

SERVICE AGREEMENT

This Service Agreement is made at _____ on this _____ day of _____ 20__.

Between

MCB BANK LTD, a banking company incorporated under the Companies Act, 1913 (now Companies Ordinance 1984), having its Registered Office at MCB House, 15-D, Main Gulberg Lahore; and a Branch Office at _____, _____, (hereinafter called "**MCB / the Bank**") which expression shall, where the context so admits, mean and include its successors-in-interest and assigns), of the one part.

AND

_____ a company duly incorporated in Pakistan under the Companies Ordinance 1984) having its Registered Office at _____,

_____ acting through its representative, duly authorized vide Board Resolution dated _____ (hereinafter-referred to as the "**Company**") which expression shall, where the context so admits, mean and include its successors-in-interest and assigns) of the other part.

Whereas:

- a) MCB is in the business of banking and provides various banking services and products to its Customers, which includes the "**Salary Club, One stop payroll solution**" services. This service is available to MCB corporate Customers and is meant for maintaining and processing their employees' salary accounts with the Bank and transferring salaries to the said employee accounts. ,as instructed by the Company (hereinafter referred to as the "Services").Employer would be required to have an active main account with the bank
- b) The Bank and the Company have agreed that on the terms and conditions contained herein below, MCB shall provide the Salary Club Services to the Company, for mutual benefits to be derived.

NOW THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth and for other good and valuable consideration the adequacy of which is hereby acknowledged by the Parties and the mutual benefits to be derived therefrom, the representations and warranties, covenants, conditions and promises contained herein below and intending to be legally bound, the Parties agree as follows:

The scope of services and responsibilities of the Parties under this Agreement are provided as follows:

1. The Bank shall open and maintain Company employee salary accounts. All account opening shall be subject to the Bank's internal policies, procedures, screening, legal and regulatory requirements, including but not limited to "Terms and Conditions", annexed to this Agreement, (which shall form an integral part of this Agreement)

pertaining to the Company Account (hereinafter referred to as the Main Account). The Bank may refuse to open an account where such requirements are not completed to the satisfaction of the Bank.

2. At a minimum, the documents to be collected shall comprise of Complete/Signed individual account opening form (with Product Code mentioned) along with copies of documentation required as per the Bank's internal policies & procedures or applicable legal/regulatory requirements. Other details such as employment letter, salary details will also be confirmed by the Company. The said requirement may be subject to change as advised by the Bank from time to time in line with its local/ Group policy and legal / regulatory requirements.
3. For the purpose of ensuring uniformity, Schedule of Charges, cheque book and other product information shall be collected by the employees from the branch. The delivery address in the system for each employee would be that of Company's address. The branch will inform company representatives, after which employees may visit the said branch and collect the cheque book. Employees will be required to show their original CNIC & LOT, in order to receive their cheque Books.
4. The Bank may at its sole discretion offer various rewards along with the Services.
5. The Company shall also nominate from time to time a coordinator ("**Coordinator**") who will be approved by the signing authorities of the Company and as approved by the Bank, who shall be responsible for the performance of the following tasks:
 - Ensuring that sufficient funds are available for the salary transfers from the designated Company account.
 - Getting completed application forms from the Company employees.
 - Keeping a record of all the account numbers and providing details to pay-roll processing unit of the Company.
 - Ensure timely instructions to the Bank for salary transfer every month. Time-lines shall be conveyed by the Bank to the Company.
 - Informing the Bank immediately and in time of a new appointment, termination of services or resignation of any employee.
 - Performing any other tasks agreed in writing by both the parties from time to time.
 - General coordination with respect to this Agreement between the Parties.
6. Once all documentary requirements have been completed, the Company Coordinator shall be informed through the Bank's representative, regarding the complete listing of accounts for each employee
7. The Company agrees to allow the Bank to inform its employees about other products available with the Bank. This information may be passed either through flyers or personal selling through the Bank sales teams or by setting up of stalls (after gaining permission from the Company HR) for a limited period of time at the Company premises.
8. The Company shall inform the Bank about all their office locations throughout Pakistan, where employees are working and their salary accounts are required to be opened with the Bank.

