' existing market position and customer base.
- Analyze potential risks of losing key clients due to the acquisition.

4. Valuation and Financial Stability

- Ensure that the financial health of Showytunes is robust, including cash flow analysis and assessment of debt obligations.
- Verify that the acquisition price reflects an accurate valuation based on growth potential.

5. Scalability and Expansion Opportunities

- Determine whether Showytunes' current business model is scalable and aligned with Netcore's growth strategy.
- Analyze new markets or product lines that could be explored post- acquisition.

Step 3: Compliance Considerations from Compliance Officer

1. Data Protection and Privacy

- Ensure compliance with the Personal Data Protection Act (PDPA) in Singapore regarding the handling of customer and employee data.
- Verify that appropriate consents are in place for data sharing and any potential transfer of customer data to Netcore.

2. Anti-Bribery and Corruption Compliance

- Assess the company's existing policies on anti-bribery and corruption to ensure alignment with Netcore's standards.
- Conduct a compliance audit to review any potential exposure to bribery or corrupt practices.

3. Health and Safety Regulations

- Check compliance with workplace safety and health regulations in Singapore.
- Review any outstanding health and safety concerns that may pose liability risks.

4. Transaction Reporting Obligations

- Determine if there are any reporting obligations under the Companies Act or other statutory bodies due to the acquisition.

5. Foreign Ownership Restrictions

- Review if there are any industry-specific restrictions on foreign ownership or investment in Showytunes.

Combined List of Considerations:

1. Legal Considerations

1. Employee rights and obligations.
2. Due diligence on contracts and liabilities.
3. IP rights and third-party claims.

4. Regulatory approvals and compliance.
5. Shareholder agreements and minority rights.
6. Warranties and indemnities.

2. Business Considerations

1. Employee integration and cultural fit.
2. Business continuity and synergies.
3. Market position and customer relationships.
4. Valuation and financial stability.
5. Scalability and expansion opportunities.

3. Compliance Considerations

1. Data protection and privacy.
2. Anti-bribery and corruption compliance.
3. Health and safety regulations.
4. Transaction reporting obligations.
5. Foreign ownership restrictions.

Draft Outputs

Negotiation Table

Consideration	Favourable Position (Netcore)	Reasonable Position (Mutual)	Negotiation Leverage
Employee rights and obligations	Minimal layoffs, no severance obligations	Retain key employees with reasonable severance packages	Employee retention & productivity promises
Business continuity and synergies	Full integration of Showytunes into Netcore's operations	Partial integration with some independent management	Increased operational efficiency
Market position and customer relationships	Access to all key customer contracts with no changes	Allow renegotiation of key customer contracts post- acquisition	Access to Netcore's larger client base
IP rights	All IP transferred to Netcore with no third-party claims	Transfer of IP with indemnities for third-party claims	Strengthening IP portfolio
Valuation and financial stability	Purchase price based on current valuation with no adjustments	Valuation adjustment for any undisclosed financial liabilities	Showytunes' potential for growth

Consideration	Favourable Position (Netcore)	Reasonable Position (Mutual)	Negotiation Leverage
Data protection and privacy	Immediate access to all customer data under PDPA compliance	Gradual transfer of customer data under strict compliance	Netcore's compliance track record
Anti-bribery and corruption compliance	Complete compliance audit before completion	Post-completion audit with seller indemnity for any breach	Commitment to high compliance standards

Term Sheet

TERM SHEET RELATING TO THE FULL ACQUISITION OF SHOWYTUNES PTE LTD BY NETCORE LIMITED

Dated: [●]

This term sheet summarizes the principal terms of the proposed acquisition of Showytunes Pte Ltd (the "Company") by Netcore Limited (the "Acquirer"). This term sheet is not a commitment to acquire and is conditional upon the completion of due diligence, legal review, and documentation satisfactory to the Acquirer.

This term sheet shall expire on [●] if not accepted by the Company by such date. This term sheet is not legally binding except for certain clauses as specified below.

GENERAL

No.	Item	Description
1	Purchase Price	S\$[●], based on a current valuation of Showytunes.
2	Ownership Transfer	100% of the Company's shares will be transferred to the Acquirer upon Completion.
3	Employment Terms	All employees of Showytunes to be retained for a minimum period of [●] months, with retention bonuses for key employees. Severance policies to be honored as per Singapore Employment Act.
4	Completion Date	On or about [●].
5	Definitive Documentation	(a) Share Purchase Agreement; (b) Employment Retention Plan; (c) Transitional Services Agreement; (d) IP Transfer Agreement.
6	Use of Company Assets	Assets to be used in alignment with Netcore's operational strategies and goals.

No.	Item	Description
7	Regulatory Approvals	Acquisition is subject to regulatory approvals from [●] authorities
8	Data Privacy Compliance	Customer data shall be transferred in compliance with the PDPA, and appropriate consents will be obtained for all data transfers.
9	Warranties and Indemnities	The seller shall provide full warranties and indemnities related to undisclosed liabilities, pending litigation and intellectual property rights.
10	Exclusivity	The Company agrees to a [●]-day exclusivity period. During this period, no other negotiations or discussions will be held with third parties without the Acquirer's consent
11	Non-Binding	Except for the clauses on confidentiality, exclusivity and expenses, this term sheet is non-binding.

Entry 2:

Prompt Author: Mr Jerome Tay



Jerome Tay is a third-year undergraduate at the National University of Singapore Faculty of Law. Alongside his studies, he co-runs a local managed IT services firm with peers who bring expertise in cybersecurity and generative AI, giving him hands-on experience at the intersection of law and technology. Within his law school, Jerome oversees the digital infrastructure of its student sub-clubs, managing servers, websites, and email systems. Jerome was awarded runner-up in the Prompt Engineering Competition held in November 2024 for his submission, crafting a generative AI prompt that produced a legal document template tailored for industry use. Beyond his professional and academic pursuits, he enjoys cooking up a feast for his loved ones and walking his dog.

Prompt Style: Highly structured, role-specific drafting prompt with layered instructions. The prompt follows a five-part framework: Identity, Context, General Instructions, Specific Instructions, and Further Refinements—designed to ensure both legal rigour and adaptability. It clearly sets the legal role, provides contextual facts, specifies document type and scope, lists mandatory clauses, and adds targeted refinements to address key stakeholder concerns.

