

# Commercial Contract

## INDEMNIFICATION AGREEMENT



*Empowered lives.  
Resilient nations.*



### Small and Medium Enterprises Development Authority

#### Ministry of Industries & Production

#### Government of Pakistan

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January 2013

## **Indemnification Agreement**

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 business protection. 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.

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

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### 4. INDEMNIFICATION AGREEMENT

**THIS INDEMNIFICATION AGREEMENT** (hereinafter referred to as the "Agreement") is made and entered into at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_,

#### 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 "**Business**", which expression shall, wherever the context so permits, mean and include its assigns, nominees, agents and successors-in-interest)

#### AND

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];

**OR**

Mr/Mrs/Ms [insert Name], son/wife/daughter of [insert Name], r/o [insert Address] CNIC # [insert Number]

(Hereinafter referred to as the "**Second Party**", which expression shall, wherever the context so permits, mean and include its heirs, assigns, nominees, agents)

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

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**WHEREAS** the Business is desirous of having the Second Party provide to the Business the services of [insert description of services].

**NOW THEREFORE**, for the purpose of preventing undue concern to either Party about inappropriate claims for damages arising out of or related to respective activities of the other Party, the Business and the Second Party have agreed to enter into this Indemnification Agreement on the following terms and conditions:

1. The Business agrees and undertakes to protect, defend, indemnify, save, and hold harmless the Second Party, its agents, successors and assigns, its officers, servants and employees, including volunteers, from and against any and all claims, demands, expense and liability arising out of injury or death to any person or the damage, loss or destruction of any property which may occur or in any way grow out of any act or omission of the Business, or any claim which may arise against the Second Party due to its association with the Business and which do not directly concern any or all activities of the Second party in any way. The Business further agrees and undertakes to indemnify the Second Party against all costs, expense and/or attorney fees incurred by the Business as a result of any claim, demands, and/or causes of action except those claims, demands, and/or causes of action arising out of the negligence of the Second Party, its agents, successors and assigns, its officers, servants and employees, including volunteers.
2. The Second Party agrees and undertakes to protect, defend, indemnify, save, and hold harmless the Business, its agents, successors and assigns, its officers, servants and employees, including volunteers, from and against any and all claims, demands, expense and liability arising out of injury or death to any person or the damage, loss or destruction of any property which may occur or in any way grow out of any act or omission of the Second Party, or any claim which may arise against the Business due to its association with the Second Party and which do not directly concern any or all activities of the Business in any way. The Second Party further agrees and undertakes to indemnify the Business against all costs, expense and/or attorney fees incurred by the Second Party as a result of any claim, demands, and/or causes of action except those claims, demands, and/or causes of action arising out of the negligence of the Business, its agents, successors and assigns, its officers, servants and employees, including volunteers.
3. Either Party agrees to investigate, handle, respond to, provide defense for and defend any such claims, demand, or suit against the other Party which may arise against such Party due to its association with the first Party, and do not relate, in any way, to any activity of the other Party.
4. Either Party agrees to investigate, handle, respond to, provide defense for and defend any claims, demand, or suit mentioned in Clause 3 of this Agreement at its sole expense, and agrees to bear all other costs and expenses related thereto, even if the claims, demands, or suits are groundless, false or fraudulent.

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5. The provisions for indemnification set forth in this Agreement shall not be deemed exclusive of any other rights which the Parties may have against the other Party under any provision of law.
6. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, the validity, legality and enforceability of the remaining provisions of the Agreement, including, without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable, shall not in any way be affected or impaired thereby, and the remaining provisions shall, to the fullest extent possible, shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.
7. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both Parties. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar) and except as expressly provided therein, no such waiver shall constitute a continuing waiver.
8. The terms of this Agreement shall bind, and shall inure to the benefit of, the successors and assigns of the Parties hereto.
9. The rights conferred upon the Parties under this Agreement shall continue to be in effect after the Parties cease to be associated to each other in any manner.
10. This Agreement shall be governed exclusively by and construed according to the laws of Pakistan, and the Courts of Pakistan shall have the exclusive jurisdiction in respect of any dispute arising out of this Agreement.

**IN WITNESS WHEREOF**, the Parties have set their hands on this Agreement at the place and on the date mentioned hereinabove.

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

\_\_\_\_\_  
For and on behalf of  
The Second Party

Witnesses:

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

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

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

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

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

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

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