9. The Company undertakes to verify and authenticate all information provided by their employees on their Account Opening Forms for KYC purposes.
10. The Company has agreed to open and maintain a main account ("Main Account") with the Bank through which salary transfers, salary related compensation, expense claims disbursement and end of term benefits etc shall be made to all the Company's employees to the respective accounts of the Company's employees maintained with the Bank ("Salary Accounts"). The Company undertakes and endeavors that most of, if not all its employees, shall maintain Salary Accounts with the Bank. The Company has agreed that the Main Account shall always have sufficient funds available for the salary transfers to be made every month into the Salary Accounts and for the Bank to undertake its obligations as provided for in this Agreement. It is made specifically clear to and agreed by the Company that the Bank shall not be liable for any delays in salary transfer due to the shortage of funds in the Main Account or delay in receipt of information/date or any other errors made by the Company.
11. The Company undertakes and warrants that on the opening of the Main Account, amount sufficient to cover the salary of its employees & service charges as mutually agreed shall be deposited to the Main Account. It is an express condition that during the continuance of this Agreement, amount equivalent to the salary amount & Service charges as mutually agreed shall be deposited only in the Main Account and thereafter transferred into the Salary Accounts by the Bank and shall not be transferred by the Company into any other accounts with any other Bank or financial institution.
12. The Company shall ensure that it shall make available for the Bank a database system to the extent possible, capable of processing periodic staff compensation/ salary. In addition, it shall also ensure and provide a complete list of all the employees on its payroll along with the details of salary amounts to be transferred into the relevant employee's Salary Account on regular monthly basis or as communicated to the Bank and agreed between the parties in writing from time to time as the case may be.
13. The Company will be provided with the complete process and procedure regarding submission of monthly Salary disbursement file.
14. Employer will ensure to have sufficient funds available for the salary transfers, send data file along with all supporting documents to branch (on specific format) before 11:00 am
15. For new employees being inducted by the Company, it would be the responsibility of the Coordinator to directly contact the Bank's representative for the timely submission of account opening documentation (as per the aforementioned requirements). Furthermore, it would also be the Company's responsibility to include such individual's payroll/salary related detail in the employee listing being provided on monthly basis for salary credit.
16. The Company shall be responsible for ensuring completeness and accuracy of information conveyed to the Bank in respect of the services to be provided hereunder by the Bank. All information required by the Bank, including but not limited to, monthly information regarding any changes on account of hiring of new employees, termination / resignation of existing employees, change in salary structure etc. shall be provided by the Company to the Bank. Any and all such information received by the Bank from the

Company shall be processed and approved by the relevant authorized representatives of the Company and communicated to the Bank through the Coordinator.

17. For any addition / deletion of accounts, the Company will provide their Relationship manager (Branch Manager, PBA, Corporate RM) the required information at least 10 working days before the day of salary disbursement in order for the Bank to open account and for account to be ready to receive salary credit. Other than in case of gross negligence, fraud default and misrepresentation by the Bank, the Bank shall be indemnified against any claim arising either directly or indirectly from processing of information received for the purpose of this Agreement in the above manner or on account of any errors made by the Company/ Company Representatives/ Coordinator or in case of established fraud/ negligence of the Company, its employees, the Company Representatives and Coordinator.
18. All queries or error reports that are received by the Bank from the Company in respect of the Main Account and or salary transfers to be made into the Salary Accounts shall be appropriately dealt with within a reasonable time at the discretion of the Bank.
19. Salary for all the employees of the Company shall be transferred on monthly basis within 2 working days of submission of file by the Company providing account numbers and the salaries to be credited into the relevant employees account provided the information is complete. The Bank will debit the Company account and credit employee accounts on next day. In case there is an error in the Main Account and/or Salary Account by the Company then an exception report shall be generated by the Bank at day end which shall then be shared with the Company's Coordinator. The Company's coordinator shall provide the corrected information back to the representative of the Bank. In the event any Bank Transfer cannot be credited to the Salary Account for whatever reason, upon cancellation instructions from the Company, the Bank shall credit the amount of the Bank Transfer back to the Main Account, after deducting applicable Charges
20. Company shall share the frequency of payroll in a month.
21. The Company shall be required to pay a Transaction Charge to the Bank for the Services, which shall be calculated at a minimum rate of Rs. 1 + applicable taxes per bulk upload. This Charge shall be debited from the Company's Main Account.
22. The Company allows the Bank to debit (one time) Re.10/- per salary account from its Main Account, or any other account specified by the Company and which is held with MCB, for credit to each Salary Account which is opened by the Company for its employees. Credit of this Rs.10/- into each Salary Account shall be used for activation by the Bank (subject to other terms and conditions) of the Salary accounts of the employees. If this condition is not agreeable to the Company, employees shall then have to visit relevant branch and make a deposit of minimum Rs.10 into their accounts and once this deposit is made, then their ATM Card and Cheque Book requests can be placed.
23. The Company employees shall have the option of filling and-signing-the forms with the assistance of and through their own Coordinator. On filling out of the forms / applications etc, the new employee shall have to visit the branch to open their individual Salary Club Account.