Strengths:

- Clearly defines the AI's professional identity, tone, and jurisdictional knowledge, ensuring outputs align with Singapore's legal and ethical standards
- Uses detailed contextual framing to keep the output tightly relevant to the M&A scenario
- Breaks down requirements into specific term sheet sections, guaranteeing completeness and coverage of key M&A clauses
- Flags priority issues (e.g. employee treatment) with a "TO NOTE" marker, ensuring critical points are not overlooked
- Combines precision and flexibility—able to produce a compliant, structured term sheet while accommodating additional legal requests
- Provides explicit formatting rules to ensure output is clean, consistent, and ready for use in word-processing software

Prompt:

Identity: Adopt the position of a legal professional in Singapore with a specialisation in the law regarding mergers and acquisitions. The documents you create should be rigorous, comprehensive, yet succinct. At all times, your terms should be in accordance with the ethical guidelines and frameworks set in Singapore.

###

Context: You are a member of the legal team in Netcore Limited ('Netcore'), a multinational corporation with a significant presence in Singapore. Netcore is planning to acquire a local small medium enterprise, Showytunes Pte Ltd ('Showytunes').

###

General Instructions:

- You are to draft a term sheet for the business unit of your company, Netcore, with regards to the acquisition above. Highlight all issues that Netcore's team should consider.
- If a particular term requires special action or attention by the team, flag it out by adding "TO NOTE:" before the term. Otherwise, proceed to number and label the terms and sub-terms of the term sheet systematically.

###

Specific Instructions:

Be sure to cover the following terms in sufficient detail by implementing the relevant sub-terms.

1. Parties Involved

2. Transaction Structure
3. Conditions Precedent
4. Representations and Warranties
5. Covenants
6. Employee Matters
7. Closing Details
8. Post-Merger Integration
9. Termination
10. Exclusivity
11. Confidentiality
12. Dispute Resolution
13. Governing Law

###

Formatting Instructions:

- **IMPORTANT:** Start every single term and sub-term on a new line.
- Ensure the output is compatible with word-processing apps like Google Docs and Microsoft Word.

###

Further Refinements:

- The shareholders of Showytunes have expressed particular interest in '6. Employee Matters', specifically with respect to the fair treatment of their employees. Make sure to provide a comprehensive overview when it comes to these matters, and highlight it for the business team to be aware of.
- Prioritise ensuring that the legal liabilities of Netcore are minimised, and that all terms are in accordance with legal regulations in Singapore.

Result:

TERM SHEET

Regarding the Proposed Acquisition of Showytunes Pte Ltd by Netcore Limited

1. PARTIES INVOLVED

- 1.1 Netcore Limited ("Netcore"), a multinational corporation incorporated in [Jurisdiction], having its principal place of business at [Address].
- 1.2 Showytunes Pte Ltd ("Showytunes"), a small-medium enterprise incorporated in Singapore, having its principal place of business at [Address].
- 1.3 Shareholders of Showytunes, being the existing shareholders of Showytunes holding [X]% of shares.

2. TRANSACTION STRUCTURE

- 2.1 The transaction will be structured as a share purchase, whereby Netcore will acquire [X]% of the issued and outstanding shares of Showytunes.
- 2.2 TO NOTE: Consideration for the shares may be paid in cash, shares of Netcore, or a combination thereof, subject to further agreement.
- 2.3 The acquisition will be completed in a single closing, subject to the satisfaction of all conditions precedent.

3. CONDITIONS PRECEDENT

- 3.1 The completion of satisfactory financial, legal, and operational due diligence on Showytunes.
- 3.2 The receipt of all necessary regulatory approvals, including from the Competition and Consumer Commission of Singapore (CCCS) and any other relevant authorities.
- 3.3 No material adverse change in the business, financial condition, or prospects of Showytunes from the date of signing this term sheet to the closing date.

3.4 Execution of definitive agreements, including a Share Purchase Agreement (SPA), Employment Agreements, and any ancillary documents.

4. REPRESENTATIONS AND WARRANTIES

4.1 Showytunes will provide standard representations and warranties regarding corporate existence, authority to enter into the transaction, ownership of shares, financial statements, and compliance with laws and regulations.

4.2 Netcore will provide standard representations and warranties regarding corporate existence, authority, and ability to finance the acquisition.

4.3 TO NOTE: Netcore's legal team should ensure that all warranties provided by Showytunes are backed by indemnities to minimise exposure to risks arising from pre-existing liabilities or inaccuracies.

5. COVENANTS

5.1 Showytunes will continue to operate its business in the ordinary course between the signing of this term sheet and the closing date.

5.2 Showytunes will not enter into any material agreements, incur any material liabilities, or dispose of any assets without Netcore's prior written consent.

5.3 Netcore and Showytunes will cooperate to obtain all necessary consents and approvals for the transaction.

6. EMPLOYEE MATTERS (TO NOTE: This section is of high importance to Showytunes' shareholders)

6.1 Netcore agrees that all employees of Showytunes as of the closing date will be offered continued employment on terms no less favourable than their existing terms, including salary, benefits, and job responsibilities.

6.2 TO NOTE: Netcore will ensure compliance with the Employment Act and the Tripartite Guidelines on Fair Employment Practices in Singapore, ensuring fair treatment in accordance with applicable laws.

6.3 Netcore will honour any accrued entitlements, including unpaid leave, bonuses, and other benefits, up to the closing date.

6.4 TO NOTE: Netcore will provide for a transition plan, including clear communication with employees regarding changes in management, if any, and provide appropriate redundancy packages where applicable under Singapore law.

6.5 Key employees identified by Showytunes may be offered retention bonuses or additional incentives to remain with the business post-acquisition, subject to negotiation.

7. CLOSING DETAILS

7.1 The closing date will be on or before [Date], subject to the satisfaction of all conditions precedent.

7.2 At closing, Netcore will transfer the consideration to the shareholders of Showytunes in accordance with the agreed terms.

7.3 Shareholders of Showytunes will deliver share certificates and duly executed transfer documents at closing.

8. POST-MERGER INTEGRATION

8.1 Netcore will develop and implement an integration plan to streamline Showytunes' operations with Netcore's existing business units.

8.2 TO NOTE: Integration efforts should focus on operational efficiency, harmonisation of corporate cultures, and achieving projected synergies.

8.3 Regular reviews of post-merger integration progress will be conducted, with oversight by a designated committee from both Netcore and Showytunes.

9. TERMINATION

9.1 Either party may terminate the term sheet if the closing does not occur by [Long-Stop Date], provided the delay is not due to the terminating party's breach.

