

**SERVICE AGREEMENT**

This Agreement is made and entered into at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_

**BETWEEN**

\_\_\_\_\_, having its Registered office at \_\_\_\_\_ represented through \_\_\_\_\_ (Hereinafter referred to as '**the Party of the First Part**')

**AND**

Mr./Ms. \_\_\_\_\_ age about \_\_\_\_\_ years, Resident of \_\_\_\_\_ (Hereinafter referred to as '**the Party of the Second Part**').

**WHEREAS**

1. The Party of the First Part is engaged in the business of \_\_\_\_\_.
2. The Party of the First Part has a vacancy for the post of \_\_\_\_\_.
3. The Party of the Second Part has applied to the Party of the First Part for the post of \_\_\_\_\_.
4. The Party of the First Part has interviewed the Party of the Second Part and has found him/her eligible for the said post. The Parties have

held discussions on the Terms and Conditions of the employment and have reached a consensus.

5. The Parties hereto have mutually agreed to reduce into writing the terms and conditions of the service of the Party of the Second Part with the Party of the First Part, which are enumerated herein below:

## **TERMS AND CONDITIONS**

### **1. EMPLOYMENT AND TERMS OF EMPLOYMENT**

1.1 The Party of the First Part agrees to employ the Party of the Second Part and the Party of the Second Part agrees to serve the Party of the First Part, on the Terms and Conditions set forth herein for the period commencing \_\_\_\_\_ and ending \_\_\_\_\_.

1.2 The Parties hereto agree that this Agreement may be renewed for a further period of one year, subject however to the Party of the First Part expressing its desire to renew this Agreement in writing.

1.3 The Parties hereto agree, that upon the expiration of the extended period of this Agreement, or the term of this Agreement (whichever is later) the Party of the First Part, if it so desires may enter into a fresh Agreement with the Party of the Second Part, on the Terms and Conditions, as may be mutually agreed upon by the Parties at that time.

### **2. POSITION AND DUTIES**

2.1 The Party of the Second Part shall serve, as \_\_\_\_\_ and shall report to \_\_\_\_\_.

2.2 The Party of the Second Part shall perform such duties as are enumerated in **Annexure 'A'** and all such duties that are associated with and incidental to the position as \_\_\_\_\_. The said Annexure shall form part and parcel of this Agreement.

2.3 The Party of the Second Part may at any time be called upon to discharge any other duties which in the opinion of the Party of the First Part and/or its Management are within the capacity of the Party of the Second Part to discharge and the Party of the Second Part shall forthwith undertake to discharge these duties with due diligence and care.

### **3. PERFORMANCE STANDARDS**

3.1 The Party of the Second Part shall devote all the working time and efforts to the business and affairs of the Party of the First Part. The Party of the Second Part shall endeavour and use his/her best efforts to advance the best interest of the Party of the First Part and shall not engage in any outside business activities which interfere with the performance of his/her duties hereunder.

3.2 The conduct and performance of the Party of the Second Part shall be observed and reviewed by the Party of the First Part periodically. The Party of the First Part reserves the right to terminate the agreement and the services of the Party of the Second Part, if it comes to the conclusion that the performance of the Party of the Second Part is unsatisfactory or not upto the mark.

#### 4. RERESENTATION AND WARRANTIES

4.1 The Party of the Second Part represents and warrants that he/she is under no contractual or other restrictions or obligation that would significantly limit his/her activities on behalf of the Party of the First Part or prohibit or limit the disclosure or use of any information which directly or indirectly relates to the nature of the Party of the First Part or the services to be rendered by the Party of the Second Part under this Agreement.

4.2 The Party of the Second Part agrees that the employment is offered on the basis of the information, representation and warranties made and furnished by the Party of the Second Part to Party of the First Part including the training, skills, abilities and special knowledge. The Party of the Second Part warrants and vouches for the accuracy and fidelity of the information.