24. This Agreement shall come into effect upon execution of the Agreement and shall remain so until terminated by either Party, with or without cause by giving thirty (30) days' notice (hereinafter referred to as the "Notice Period") of the same to the other Party.
25. In the event the Agreement is being terminated, all Charges shall be paid to the Bank by the Company to the entire satisfaction of the Bank and in no case later than the twenty fifth (25th) day from the date of issuance of notice for termination. Upon the issuance of the Notice, all ongoing transactions shall be completed by the Bank within the said Notice Period, provided however new transactions may be initiated by the Company within the thirty (30) days' Notice Period. Upon the expiry of the said thirty days of the Notice Period, the Company shall not initiate any new Transactions and no further Payment instructions shall be made to the Bank. The provisions of Clause 29 and 31 shall survive the termination of the Services/Agreement.
26. On termination of this Agreement for any reason whatsoever the Bank within its rights cannot and shall not continue to allow the operation of all such accounts opened under this Agreement and shall request Institution to inform its employees for closure of such accounts.
27. In case the Company does not notify the Bank about resignation of any of its employee and in the case of no special instructions from the Company, the Bank shall monitor the account for 3 months and in case the salary is not disbursed into the account, MCB within its rights shall inform customer for submission of account closure request and/or may close the account at its discretion. The above shall be done without any liability or responsibility on the Bank's part. Any obligations undertaken by the Company and/or its employees and rights accruing towards the Bank during the term of the Agreement shall survive the termination of the Agreement.
28. Notwithstanding anything contrary contained hereinabove, in case of any suspicious transaction by the Company in the accounts, as adjudged by the Bank, the Bank reserves the right to take appropriate measures including but not limited to closing of the Salary Account. The final settlement of the Account in such a case shall be carried out by mutual consent of the Parties.
29. The Company hereby irrevocably and unconditionally agrees and undertakes at all times hereafter to fully indemnify and keep the Bank and its respective directors, employees and representatives indemnified and harmless from and against all kinds of losses, damages, costs, charges, expenses, of whatever nature, if suffered, sustained or incurred whether directly or indirectly and howsoever arising out of or in connection with suits claims, actions, demands, liabilities, proceedings of whatsoever nature, made or brought or filed against the Bank by whomsoever in connection with provisions of the services to the Company.
30. If any provision of this Agreement is held by any competent court or other lawful authority to be illegal, void or unenforceable in whole or any part of it, this Agreement shall continue to be valid as to the other provisions thereof and the affected provision(s) shall be mutually revised with new legal and enforceable provisions so as to uphold the affected party's rights as far as possible.