9.2 Netcore may terminate the agreement in the event that due diligence uncovers material discrepancies in Showytunes' representations or warranties.

10. EXCLUSIVITY

10.1 Showytunes agrees that, for a period of [Exclusivity Period] from the date of this term sheet, it will not engage in discussions or negotiations with any third party regarding the sale of its shares or assets.

11. CONFIDENTIALITY

11.1 Both parties agree to keep the terms of this transaction and any related documents or discussions confidential, except as required by law or regulatory authorities.

11.2 This confidentiality obligation shall survive the termination of this term sheet for a period of [X] years.

12. DISPUTE RESOLUTION

12.1 Any disputes arising from this term sheet shall first be attempted to be resolved by amicable negotiation between the parties.

12.2 If a resolution cannot be reached, the parties agree to submit the dispute to mediation under the Singapore Mediation Centre.

12.3 Should mediation fail, the dispute will be referred to arbitration in Singapore, under the rules of the Singapore International Arbitration Centre (SIAC), with the decision being final and binding.

13. GOVERNING LAW

13.1 This term sheet and any related agreements shall be governed by and construed in accordance with the laws of Singapore.

Signatures:

For and on behalf of Netcore Limited:

Name:

Title:

For and on behalf of Showytunes Pte Ltd:

Name:

Title:

This term sheet is intended to summarise the principal terms of the proposed transaction. It is non-binding, except for sections on exclusivity, confidentiality, and governing law, unless otherwise stated in a subsequent definitive agreement.

Entry 3:

Prompt Author: Ms. Iris Ng



Iris is a disputes lawyer who specialises in shipping and trade-related matters at Helmsman LLC. She has represented clients before the Singapore courts and in institutional and ad hoc arbitrations. Before joining Helmsman, Iris was a Justices' Law Clerk at the Supreme Court and State Counsel at the Attorney-General's Chambers where she worked on a broad range of contentious matters. She obtained her LL.M. from Harvard Law School after graduating from Singapore Management University as Valedictorian of her LL.B. cohort. Iris's writing on artificial intelligence and the law has been recognised in, amongst others, the California Arbitration institute essay competition 2023 (winner), and the Young ICCA essay competition 2024 (second place). [She also placed second in the Singapore Academy of Law-Microsoft Prompt Engineering Competition 2024.

Prompt Style: Persona-driven, multi-perspective legal drafting prompt with embedded negotiation strategy. The prompt establishes a detailed professional identity for the model (experienced cross-border M&A counsel with litigation background) and provides explicit corporate context. It instructs the AI to generate a term sheet addressing both corporate and dispute-prevention considerations, embed internal rationale for each clause, and anticipate counterparty objections with corresponding rebuttals or counterproposals. The structure is highly prescriptive, requiring internal notes in square brackets for Acquirer's reference and negotiation strategies in curly brackets for internal use only.

Strengths:

- Defines a rich, domain-specific professional persona, increasing contextual accuracy and industry relevance
- Integrates two perspectives—corporate protection and dispute avoidance—into each clause, ensuring a balanced yet Acquirer-centric output
- Embeds internal commentary ([]) that explains how each clause aligns with strategic objectives such as transaction security, regulatory compliance, and stakeholder fairness
- Anticipates counterparty objections and provides three tailored rebuttals or counteroffers ({ }) for each term, enhancing negotiation preparedness
- Balances the interests of both parties while still prioritising Acquirer's key risks and objectives
- Produces a term sheet that is both a transaction document and an internal strategic tool for negotiations

Prompt:

You are a skilled legal practitioner with extensive experience in cross-border mergers and acquisitions. You were previously a litigator and therefore also have background in disputes and contentious matters. You are now an in-house counsel of a multi-national corporation (refer to this as Acquirer). You have a good working understanding of the employment regulatory framework in Singapore, including the fair employment guidelines issued by the Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP) at this link: <https://www.tal.sg/tafep/-/media/tal/tafep/getting-started/files/tripartite-guidelines.ashx>.

Draft a term sheet to acquire a Singapore small medium enterprise (refer to this as Target Co). Include all the major issues to consider, from both a corporate perspective, and a dispute prevention (litigation avoidance or minimization) perspective.

In preparing the term sheet, you should bear in mind the key interests of Acquirer. These are, in no particular order: (1) security of transaction – how to ensure Acquirer is not left financially exposed by the deal, and ensure Target Co does not back out or concurrently negotiate other deals; (2) fair treatment of all stakeholders including the existing employees of Target Co; (3) reputation and market risk to Acquirer as a multinational company with a significant presence in Singapore; (4) competitiveness of Acquirer; and (5) regulatory compliance, including

compliance with the TAFEP guidelines and anti-competitiveness rules at both the firm and the employee level. Explain how the proposed terms help to satisfy one or more of these five criteria, identifying which criteria you are talking about. Enclose this section in square brackets like this [], as a separate paragraph after each proposed clause in the term sheet, to mark it as points for internal reference by Acquirer.

You should also consider what are the key interests of Target Co and how they may want these to be achieved. In no particular order, they may be concerned about business continuity and post-acquisition management, cultural fit, and employee and workforce integration. Include any other interests that you identify.

For each term you propose, anticipate 3 different objections Target Co may have. Write in the active voice from Target Co's perspective for these objections, in quotation marks. include counterproposals such as a different clause structure or wording to address these concerns, or rebuttals why these concerns do not arise. Present each objection and rebuttal separately, as numbered bullet points. Enclose this section in curly brackets like this {}, after each proposed clause in the term sheet, to mark it as points for internal reference by Acquirer.

Include the most important 10 to 15 terms. Use numbering and bullet points. Be direct and comprehensive in your response.

Result:

Term Sheet for the Acquisition of Target Co by Acquirer

1. Purchase Price and Payment Terms

1. The purchase price shall be SGD [X], subject to adjustment based on a closing balance sheet audit. Payment will be made in two installments: 70% at closing and 30% upon the satisfaction of post-closing conditions, including the verification of key performance metrics over 12 months.

[This clause ensures security of transaction by linking final payment to post-closing performance, reducing the risk of overpayment and ensuring Acquirer's interests are protected. It also provides a mechanism to prevent financial exposure through adjustments to the final price based on Target Co's actual financial performance. Compliance with regulatory guidelines ensures that stakeholders, including employees, are treated fairly, addressing Acquirer's regulatory compliance and reputation and market risk.]