4.3 The Party of the Second Part agrees that if the information furnished is false or any vital information is concealed from the Party of the First Part, then the employment is liable to be terminated forthwith without compensation, notice period or salary in lieu thereof.

#### 5. COMPENSATION

REMUNERATION: The Party of the First Part shall pay to the Party of the Second Part remuneration as set in Annexure 'B'. The said Annexure shall form part and parcel of this Agreement.

Out of the remuneration payable every month to the Party of the Second Part, the Party of the First Part shall deduct an amount of Rs. \_\_\_\_\_ (Rupees

\_\_\_\_\_ only) and retain the same with the Party of the First Part.

The Party of the Second Part shall be entitled to receive the entire amount so retained together with interest @ \_\_\_\_ % p.a. on completion of \_\_\_\_ years of uninterrupted service with the Party of First Part. However the Party of the Second Part shall forfeit the amount so retained on leaving the services prior to completion of \_\_\_\_\_ years.

INCENTIVES: In addition to the Salary, the Party of the Second Part would be entitled to receive an additional amount as incentives on achieving targets. The Targets and the incentives shall be laid down in the relevant Policies of the Company, copies of which shall be available with the HR Department of the Company.

EXPENSES: During the term of employment, the Party of the Second Part shall be entitled to be reimbursed (in accordance with the policies and procedures established by the Party of the First Part) for all reasonable expenses incurred by the Party of the Second Part, in performing the duties under this Agreement, provided, however to the Party of the Second Part submitting proper account thereof in accordance with the Policy of the Party of the First Part.

BENEFITS: The Party of the Second Part shall not be entitled to any benefits such as Provident Fund, Bonus etc. except Gratuity as per law on completion of five (5) years of continued service with the Party of the First Part.

OTHER BENEFITS: The Party of the Second Part shall be entitled receive payment of amount of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) or such other amount as may be decided by the Party of the First Part on completion

of \_\_\_ years of uninterrupted service by the Party of the Second Part with the Party of the First Part.

The payment of incentives under clause 5.3 and other benefits under clause 5.6 shall be based entirely on the economic progress of the Party of the First Part and the viability to pay such amount. The Party of the First Part may at its sole discretion and without any notice to the Party of the Second Part withdraw payment of such amount in case the economic condition of the Party of the First Part does not permit such payment. In such a case the Party of the Second Part shall not be liable to make any grievance nor lodge any claim against the Party of the First Part in that respect.

## **6. POSTING**

The initial place of posting of the Party of the Second Part shall be \_\_\_\_\_. However, the Party of the First Part reserves its right to transfer/assign the Party of the Second Part to any of its Affiliates and/or to any project and/or location within India.

The Party of the Second Part shall not be entitled to any additional compensation and/or benefits whatsoever, in case of transfer or assign to any of the Affiliates of the Party of the First Part.

## **7. CUSTODY OF THE PROPERTY**

The Party of the Second Part shall be responsible for the safekeeping and returning in good orders of all the properties of the Party of the First Part such as equipment, reference materials etc. which may be in the possession, custody, care or charge of the Party of the Second Part.

The Party of the First Part shall have the right to recover the money value of such properties from the dues payable to the Party of the Second Part and take such action as it deems fit in the event of the failure of the Party of the Second Part to account for properties, whether during the course of service or otherwise.

#### 8. CONFIDENTIALITY AND NON DISCLOSURE

The Party of the Second Part during the term of this Agreement or any time thereafter, shall, under no circumstances, directly or indirectly, disclose to any outsider any information, whatever that may come to his/her knowledge, during his/her employment, relating to the affairs of the Company and its customers, and shall keep all such information strictly confidential except as may be necessary in the ordinary course of performing his/her duties required hereunder or by law.

