

# Commercial Contract

## EMPLOYMENT AGREEMENT (TEMPORARY)



*Empowered lives.  
Resilient nations.*



### Small and Medium Enterprises Development Authority

#### Ministry of Industries & Production

#### Government of Pakistan

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January 2013

## **Employment Agreement (Temporary)**

Pro-Gole (Right to do Business)

Legal Services, B&SDS

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### LEGAL SERVICES, SMEDA

The Legal Services (LS) department is a part of Business & Sector Development Services Division of the Small Medium Enterprises Development Authority and plays a key role in providing an overall facilitation and support to the small businesses. The LS believes that information dissemination among the small businesses on the existing legal & regulatory environment and business to business and business to client contracting is of paramount importance and plays a pivotal role in their sustainable development.

In order to facilitate small businesses, the LS, under the Pro-GOLE (Right to do business) project, a joint SMEDA-UNDP initiative for supporting the small businesses, has developed user-friendly contract templates.

### Pro-GOLE, (Right to do Business)

The UNDP has partnered with the Small and Medium Enterprises Development Authority to initiate and execute the Pillar 4 (Right to do business) component of the UNDP PRO-GOLE project which seeks to enhance the legal awareness and mobility of marginalized/ informal businesses. Under the project legal services outreach shall be extended to small businesses including home based enterprises, small shopkeepers, growers, women entrepreneurs, hawking vendors etc. In addition, small business shall be mobilized to access legal services.

### The Need for Commercial Contracts Templates

In an increasingly complex and competitive industry, it is vital that suppliers and purchasers are fully protected against legal and commercial risks. To counter such risks, a viable solution; available as- of the shelf commercial contract templates- will provide the users with first class ready to use support. With obligations properly set out and liabilities accurately defined, the users will be in a far better position to look after their rights and interests and move forward from their marginalized positions to being active players of the economy. The Legal Service Providers can equally take benefit of these templates for their professional and business development.

### Disclaimer

The information contained in this template is meant to facilitate the businesses in documenting transactions with reference to employment matters. However, SMEDA, UNDP or any of their employees or representatives accept no responsibility and expressly disclaim any and all liabilities for any and all losses/shortfalls caused by or motivated by recommendations from the information contained within this document. Although SMEDA's ambition is to provide accurate and reliable information; yet, the document is not an alternative to expert legal advice and should ideally be used in conjunction with the same. Any person using this document and or benefiting from the information contained herein shall do so at his/her own risk and costs and be deemed to have accepted this disclaimer.

Information contained in this document may be freely used provided that relevant acknowledgement is accurately quoted with each usage.

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### 4. EMPLOYMENT AGREEMENT (TEMPORARY)

THIS EMPLOYMENT AGREEMENT (hereinafter referred to as the "Agreement") is made at [insert place] on this \_\_\_\_ (insert date) day of \_\_\_\_\_ (insert month), 20\_\_ (insert year)

#### BY AND BETWEEN:

M/s [insert Name], a public/private company incorporated under the Companies Ordinance, 1984, having its registered office at [insert Address] through its [insert Designation], Mr/Mrs/Ms [insert Name];

OR

M/s [insert Name], a partnership concern of Mr/Mrs/Ms [insert Name] and Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through its Partner, Mr/Mrs/Ms [insert Name];

OR

M/s [insert Name], a sole proprietorship concern of Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through Mr/Mrs/Ms [insert Name];

(hereinafter referred to as the "Employer", which expression shall, wherever the context so provides, include its successors, assigns, nominees and agents)

AND

Mr/Mrs/Ms [Name], son/wife/daughter of [insert Name], r/o [insert Address] CNIC # [insert Number] (Hereinafter referred to as the "Employee".)

(The Employer and the Employee are hereinafter collectively referred to as the "Parties", and individually as the "Party").

WHEREAS the Employer is carrying on the business of [insert description of the Business], and is beginning the new project of [insert description of the Project] (hereinafter referred to as the "Project").

AND WHEREAS the Employer requires the services of [insert description of required services] for the duration of the Project, and wishes to hire an employee for the position of [insert designation].

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AND WHEREAS the Employee has represented to the Employer that it possesses the required qualifications and skills necessary for the provisions of the requisite services for the Employer.

AND WHEREAS in reliance on the representations made by the Employee, the Employer has agreed to appoint the Employee in the capacity of [insert designation].

NOW THEREFORE the Parties have entered into this Agreement on the following terms and conditions:

### **1. APPOINTMENT & TERM**

- (1) Effective from [insert date], the Employer agrees, on the basis of representations made by the Employee, to employ the Employee and the Employee hereby agrees to serve the Employer as [insert designation].
- (2) The Employee shall continue to serve the Employer as [insert designation], unless this Agreement is terminated earlier by either of the Parties under the terms and conditions of this Agreement, until the successful completion of the Project, and upon the completion of the Project, the employment relationship between the Parties shall cease to exist.