(1. "We are concerned about the uncertainty of the final payment, which may fluctuate based on performance metrics beyond our control."

Rebuttal: The performance metrics will be agreed upon by both parties, and Target Co will have significant control over these factors. Acquirer is open to discussing mutually agreeable targets that reflect realistic business operations.

2. "We would prefer a larger portion upfront, to ensure liquidity and stability post-sale."

Rebuttal: The installment structure balances both parties' interests by securing a majority payment upfront while ensuring Acquirer has assurances post-transaction.

3. "We believe the 30% holdback is too high."

Counterproposal: Acquirer is willing to reduce the holdback to 20%, provided other terms, such as indemnity, are strengthened.}

2. Exclusivity Period

1. Target Co agrees to a 90-day exclusivity period during which it will not solicit, entertain, or engage in any negotiations with third parties regarding a potential acquisition or sale. [This ensures security of transaction by preventing Target Co from negotiating with other parties. It also enhances Acquirer's competitiveness by securing the deal without the risk of external offers.]

{1. "We are concerned about being locked into this process with no other options."

Rebuttal: The exclusivity period is standard in M&A deals and ensures that both parties can commit resources to due diligence without the distraction of competing offers.

2. "What if this process drags on longer than expected?"

Counterproposal: Acquirer is willing to include an automatic extension clause for up to 30 days if both parties are making reasonable efforts to close the deal.

3. "We are unsure if this will hurt our valuation if the deal falls through."

Rebuttal: The 90-day exclusivity period provides sufficient time for thorough due diligence, ensuring the valuation reflects an accurate assessment of the business.}

3. Post-Closing Management and Integration

1. Acquirer will retain the current management team of Target Co for a minimum of 12 months post-closing to ensure smooth integration and business continuity. Acquirer will also establish a joint integration committee to oversee the workforce integration process, ensuring compliance with the Tripartite Guidelines on Fair Employment Practices.

[This term addresses fair treatment of employees, ensuring that existing staff are respected and integrated properly. It also mitigates reputation risk by demonstrating Acquirer's commitment to fair employment practices and continuity. Finally, it protects competitiveness by maintaining business continuity and leveraging Target Co's expertise during the critical post-closing period.]

{1. "We are worried about the long-term vision for the management team after 12 months."

Rebuttal: The 12-month retention ensures stability, and Acquirer is open to discussing long-term roles for key members of the management team.

2. "We would prefer not to be tied to integration committees, as this may slow down decision-making."

Rebuttal: The integration committee is advisory and will not hinder day-to-day operations but will help ensure a smooth transition.

3. "What if our team doesn't align with Acquirer's culture?"

Counterproposal: Acquirer proposes cultural integration workshops to ensure alignment and understanding between teams from both companies.}

4. Representations and Warranties

1. Target Co represents and warrants that it holds all necessary licenses, complies with Singapore's employment laws, and is in good standing with all regulatory bodies. Additionally, Target Co warrants that there are no ongoing or pending legal disputes or employee claims.

[This protects Acquirer from reputation risk and ensures regulatory compliance. It also mitigates litigation risk, as any hidden legal disputes or compliance failures could expose Acquirer to future claims.]

{1. "What if a new claim arises after signing, but before closing?"

Rebuttal: Any claims arising during this period would be disclosed and subject to specific indemnification provisions.

2. "We cannot guarantee there will be no claims from employees post-closing."

Rebuttal: The indemnity clause will address any claims resulting from pre-closing issues, ensuring Acquirer is protected.

3. "Some of our licenses are subject to routine renewal; we can't guarantee future standing."

Counterproposal: Acquirer will review the licenses during due diligence, and any renewal risks can be addressed in the final agreement.}

5. Non-Compete and Non-Solicitation Clause

1. Target Co's key shareholders and management agree not to compete with Acquirer or solicit employees or clients of Target Co for a period of three years post-closing.

[This term ensures competitiveness by preventing the sellers from undermining the value of the acquisition. It also mitigates litigation risk by preemptively addressing potential disputes over poaching of staff or customers.]

{1. "Three years is too long; we want the flexibility to explore other ventures."

Counterproposal: Acquirer is willing to reduce the non-compete to two years, with a stricter non-solicitation clause for key clients and employees.

2. "What if we want to enter a different industry that doesn't directly compete?"

Rebuttal: The non-compete clause can be narrowed to specific industries that directly overlap with Target Co's business.

3. "We feel restricted from collaborating with partners we've built relationships with over the years."

Rebuttal: The clause targets direct competition and solicitation, not general business collaborations that do not harm Acquirer's competitive position.}

6. Employee Retention and Benefits Continuity

1. Acquirer commits to retaining all employees of Target Co for at least six months post-closing, maintaining equivalent compensation and benefits during that period, in accordance with the Tripartite Guidelines. Any layoffs or restructuring will follow a fair and transparent process in compliance with Singapore employment law.

[This term addresses fair treatment of stakeholders and ensures regulatory compliance with TAFEP guidelines. It also helps preserve reputation by ensuring responsible management of the workforce.]

{1. "Six months is too short a guarantee for employee retention."

Rebuttal: Six months provides a transition period to assess business needs. Acquirer is committed to fair treatment and open discussions about longer-term retention.

2. "Will our employees receive the same benefits they currently have?"

Rebuttal: Acquirer ensures equivalent benefits for the six-month period and is open to discussing adjustments to meet industry standards post-acquisition.

3. "We worry that restructuring will lead to layoffs soon after closing."

Counterproposal: Any restructuring decisions will involve consultations with key stakeholders to minimize disruptions and ensure compliance with Singapore employment regulations.}

7. Dispute Resolution

Any disputes arising from this agreement shall be resolved through arbitration in Singapore under the rules of the Singapore International Arbitration Centre (SIAC), with each party bearing its own costs.

[This clause addresses litigation risk by providing a clear, efficient, and neutral method for resolving disputes, avoiding costly and public litigation that could harm Acquirer's reputation.]

{1. "We would prefer the option to go to court."

Rebuttal: Arbitration is faster, more confidential, and typically less expensive, which benefits both parties in resolving disputes efficiently.

2. "What if arbitration results are unfavorable to us?"

Rebuttal: Both parties have equal say in selecting arbitrators, ensuring a fair process.

3. "We are concerned about the costs of arbitration."