For this purpose information would mean and include without limitation all and any data, know-how, formulae, processes, designs, photographs, drawing, specifications, programmes, samples, trade secrets, intellectual property and all information of whatever description any other material bearing or incorporating any information concerning or relating to the Party of the First Part, its assets, properties, plans, processes, finances, methods, operations, market strategy, marketing and pricing information, customer and consumer database, business plans, product information, vendor and supplier list, business records and other books and records relating to or concerning the Party of the First Part

The salary, incentives, benefits under this Agreement and all correspondence between the Party of the Second Part and the Party of the First Part is

confidential and the Party of the First Part shall not disclose any details whatsoever to any person.

The Party of the Second Part shall in no case during the continuance of this Agreement, directly or indirectly assist, serve, accept any employment, consultancy or service from any other person, firm, Company and shall strictly abide confidentiality of the job assigned to him/her.

#### 9. INTELLECTUAL PROPERTY

The Party of the Second Part shall furnish in writing with full particulars to the Party of the First Part all ideas, inventions, design, formula, process, adaptation or improvement, discovered, made or conceived by the Party of the Second Part, individually and/or jointly with any person/s whatsoever, which relates to or is connected with any trade or business being carried out by the Party of the First Part and/or any of its affiliates.

All inventions, discoveries, formulas, designs, process, adaptation or improvements discovered, made or conceived by the Party of the Second Part, individually and/or jointly with any person/s whatsoever, which relates to or is connected with any trade or business being carried out by the Party of the First Part and/or any of its affiliates, shall upon the discovery, making or conception thereof belong to and vest in the Party of the First Part absolutely and beneficially forever.

The party of the Second Part, if required shall take all such steps as may be necessary fully and effectually to vest in the Party of the First Part or as it may direct the full benefit of the said invention, discovery, formula, design, process, adaptation or improvement and to give to the Party of the First Part



or its nominees such protection as it may require in respect thereof in any part of the world whether by way of patents or otherwise howsoever.

#### 10. RULES AND REGULATIONS

The Party of the Second Part shall be bound by rules and regulations of the Company as applicable from time to time. The Party of the First Part reserves the right to alter, change, modify and substitute his rules periodically.

The Party of the First Part reserves the right to have different rules for different categories or classes of employees and for different locations. The Party of the Second Part shall be bound by the rules applicable to him/her depending on the class or category and place of service of the Party of the Second Part.

The Party of the Second Part shall be bound by all the Policies of the Party of the First Part as made applicable by the Party of the First Part from time to time, as well as any alterations, modifications or amendments thereof. Updated copies of all the Policies of the Party of the First Part shall be available with the HR Department of the Party of the First Part.

The Party of the Second Part shall not misuse his/her position as a \_\_\_\_\_ for personal gains of any nature or conduct himself/herself in such manner that he/she may have to incur debt beyond his/her means.

The Party of the Second Part shall not accept or permit any member of his/her family or any other person acting on his/her behalf to accept any gift including free transportation, lodging or any other service or any pecuniary advantage from anybody directly or indirectly with whom he/she may come into contact by virtue of his/her employment.

The employment of the Party of the Second Part is subject to the physical and mental fitness. The Party of the Second Part shall as and when required by the Party of the First Part submit himself to medical check up by a Physician of the choice of the Party of the First Part.

The Party of the Second Part shall either during the term of this Agreement or any time thereafter, solicit, interfere with or endeavour to entice away from the Party of the First Part any person, firm or company who is employed, engaged or having any commercial arrangement with the Party of the First Part.

#### 11. TERMINATION

The Party of the First Part is entitled to terminate forthwith the services of the Party of the Second Part without compensation, notice period or salary in lieu thereof, if the Party of the Second Part is found to be in willful, intentional or failure to perform his/her duties in accordance with the directions of the Party of the First Part. In all other cases, the Party of the First Part may terminate the employment of the Party of the Second Part by providing not less than 1 months' notice or pay in lieu of notice.

The Party of the Second Part may terminate the employment with the Party of the First Part by providing not less than \_\_\_\_ month(s) notice to the Party of the First Part and in which case the Party of the Second Part shall only be entitled to reimbursements, claims and/or salaries that may be due on the date of termination.