31. The Company undertakes to the Bank that the Company shall, in connection with the performance of the Services hereunder, keep confidential all data and information disclosed to the Company ("the Receiving Party") by the Bank during continuance of this Agreement and/or thereafter on expiry or termination. The Receiving Party agrees not to use any information for any purpose other than for furtherance of the Services performed under this Agreement and not disclose such Information to anyone except the Receiving Party's employees on a need to know basis in furtherance of said Services, without the Bank's prior written consent. All data, information, instruments and all other documents in the Company's possession shall on expiry or earlier termination of this Agreement or upon request by the Bank shall be immediately handed over to the Bank or destroyed as advised by the Bank.
32. The Company agrees that neither it nor its employees shall use any of the Bank's name, logos or trademarks without the express consent of the Bank.
33. Each party shall comply with all applicable state, federal and local laws in the performance of this Agreement.
34. A Party whose fulfilment of its obligations under this Agreement is or maybe adversely affected by a Force Majeure event shall notify in writing the other Party promptly after becoming aware of such event. A written notice is also to be sent when the Force Majeure event preventing or curtailing performance shall have ended.
35. This Agreement contains the entire agreement and understanding of the parties with respect to the subject matter and supersedes all prior commitments, agreement written or oral.
36. No addition or modification or variation of this Agreement shall be effective or binding on either of the Parties hereto unless agreed to in writing and executed by the respective duly authorized representatives of each of the Parties hereto.
37. All notices, communications, or other documents ("Notices") to be given or made by one Party to the other Party pursuant to this Agreement shall be in writing, shall be addressed for the attention of the person indicated below, and shall either be delivered personally or sent by email, registered or certified mail, or facsimile. The addressees for service of the Parties and their respective numbers shall be:

The Company:

Address:

Telephone:

FAX:

Attention:

The Bank:

Address:

Telephone:

FAX:

Attention:

A party may substitute a new address by sending a notice thereof in the same manner to the other party.

38. Agreement shall be constructed in accordance with the laws of Pakistan. In case of any dispute the parties shall endeavor to resolve the same mutually within 30 days of the dispute otherwise the courts at Lahore shall have exclusive jurisdiction.

39. Any and all changes, additions, amendments to the Services and/or this Agreement shall be made mutually by the Parties through an addendum to this Agreement.

In witness whereof the Parties, acting through their authorized representatives, have put their respective hands on this Agreement on the day, month and year first above-mentioned.

For the Company

Signature: _____
Name:
Designation:
Stamp:

Signature: _____
Name:
Designation:
Stamp

For the Bank

Signature: _____
Name:
Designation:
Stamp:

Signature: _____
Name:
Designation: Head – Institutional Sales (RBG)
Stamp:

Witness:

For the Company

Signature
Name:
NIC:

Signature:
Name:
NIC:

Witness:

For The Bank

Signature:
Name:
NIC:

Signature:
Name:
NIC:

Terms and Conditions

1. **Definitions:** In these terms and conditions, unless the context otherwise requires:
2. **“Business Day”** means a day on which the Bank is open for banking business.
3. **“Bank Transfer”** means the transfer of funds from the Main Account to a Salary Account, in accordance with the Payment Instructions.
4. **“Charges”** mean the charges payable by the Company to the Bank, from time to time, by mutual agreement between the Bank and the Company, including but not restricted to, Transaction Charges and / or any other charges or fees mutually agreed between the Company and the Bank from time to time provided however that the amounts payable for the Services shall be calculated by the Bank by taking into account the form of Payment requested by the Company in each respective Payment Instructions.
5. **“Credit Days”** means the number of Business Days required for the completion of a Transaction, commencing from the day the Payment Instructions are acknowledged by the Bank and ending on the day on which the corresponding clear funds are credited by the Bank, including but not restricted to the day on which the clear funds are credited, and any other additional days that may be required for the successful completion of the Transaction. The Credit Days stated overleaf are on a best effort basis. The term Credit Days as used in these terms and conditions is only in relation to Bank Transfers.
6. **“Main Account”** means a designated account of the Company maintained with the Bank, being the account from which the funds will be debited by the Bank, pursuant to the Payment Instructions, in accordance with these terms and conditions.
7. **“Main Account Branch”** means a branch of the Bank where a Debit Account is maintained by the Company.
8. **“Payment”** means that upon the receipt of genuine and complete Payment Instructions by the Bank, the Bank shall debit the Main Account to which such Payment Instructions pertain and pay the amount to the beneficiary i.e. employee of the Company, mentioned in such Payment Instructions in the following manners:
 - a. by a Bank Transfer;
9. **“Payment Instructions”** means the instructions issued by the Company to the Bank, in a manner to be specified by the Bank from time to time, for effecting Payments.
10. **“Salary Account”** means the accounts mutually agreed upon between the Bank and the Company, being the accounts maintained with Designated Branches wherein funds shall be transferred by the Bank upon instructions of the Company in accordance with these terms and conditions.
11. **“Transaction”** means each specific transaction being carried out by the Bank as part of the Services, in accordance with these terms and conditions.
12. **“Transaction Charge”** means the amount payable by the Company to the Bank for the Services, to be calculated at a flat rate (as per SOBC) for each Transaction.
13. **“Electronic Correspondence”** means correspondence between Bank and Company via E-mail or Fax (from official address/number).