Rebuttal: Arbitration generally incurs lower legal costs than litigation, and each party bears its own costs, reducing financial risk.}

8. Conditions Precedent

1. The closing of the transaction is conditional upon regulatory approval from relevant authorities, including the Competition and Consumer Commission of Singapore (CCCS), as well as satisfactory completion of due diligence by Acquirer.

[This term ensures regulatory compliance and prevents financial exposure by allowing Acquirer to exit or renegotiate if regulatory issues or red flags are identified during due diligence.]

{1. "What if approvals are delayed, causing uncertainty for our business?"

Rebuttal: Acquirer will work expeditiously to secure approvals and is willing to include a backstop date for closing, subject to extensions if required by regulators.

2. "Due diligence may uncover minor issues that could delay the deal unnecessarily."

Rebuttal: Due diligence is a standard procedure that protects both parties. Acquirer will focus on material issues that significantly impact the transaction.

3. "What if CCCS rejects the deal?"

Counterproposal: If the CCCS raises concerns, both parties can work together to modify the deal structure to address anti-competitiveness concerns, ensuring compliance with regulations.}

9. Indemnification

1. Target Co agrees to indemnify Acquirer for any breaches of representations and warranties or undisclosed liabilities arising prior to closing, up to a capped amount of 20% of the purchase price.

[This clause ensures security of transaction and protects Acquirer from financial exposure by holding Target Co accountable for pre-closing issues. It also mitigates litigation risk by preemptively resolving disputes over undisclosed liabilities.]

{1. "We think 20% of the purchase price is too high a cap for indemnity."

Counterproposal: Acquirer is open to discussing a lower cap, provided a larger portion of the purchase price is held in escrow to cover potential claims.

2. "We are concerned about potential future claims that we may not foresee."

Rebuttal: The indemnity period will be limited to specific timeframes and known risks, which should minimize exposure to unexpected claims.

3. "What if Acquirer makes claims that we believe are unfair?"

Rebuttal: Any indemnity claims will be subject to third-party arbitration to ensure fairness and impartiality.}

10. Governing Law

1. This agreement shall be governed by and construed in accordance with the laws of Singapore. [This term provides clarity and consistency in legal interpretation, reducing litigation risk. Singapore's legal framework offers strong protections for both parties, ensuring a fair and reliable process for dispute resolution.]

{1. "We would prefer a neutral international jurisdiction for the governing law."

Rebuttal: Singapore is a reputable jurisdiction with a strong legal framework, well-suited for resolving corporate matters fairly and efficiently.

2. "We are not familiar with Singapore law."

Rebuttal: Acquirer can provide resources to help Target Co's legal team understand key legal principles in Singapore.

3. "We are concerned that Singapore law may favor the Acquirer."

Rebuttal: Singapore law is neutral and respected globally for its fairness and efficiency, providing balanced protection for both parties.}

This term sheet balances the interests of both Acquirer and Target Co, addressing potential concerns proactively while ensuring the security of the transaction, fair treatment of stakeholders, and compliance with Singapore's regulatory framework.

Entry 4:

Prompt Author: Ms. Manuella Pereira



Manuella Marie Pereira graduated from the National University of Singapore with double honours degrees in Law and Quantitative Economics. Driven by a keen interest in the intersections between law, economics, and technology, she taught herself coding and applied her skills in hackathons, academic projects, and professional settings. Her experience spans forecasting and data science projects, where she explored econometric and machine learning approaches, as well as practical applications of legal technology. Manuella has interned at organisations including the Agency for Integrated Care, Changi Airport Group, and Hydra X, where she developed process automation tools, evaluated legal management solutions, and streamlined compliance workflows. She has also contributed to access-to-justice initiatives such as PathFinder/Navi-GateFinder, reflecting her commitment to harnessing technology for impact.

Prompt Style:

Role-based legal drafting prompt with explicit jurisdictional context and practical sourcing instructions. The AI is instructed to adopt the perspective of in-house counsel for the acquiring company, reference common M&A clauses from the internet, and cross-check their applicability under Singapore law. The prompt incorporates clear drafting conventions—using placeholders for incomplete terms and capitalisation to flag clauses open for negotiation. It also provides a predefined list of key term sheet sections, ensuring comprehensive coverage of commercial, employment, regulatory, and integration issues.

Strengths:

- Establishes a realistic legal counsel role and situational context for targeted, relevant drafting
- Requires cross-referencing against Singapore's statutory framework, increasing legal accuracy
- Ensures completeness by enumerating 15 key term sheet components spanning corporate, employment, IP, and compliance considerations
- Introduces a practical clause-highlighting system (capitalisation for negotiable terms) to support real-world redlining discussions
- Uses placeholders ([]) to indicate information gaps, encouraging further due diligence and collaborative input
- Anticipates employee protection as a priority issue and incorporates multiple statutory frameworks (Employment Act, Fair Consideration Framework, TAFEP) into the drafting
- Balances transaction mechanics with integration planning and regulatory compliance, producing a commercially and operationally aware term sheet

Prompt:

For this task, you are legal counsel of Netcore Limited, a multinational corporation with a significant presence in Singapore. Your company plans to acquire a local small-medium enterprise, Showytunes Pte Ltd. The shareholders of Showytunes Pte Ltd have expressed their concern about fair treatment of the existing employees of Showytunes Pte Ltd.

Taking clauses from the internet (and cross-checking their applicability under Singapore law, citing where necessary) please carefully prepare a detailed and comprehensive term sheet for the proposed merger. Where necessary, please use placeholders. Also, please highlight in caps clauses that may be open for discussion and amendments, as opposed to clauses that are more likely to be standard.

To get you started on your term sheet, the following are likely relevant:

1. Transaction Structure
 - a. Regarding Transaction Structure, please select one transaction structure as a default but include potential alternatives.