The Party of the Second Part shall on termination of this Agreement shall return to the Party of the First Part all drawings, notes, memoranda, correspondence, records, product information, manufacturing procedures

and specifications, customer and supplier information and all other information in any format viz. paper or electronic and the Party of the Second Part shall not retain any copy or copies therefrom in electronic or any other media.

The Party of the Second Part shall not at any time after termination of this Agreement represent himself/herself as being in any way connected with or interested in the business of the Party of the First part and/or any of its affiliates.

The Party of the Second Part on breach of any of the terms and condition of this Agreement shall be liable to pay to the Party of the First Part consolidated damages of Rs. \_\_\_\_\_/-

## 12. DISPUTES AND JURISDICTION

In the event of there being any dispute between the said parties, the said dispute shall be referred to Arbitration of sole Arbitrator, *mutually agreed by the parties/ appointed by the Party of the First Part*, and the said arbitration shall be governed by the provisions of Arbitration and Conciliation Act 1996 or any amendments or re-enactments as the case may be. The seat of Arbitration shall be at \_\_\_\_\_ and the proceedings shall be in English.

The courts in \_\_\_\_\_ shall have sole jurisdiction with regards to this Agreement.

The expenses incurred towards the dispute being resolved by arbitration shall be borne equally by the parties.

## 13. INDEMNITY

The Party of the Second Part shall at all times keep the Party of the Second Part indemnified against any loss that may be caused to the Party of the First

Part on account of breach by the Party of the Second Part of the terms of this Agreement.

In the event of breach by the Party of the Second Part, of any of the terms contained in this Agreement, the Party of the Second Part shall be liable to pay to the Party of the First Part, the amount equivalent to the loss caused to the Party of the First Part or a consolidated amount of Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_ only), whichever is larger.

The Party of the Second Part shall pay the amount mentioned in clause 13.2 herein within \_\_\_\_ days of receipt of demand made in writing by the Party of the First Part.

In the event of the failure of the Party of the Second Part to pay the amount as per clause 13.3 herein, the Party of the Second Part shall be liable to pay interest @ \_\_\_\_% p.a. from the date of demand by the Party of the First Part till realisation of the said amount.

#### 14. NOTICE

All notices in relation to this Agreement shall be in writing and shall be deemed duly served if delivered personally or sent by Facsimile transmission or email or by prepaid Registered Post or Courier to the respective address of the parties as shown in this Agreement.

Any change of address shall be communicated by the Party of the Second Part to the Party of the First Part within 7 days of change of the address.

#### 15. GENERAL TERMS AND CONDITION

This Agreement constitutes the entire and only Agreement between the parties concerning the subject matter hereof and all other prior negotiations, representations, agreements, and understandings are superseded hereby.

No variation of this Agreement shall be effective unless reduced to writing and signed by the Party of the Second Part and by or on behalf of a duly authorized representative of the Party of the First Part to this Agreement.

In the event that any term, condition or provision of this Agreement is held to be a violation of any applicable Law, statute or regulation, the same shall be deemed to be deleted from this Agreement and shall be of no force and effect and this Agreement shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Agreement. Notwithstanding the above in the above in the event of any such deletion, the Parties shall negotiate in good faith in order to agree the terms of a mutually acceptable and satisfactory alternative provision in place of the provision so deleted.

**IN WITNESS WHEREOF** the Parties have hereunto set and subscribed their respective hands on the date and year first mentioned hereinabove.

Signed, sealed and delivered ]

for and on behalf of \_\_\_\_\_]

by Mr. \_\_\_\_\_ ] PARTY OF THE FIRST PART

Signed, sealed and delivered ]

by \_\_\_\_\_ ] PARTY OF THE SECOND PART

In the presence of:

]

1.

]

2.

]

]

WITNESSES

**ANNEXURE 'A'**

See Clause 2.2

**ANNEXURE 'B'**

See Clause 5.1

**ANNEXURE 'C'**

See Clause 5.3

DRAFT