### **2. REMUNERATION**

- (1) The Employer shall pay to the Employee Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_ only) (insert amount) per month as salary which amount shall be inclusive of all applicable taxes.
- (2) The Salary shall be payable from the Employer to the Employee after the deduction of the applicable withholding tax on the [insert number] day of each month, in arrears.

### **3. RESPONSIBILITIES AND FUNCTIONS**

- (1) The Employee shall be responsible to work in the capacity of [insert designation]for [insert department]office, and shall directly report to [insert designation] in the [insert department].

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- (2) In addition, the Employee shall be responsible to undertake all other duties and responsibilities as may be reasonably required by the Employer, and which are incidental to the performance of the Employee's Services under the Agreement, in a careful and efficient manner and to the satisfaction of the Employer.

### **4. SERVICE OBLIGATIONS**

The Employer shall be at liberty, at any time during the Employee's service under this Agreement to change the post and job description of the Employee.

### **5. GENERAL CONDUCT**

- (1) The Employee shall comply with such service rules and regulations as may be prescribed and amended from time to time and promote the interests of the Employer which he may be for the time being serving to the best of his knowledge and skills.
- (2) The Employee shall not act in any manner contrary to the interests of the Employer.

### **6. TRAVEL**

The Employee shall make such journeys on the Employer's business as may be required by the Employer from time to time and the Employer shall pay all his or her reasonable traveling and other expenses incidental thereto.

### **7. CONFIDENTIALITY**

- (1) The Employee agrees to retain all Confidential Information in the strictest confidence, and not to disclose any Confidential Information to any person other than for the purposes and benefit of the Employer. The Employee further undertakes and agrees not to use for its own purposes or for purposes other than those of the Employer, any Confidential Information which the Employee may have acquired during the

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- employment/association with the Employer, its affiliates or the clients or either.
- (2) The Employee shall pay all costs and legal fees incurred by the Employer in enforcing this Agreement in a court of law for breach of the confidentiality obligations contained in this Clause.

### **8. NON-COMPETITION**

In the event of termination of employment, the Employee shall not, for a period of [insert number] months, directly or indirectly obtain employment in a similar capacity with a competitor of the Employer.

### **9. OTHER EMPLOYMENT**

The Employee shall not accept any employment, from any other organization, on whole or part time basis without the written permission of the Employer. Further, the Employee shall not, through self-employment, undertake any trade, business or occupation whilst serving the Employer.

### **10. NON-ASSIGNMENT**

The Parties shall not assign the benefits and obligations under this Agreement to any third party without the prior written consent of the other Party.

### **11. TERMINATION**

- (1) The Agreement may be terminated by either Party, with or without cause, by giving to the other Party [insert number] month prior written notice, or else, amount equal to [insert number] month's salary of the Employee under this Agreement.
- (2) The termination of this Agreement shall not affect in any way the obligations of the Employee under Clauses 7 and 8 hereof which obligations shall continue to be fully binding on the Employee notwithstanding such termination.

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- (3) The exercise of termination rights shall be in addition to, and not in substitution for, any other remedies that may be available to the Employer and the exercise of such rights shall not relieve the Employee of the obligations incurred to the date of such termination, or relieve the Employee from liability and damages for breach of this Agreement.

### 12. INDEMNITY

The Employee shall hold the Employer secured, harmless and indemnified against any and all loss, damage and detriment occasioned or suffered by the Employer owing to any breach of this Agreement on the part of the Employee.

### 13. GOVERNING LAW AND EXCLUSIVE JURISDICTION

This Agreement in all respects be read and construed and shall operate as a contract, in conformity with the laws of [insert country], and the courts at [insert place] shall have exclusive jurisdiction for adjudicating any dispute arising hereunder.

### 14. SETTLEMENT OF DISPUTE

Any dispute, controversy or claim arising out of or relating to this Agreement or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with the Pakistan Arbitration Act, 1940 , subject to the exclusive jurisdiction of the Courts of [insert place].

### 15. ENTIRE AGREEMENT

This Agreement represents the complete agreement between the Parties with regard to the subject matter and supersedes any prior understanding or agreements, oral or written.

### 16. AMENDMENT

This Agreement may be amended or revised only by an instrument in writing signed by either the Parties or their duly authorized representatives.

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17. WAIVER

No provision hereof or breach of any provision may be waived except by a written waiver, signed by the waiving Party. No waiver of any right under or breach of this Agreement shall be construed to be a waiver of any other right or breach under the Agreement.

18. SEVERABILITY

Any provision of this Agreement which is prohibited or unenforceable under any law, rule or regulation applicable in [insert place] for the time being shall be ineffective only to the extent of such prohibition or lack of enforceability, and shall not invalidate the remaining provisions hereof.

IN WITNESS WHEREOF, the Parties have signed this Agreement, having fully understood the conditions set therein, of their own free will, in the presence of witnesses.

\_\_\_\_\_  
For and on behalf of  
The Employer

\_\_\_\_\_  
For and on behalf of  
The Employee

Witnesses:

1. \_\_\_\_\_

2. \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_