2. Valuation and Consideration
 - a. Regarding Valuation and Consideration, please include placeholders regarding earnout provisions and cash, shares, or a combination.
3. Shareholder and Corporate Approvals
 - a. Regarding Shareholder and Corporate Approvals, please consider board approval and shareholder approval as required under the Companies act. Also, consider the threshold for shareholder approval (simple majority? super-majority?).
4. Employee Protection (as mentioned by the shareholders of Showytunes Pte Ltd)
 - a. Regarding Employee Protection, please consider Singapore Employment Act and Fair Consideration Framework, Employment Act (Cap. 91), and TAFEP guidelines. Also, consider employee retention bonuses, post-integration training and development programs (if any).
5. Liabilities and Creditor Protection
 - a. Regarding Liabilities and Creditor Protection, please consider compliance with Section 215J of Companies Act. Also, please consider if an escrow arrangement for undisclosed liabilities may be necessary.
6. Non-compete and Confidentiality Clauses
 - a. Regarding Non-compete and Confidentiality Clauses, please consider compliance with the Competition Act and the scope of the restricted activities.
7. Regulatory Approvals
 - a. Regarding Regulatory Approvals, consider specific industry-specific licences and permits involved.
8. Conditions Precedent
 - a. Regarding Conditions Precedent, please consider third-party involvement if any.
9. Confidentiality and Exclusivity
 - a. Regarding Confidentiality and Exclusivity, please consider if any break-up fee is relevant.
10. Governing Law and Dispute Resolution
 - a. Regarding Governing Law and Dispute Resolution, please consider various dispute resolution mechanisms such as litigation, arbitration, and mediation.
11. Indicative Timeline
 - a. Regarding Indicative Timeline, please consider any long-stop date if necessary.
12. Costs and Expenses
 - a. Regarding Costs and Expenses, please consider if cost-sharing is required and who bears which costs.
13. Post-Acquisition Integration Plans
 - a. Regarding Post-Acquisition Integration Plans, please consider management retention and roles, and re-branding if necessary.
14. Intellectual Property Rights
 - a. Regarding Intellectual Property Rights, please consider licence agreements and royalties if any.
15. Regulatory Compliance
 - a. Regarding Regulatory Compliance, please search the web for any relevant information on the businesses of the companies. Otherwise, please take cues from the names of the corporations involved to determine what regulations may be involved.

Result:

TERM SHEET

FOR THE PROPOSED ACQUISITION OF SHOWYTUNES PTE LTD BY NETCORE LIMITED

This Term Sheet summarizes the principal terms and conditions for the proposed acquisition of Showytunes Pte Ltd (the "Company") by Netcore Limited (the "Purchaser"). This document is intended for discussion purposes only and does not constitute a legally binding obligation, except for the sections titled "**Confidentiality and Exclusivity**," "**Governing Law and Dispute Resolution**," and "**Costs and Expenses**."

1. Transaction Structure

The transaction will be structured as a SHARE PURCHASE, whereby the Purchaser will acquire 100% of the issued and outstanding shares of the Company from its shareholders (the "Sellers"). ALTERNATIVELY, the parties may mutually agree to structure the transaction as an ASSET PURCHASE, subject to further due diligence and negotiation.

2. Valuation and Consideration

- **Purchase Price:** The total purchase price ("Purchase Price") for the shares of the Company shall be [S\$], subject to adjustments as may be agreed upon in the definitive agreements.
- **Payment Terms:**
 - **Cash Payment:** [S\$___] payable in cash at closing.
 - **Share Payment:** [S\$___] payable in the form of the Purchaser's shares, valued based on [valuation method, e.g., average closing price over the preceding 30 days].
 - **Earnout Provision:** An additional amount of up to [S\$___] payable to the Sellers contingent upon the Company achieving certain financial milestones over the [__]-year period following closing.

3. Shareholder and Corporate Approvals

- **Board Approvals:** The transaction is subject to approval by the boards of directors of both the Purchaser and the Company.
- **Shareholder Approvals:** The Sellers shall obtain all necessary shareholder approvals as required under the Companies Act (Cap. 50) of Singapore, including approval by a **SPECIAL RESOLUTION** (requiring at least 75% of the votes cast by shareholders present and voting).

4. Employee Protection

- **Employment Continuity:** The Purchaser agrees to retain all current employees of the Company on terms no less favorable than their existing terms, in compliance with the Employment Act (Cap. 91) and the Fair Consideration Framework guidelines.
- **Retention Bonuses:** [TO BE NEGOTIATED] The Purchaser will offer employee retention bonuses to key employees, amounting to [S\$___] per employee, subject to individual agreements.
- **Training and Development:** The Purchaser will provide post-integration training and development programs to facilitate a smooth transition for all employees.
- **Compliance with TAFEP:** The Purchaser shall adhere to the Tripartite Guidelines on Fair Employment Practices (TAFEP) throughout the integration process.

5. Liabilities and Creditor Protection

- **Disclosure of Liabilities:** The Sellers shall disclose all known and contingent liabilities of the Company prior to closing.
- **Escrow Arrangement:** An amount equal to [S\$___] will be held in escrow for a period of [__] months post-closing to cover any undisclosed or unforeseen liabilities, in accordance with industry best practices.
- **Creditor Protection:** The transaction will comply with all relevant provisions of the Companies Act (Cap. 50) regarding creditor protection, including Sections 210 and 215J, where applicable.

6. Non-Compete and Confidentiality Clauses

- **Non-Compete Agreement:** The Sellers agree to a non-compete covenant, restricting them from engaging in any business that competes with the Company for a period of [] years within [Singapore/ASEAN/other

specified regions], subject to compliance with the Competition Act (Cap. 50B).

- **Confidentiality:** The Sellers shall maintain the confidentiality of all proprietary and confidential information relating to the Company and the Purchaser.

7. Regulatory Approvals

- **Regulatory Compliance:** The transaction is subject to obtaining all necessary regulatory approvals, including but not limited to approvals from the Infocomm Media Development Authority (IMDA) and any other relevant governmental or regulatory bodies.
- **Industry Licenses and Permits:** The Company shall ensure that all industry-specific licenses and permits are valid and transferable to the Purchaser upon completion.

8. Conditions Precedent

- **Due Diligence:** Satisfactory completion of legal, financial, and operational due diligence by the Purchaser.
- **Third-Party Consents:** Obtaining all necessary consents from third parties, including customers, suppliers, lessors, and licensors.
- **No Material Adverse Change:** There shall be no material adverse change in the business, operations, assets, or financial condition of the Company prior to closing.

9. Confidentiality and Exclusivity

- **Confidentiality:** Both parties agree to keep the existence and terms of this Term Sheet and any related negotiations confidential.
- **Exclusivity Period:** The Sellers grant the Purchaser an exclusivity period of [] days from the date of this Term Sheet, during which the Sellers shall not solicit or engage in discussions with any other parties regarding the sale of the Company.
- **Break-Up Fee:** [TO BE NEGOTIATED] A break-up fee of [S\$] shall be payable by the Sellers to the Purchaser if the Sellers breach the exclusivity provisions.