14. The Bank agrees to make the Payments by debiting main account of the company to credit individual salary account in accordance with Payment Instructions received by the Company. On receiving Payment Instructions that the Bank deems to be complete and genuine, the Bank shall act upon such Payment Instructions without requiring any further instructions or approvals from the Company and without any intimation to the Company. Once complete Payment Instructions have been received and acknowledged by the Bank, any cancellation and/or modification in whole or in part of these Payment Instructions may be accepted by the Bank on a best efforts basis and subject to any legal or regulatory restrictions or stipulations. The Bank shall not be responsible for any delay in the execution of Payments, resulting from incomplete, incorrect or conflicting information provided as part of Payment Instructions. In the event the funds lying in the Main Account are not sufficient for covering any or all of the Payments required to be made in terms of any specific Payment Instructions, the Bank shall not be liable for failure and / or delay in acting on such Payment Instructions. Notwithstanding anything contained in these Terms and Conditions, the Parties hereto agree that all Payment Instructions received by the Bank after regular counter hours of the Bank (as determined by the Bank from time to time), shall be deemed to have been received on the following Business Day.
 - a) The Company is liable to give the final / accurate data to the Bank on dated _____ of each & every month on decided formats to credit the salary into individual accounts.
15. The Bank may provide certain reports and/or information to the Company in respect of Payments, using information contained in corresponding Payment Instructions. Formats and frequency of such reports and/or information will be communicated to the Company by the Bank from time to time.
16. The Bank may use electronic communication methods to dispatch information to the Company, subject to the Bank having earlier informed the Company in writing and having received the Company's approval for the use of such electronic communication methods, for a specific purpose.
17. The Bank assumes no responsibility for any or all actions, deeds and acts of the Payees/Representatives of the Company.
18. The Bank shall not be liable for any loss or damage incurred by the Company, as a result of the Bank's failure to provide the Services, resulting from the occurrence of any event or circumstance or combination of events or circumstances that is beyond the reasonable control of the Bank and that materially and adversely affects the performance by the Bank of its obligations in respect of the services; provided, however, that such material and adverse effect could not have been prevented, overcome, or remedied in whole or in part by the Bank through the exercise of diligence and reasonable care, it being understood and agreed that reasonable care includes acts or activities, which are reasonable in light of the likelihood of such event, the probable effect of such event if it should occur, and the likely efficacy of the protection measures ("**Force Majeure**").
19. For the purpose of these Terms and Conditions the following rules of interpretation shall apply:
 - a) The singular includes the plural and vice versa.
 - b) A reference to an individual or person includes a company, firm, trust, authority or government and vice versa.
 - c) A reference to any gender includes all genders.
 - d) A reference to any agreement or document is to that agreement or document (and, where applicable, any of its provisions) as amended, restated or replaced from time to time.

- e) A reference to any party or any other document or arrangement includes that party's executors, administrators, successors, permitted substitutes, permitted transferees and permitted assigns.
- f) Where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning.
- g) A reference to a matter being "to the knowledge" of a person means that the matter is to the best of the knowledge and belief of that person after making reasonable enquiries in the circumstances.