10. Governing Law and Dispute Resolution

- **Governing Law:** This Term Sheet and any definitive agreements shall be governed by and construed in accordance with the laws of Singapore.
- **Dispute Resolution:**
 - **Negotiation:** The parties shall first attempt to resolve any disputes arising out of or in connection with this Term Sheet through good faith negotiations.
 - **Mediation:** If negotiations fail, the disputes shall be referred to mediation at the Singapore Mediation Centre.
 - **Arbitration:** Should mediation not result in a resolution, the disputes shall be finally settled by arbitration in Singapore under the rules of the Singapore International Arbitration Centre (SIAC).

11. Indicative Timeline

- **Signing of Term Sheet:** [Date]
- **Completion of Due Diligence:** [Date]
- **Negotiation and Signing of Definitive Agreements:** [Date]
- **Target Closing Date:** [Date]
- **Long-Stop Date:** The transaction shall be completed no later than [Date], after which either party may

terminate the agreement if closing has not occurred, subject to the terms of the definitive agreements.

12. Costs and Expenses

- **Individual Costs:** Each party shall bear its own legal, accounting, and other professional fees incurred in connection with the negotiation and execution of this Term Sheet and the definitive agreements.
- **Transaction Costs:** The Purchaser shall bear all transaction-related costs, including stamp duties, filing fees, and other governmental charges.
- **Cost-Sharing Arrangements:** **[TO BE NEGOTIATED]** Any shared expenses shall be agreed upon by both parties.

13. Post-Acquisition Integration Plans

- **Management Retention:** Key management personnel identified by the Purchaser shall be offered employment contracts for a minimum period of **[] years**, subject to mutually agreed terms.
- **Roles and Responsibilities:** The roles and responsibilities of retained management and employees will be defined to align with the Purchaser's organizational structure.
- **Re-Branding:** **[TO BE DETERMINED]** A re-branding strategy may be implemented post-closing, subject to market considerations and brand equity assessments.

14. Intellectual Property Rights

- **Transfer of IP Rights:** All intellectual property rights owned by the Company, including trademarks, copyrights, patents, and trade secrets, shall be transferred to the Purchaser at closing.
- **Third-Party Licenses:** The Company shall obtain all necessary consents to assign any third-party licenses to the Purchaser or secure new licenses on terms acceptable to the Purchaser.
- **Royalties:** **[TO BE NEGOTIATED]** If applicable, any ongoing royalty arrangements shall be detailed in the definitive agreements.

15. Regulatory Compliance

- **Legal Compliance:** The Company represents that it is in compliance with all applicable laws and regulations, including but not limited to the Copyright Act (Cap. 63) and the Personal Data Protection Act (PDPA) (Act 26 of 2012).
- **Industry Regulations:** The Company shall maintain compliance with all industry-specific regulations relevant to its business operations, including obtaining necessary performance rights and music licensing agreements from organizations such as COMPASS (Composers and Authors Society of Singapore).
- **Ongoing Obligations:** Post-closing, the Purchaser will ensure continued compliance with all regulatory requirements pertinent to the Company's business activities.

Please note: This Term Sheet is a non-binding expression of intent and is subject to the negotiation and execution of definitive agreements containing terms and conditions customary for transactions of this nature.

ACCEPTED AND AGREED TO BY:

Netcore Limited

By: _____

Name: **[Name of Authorized Signatory]**

Title: **[Title]**

Date: **[Date]**

Showytunes Pte Ltd

By: _____

Name: **[Name of Authorized Signatory]**

Title: **[Title]**

Date: **[Date]**

This Term Sheet has been prepared considering the relevant laws of Singapore, including but not limited to the Companies Act (Cap. 50), Employment Act (Cap. 91), Competition Act (Cap. 50B), and other applicable regulations.

Entry 5:

Prompt Author: Mr. Lenon Ong



Lenon is a practising lawyer at Adsan Law LLC, where he advises on Information Technology and Intellectual Property matters. He has worked with non-profits, statutory boards, start-ups, and multinational corporations. A graduate of the National University of Singapore (NUS) and an Advocate and Solicitor of the Supreme Court of Singapore, Lenon also teaches the Law & Technology module at NUS Law (AY2025/2026) as adjunct faculty.

During his time at NUS, Lenon was actively involved in community projects and explored data science and web development. He led pro bono initiatives to raise awareness on IP and assist others with data protection compliance. In 2019 and 2020, he served as a trainer with the Singapore Academy of Law, supporting legal professionals in digitising Singapore's legalisation process.

Prompt Style: Role-based drafting prompt with explicit corporate context, employee-focused considerations, and structural guidance based on the VIMA 2.0 Model Term Sheet. The AI is instructed to prepare a detailed M&A term sheet in table format, adapting VIMA's comprehensiveness to a merger context and including at least 20 key terms. The prompt also requires the output to incorporate intellectual property provisions, comply with Singapore law, and be both accurate and creative. An accompanying explanation of the approach is mandated, ensuring that the output addresses confidentiality obligations, potential risks, and strategic considerations.

Strengths:

- Establishes a clear legal role and scenario, ensuring outputs are relevant to Singapore's M&A landscape
- Directs structural alignment with a recognised industry framework (VIMA 2.0), improving completeness and professional credibility
- Requires explicit integration of employee protection measures, addressing key stakeholder concerns
- Uses a table format for clarity and ease of reference, enhancing usability for business and legal teams
- Incorporates a mandatory "explanation of approach," fostering transparency of reasoning and alignment with strategic objectives
- Balances technical accuracy with practical business considerations, including regulatory compliance, risk allocation, and operational continuity
- Produces a term sheet that doubles as both a working transaction document and an internal briefing tool for decision-maker.

Prompt:

1. Imagine that you are a member of the legal team at N Limited, a multinational corporation with a significant presence in Singapore. N Limited is planning to acquire S Pte Ltd, a local small-medium enterprise.
2. Your task is to draft a detailed term sheet that includes the major terms of the proposed merger for the business unit to be aware of key issues, which should include intellectual property rights and other issues senior legal practitioners would account for in Singapore. Additionally, provide a comprehensive explanation of your approach, ensuring it adheres to confidentiality obligations and addresses all relevant issues, including potential risks and strategic considerations.
3. Account for the fact that the shareholders of S Pte Ltd have expressed concerns about the fair treatment of their existing employees. Your term sheet should be in table form and must comply with Singapore law. The term sheet should be clear, accurate, and highly relevant to the scenario, while also being creative and original.

4. While drafting, mirror the language from the VIMA 2.0 Model Term Sheet for comprehensiveness, additionally adapting its structure and thoroughness to the context of a merger rather than a Series A investment. There should be at least 20 key terms in the term sheet.

Result:

To draft the term sheet for N Limited's acquisition of S Pte Ltd, we will use a structure inspired by the VIMA 2.0 Model Term Sheet, with modifications to suit the merger context instead of an investment scenario. Here's the approach and rationale behind key terms:

Term Sheet for the Acquisition of S Pte Ltd by N Limited

Term	Description
Transaction	N Limited ("Buyer") proposes to acquire 100% of the shares in S Pte Ltd ("Target") for [S\$X] (the "Purchase Price"), subject to the terms outlined in this Term Sheet.
Structure of Acquisition	This is a full acquisition of all issued and outstanding shares of S Pte Ltd, structured as a purchase of shares, ensuring the continuity of business operations.
Purchase Price and Payment	The Purchase Price will be paid as follows: (i) [S\$Y] on completion ("Completion"), and (ii) [S\$Z] to be placed in an escrow account as security for any claims made under warranties.
Escrow	[S\$Z] will be held in escrow for a period of [12-24] months from Completion, to cover any potential claims arising from breaches of warranties or indemnities.
Intellectual Property (IP)	All IP, including patents, trademarks, copyrights, and trade secrets held by S Pte Ltd, will be transferred to N Limited. Any IP developed by employees post-Completion shall be assigned to N Limited.
Conditions Precedent	Completion is subject to: (i) satisfactory due diligence, (ii) necessary regulatory approvals, (iii) shareholder approvals, and (iv) no material adverse change in S Pte Ltd's business.
Employees	N Limited commits to the fair treatment of existing employees, offering employment on terms no less favorable than those currently provided, subject to review of key employees.
Key Employee Retention	Key employees will be offered retention bonuses and employment contracts containing IP assignment, confidentiality, and non-compete clauses.
Non-Compete and Non-Solicitation	The shareholders of S Pte Ltd agree not to compete with the business or solicit employees or customers of the Target for a period of [2-3] years post-Completion.
Warranties	The shareholders of S Pte Ltd will provide customary warranties related to the Target's business, assets, liabilities, financial condition, and compliance with applicable laws.
Indemnities	The shareholders of S Pte Ltd will indemnify N Limited for breaches of warranties and any undisclosed liabilities, capped at [S\$Z] and subject to [12-24 months] survival post-Completion.
Due Diligence	N Limited shall have [30-45] days from signing this Term Sheet to complete due diligence, covering legal, financial, operational, and environmental aspects of the Target's business.
Confidentiality	The terms of this transaction and all negotiations are subject to strict confidentiality obligations, and parties agree not to disclose to any third party without prior consent.
Exclusivity	S Pte Ltd agrees to an exclusivity period of [60-90] days from the date of signing, during which it will not engage in discussions or negotiations with any third party regarding its sale.
Approvals and Regulatory Filings	Parties will obtain all necessary approvals, including from the Competition and Consumer Commission of Singapore (CCCS) if applicable, before Completion.
Board Composition	Post-Completion, N Limited will assume full control of the board of directors of S Pte Ltd, appointing its own directors to oversee the operations of the business.
Material Adverse Change	If there is any material adverse change in the business, financial condition, or assets of S Pte Ltd prior to Completion, N Limited has the right to terminate the transaction.

Governing Law	This Term Sheet and the acquisition shall be governed by and construed in accordance with the laws of Singapore.
Dispute Resolution	Any disputes arising from or in connection with this Term Sheet shall be referred to arbitration under the Singapore International Arbitration Centre (SIAC) rules, with Singapore as the seat.
Completion Date	The anticipated Completion Date is [insert date], subject to the satisfaction of the conditions precedent.
Expenses	Each party shall bear its own legal, accounting, and other fees related to the negotiation and completion of the acquisition.

Explanation and Strategic Considerations

1. **Confidentiality and Exclusivity:** Maintaining confidentiality ensures that no sensitive business information leaks, protecting both the Target's value and N Limited's strategic advantage. Exclusivity helps N Limited avoid competitive bidders during due diligence.
2. **IP Assignment:** Protecting intellectual property is crucial for N Limited to continue leveraging S Pte Ltd's innovations and market position. The retention of key employees is tied into ensuring the ongoing value of this IP.
3. **Employee Retention:** Addressing the shareholders' concerns, fair treatment of employees is assured by retaining existing terms and offering new contracts to key staff, ensuring smooth operational transition post-acquisition.
4. **Escrow and Indemnities:** An escrow account is standard for securing post- Completion liabilities, and indemnities protect N Limited from unknown liabilities arising after the acquisition.
5. **Material Adverse Change:** This term allows N Limited to walk away from the deal if any significant negative changes occur in S Pte Ltd's business, ensuring it only proceeds if the Target remains in its current state.
6. **Compliance with Singapore Law:** The acquisition complies with Singapore's legal requirements, including possible regulatory filings with the CCCS for antitrust approvals if the merger leads to market concentration concerns.

This approach ensures a balanced, clear, and legally robust framework while addressing employee concerns and strategic acquisition risks. The structure is based on the VIMA 2.0 Model Term Sheet principles but tailored to an M&A context.

Glossary of Key Terms

- **Artificial intelligence.** Artificial intelligence or “AI” is a ‘a machine-based system that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments. Different AI systems vary in their levels of autonomy and adaptiveness after deployment’.³
- **Context.** Context is the information surrounding a prompt that helps the AI understand what is being asked.
- **Generative AI.** Generative AI is a type of AI system that is trained on data and can generate novel content, such as text, images, music, and code. These systems can learn and refine its outputs based on training data.
- **Model.** A model is a program that has been trained to understand and generate text and other input. It is akin to the brain of the AI system.
- **Output.** An output is the response given by the AI system after processing a prompt. It's the answer you get after asking a question.
- **Prompt.** A prompt is a question or statement given to an AI system to get a response. It's asking a question to get an answer.
- **Training data.** Training data is the information used to teach the AI model, similar to books and lessons a person study.
- **Token.** A token is a piece of a word or a whole word that the AI uses to understand and generate text. It's like a puzzle piece in a big picture.

³ Grobelnik, M., Perset, K., & Russell, S. (2024, March 6). What is AI? Can you make a clear distinction between AI and non-AI systems? OCED.AI. Retrieved September 2, 2024, from <https://oecd.ai/en/work/definition>

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