

Dated this day of 201X

Between

**[●]
(Company No.: [●])
("XYZ")**

And

**[●]
(Company No.: [●])
("Company")**

SERVICE AGREEMENT

Force Majeure	:	Any circumstances beyond the reasonable control of the Parties which shall include, without limitation, acts of God, perils of the sea or air, fire, flood, drought, explosion, sabotage, accident, embargo, riot, civil commotion, including acts of local government and parliamentary authority; shortage of supplies, components, materials, breakdown or shortage of equipment and labour disputes of whatever nature and for whatever cause arising.
Insolvent	:	A Party, in any jurisdiction: <ul style="list-style-type: none"> (i) is deemed unable to pay its debts under Section 218(2) of the CA or its equivalent; (ii) any action is taken for or with a view to its winding up (whether compulsory or voluntary) other than a winding up for the sole purpose of reorganisation, amalgamation or reconstruction; (iii) has a receiver appointed over or any incumbrancer takes possession of any of its assets; or (iv) enters into dealings with any of its creditors with a view to avoiding or in expectation of insolvency.
RM	:	Ringgit Malaysia, the lawful currency of Malaysia
Services	:	The services provided by XYZ to the Company pursuant to this Agreement and as set out in Clause 3 of this Agreement.
Service Fee	:	Fees payable by the Company to XYZ for the Services as set out in Clause 4.1 of this Agreement.
Term	:	The contractual term of this Agreement as defined in Clause 8.

2 INTERPRETATION

- 2.1 The expressions “XYZ” and “Company” include the successors of XYZ and the Company.
- 2.2 Words importing one gender include all other genders and words importing the singular include the plural and vice versa.
- 2.3 The expression “this Agreement” means this agreement, as varied from time to time in accordance with its terms.
- 2.4 The expression “person” or “persons” include corporations, individuals and fluctuating bodies of person.
- 2.5 The term “month” means calendar month.
- 2.7 Any reference to a specific written law or any general reference to written laws include any statutory extension, modification, amendment or re-enactment of it or them and any regulations, orders or other subsidiary legislation made under it or them.
- 2.8 References in this Agreement to any clause or sub-clause without further designation shall be

construed as a reference to the clause or sub-clause to this Agreement so numbered.

- 2.9 The clause headings do not form part of this Agreement and shall not be taken into account in its construction or interpretation.
- 2.10 Time shall be of the essence of this Agreement as regards the times, dates and periods mentioned or referred to and as to any times, dates and periods which may be substituted by agreement in writing between the Parties.

3 SCOPE OF SERVICES

- 3.1 In consideration of the Service Fee payable by the Company to XYZ, XYZ shall:
- (a) assist the Company with the application of working permits from the relevant authorities in Malaysia ("**Work Permits**") for the employees of the Company under the name of XYZ ("**Employees**"). For the avoidance of doubt, the Employees shall be deemed as employees of XYZ during the Term;
 - (b) pay to the Employees their monthly salaries, subject always to Clause 6.1 of this Agreement ("**Monthly Salaries**"); and
 - (c) pay to the relevant authorities any and all income tax (on behalf of the Employees), statutory contributions and other taxes or levies, where applicable, arising out of the performance of its obligations under Clause 3.1(a) of this Agreement and as required by any applicable law in Malaysia ("**Tax and Statutory Contributions**");
- (collectively, as "**Services**").
- 3.2 For the avoidance of doubt, the Services provided by XYZ under this Agreement shall not include any and all matters in relation to the management of the Employees. Except otherwise provided under this Agreement, all costs and expenses related to the Employees, including but not limited to any insurance premium or any other costs and expenses incurred arising out of XYZ's performance of the Services shall be borne by the Company.

4 SERVICE FEE AND REIMBURSEMENT

- 4.1 In consideration of XYZ performing the Services, a service fee of RM[●] shall be paid by the Company to XYZ ("**Service Fee**") [within [●] Business Days upon execution of this Agreement / on or before [●]]. For the avoidance of doubt, the Service Fee shall be [inclusive/exclusive] of goods and services tax or any other applicable taxes which shall be added to the sum in question.
- 4.2 The Company shall reimburse XYZ of all the Monthly Salaries and the Tax and Statutory Contributions within [number] Business Days upon receipt of such request or relevant document to such effect from XYZ.
- 4.3 If the Company fails to make payment of any amount becoming due and payable, XYZ shall, from time to time, be entitled (without prejudice to any other right or remedy it may have) to charge the Company interest on the overdue payment at a rate of six per centum (6%) per annum from the date the payment became due until actual payment is made.
- 4.4 All payments required to be made by the Company to XYZ under this Agreement (including, without

limitation, the Service Fee and the Tax and Statutory Contributions) shall be in RM by way of banker's draft, banker's cheque or direct transfer to such bank account as XYZ may from time to time notify in writing to the Company.

5 XYZ'S OBLIGATIONS

- 5.1 XYZ shall be responsible to procure the Work Permits.
- 5.2 XYZ shall pay to the Employees their Monthly Salaries on time.
- 5.3 XYZ shall be responsible to calculate, declare and pay to the relevant authorities the Tax and Statutory Contributions.

6 THE COMPANY'S OBLIGATIONS

- 6.1 During the Term, the Company shall provide XYZ with the details of Monthly Salaries on or before thirtieth (30th) day of each month.
- 6.2 The Company shall at all times in carrying out its obligations under this Agreement and procure or cause to procure the Employees to comply strictly with all the employees' handbook or internal rules and regulations of XYZ.
- 6.3 The Company shall indemnify and keep indemnified XYZ from and against all actions, suits, costs, charges, claims, liability and demands (whether civil or criminal) arising out of or in relation to this Agreement including, without limitation, the Company's breach or non-performance of or failure to observe any of its obligations and warranties under this Agreement, or to which the negligence of or actions of the Employees contributed.

7. WARRANTIES

- 7.1 The Company warrants to XYZ that:
 - 7.1.1 it is a private company limited by shares duly incorporated in Malaysia under the laws of Malaysia and is in good standing and is not Insolvent;
 - 7.1.2 it has power and authority to enter into this agreement.
- 7.2 Each of the warranties above is separate and independent and is without prejudice to any other warranty and (except where expressly stated otherwise) shall not be limited by reference to any clause, sub-clause, paragraph or sub-paragraph.
- 7.3 Any warranties shall be deemed to be made on the Agreement Date and to be repeated on each day during the Term by reference to the facts and circumstances existing at such time, in the terms set out in the warranties.

8. TERM

This Agreement shall come into force on the Agreement Date and shall continue in full force and effect for a period of [●] [months/years] until and unless terminated pursuant to Clause 11 of this Agreement ("**Term**").

9. CONFIDENTIALITY

Each of the Parties of this Agreement agrees not to disclose to any third party (other than its directors, employees, affiliates, agents and authorised persons including financial, legal, accounting and other advisors) any information with respect to the subject matter or and/or the negotiations commenced pursuant to this Agreement without the prior written consent of the other Party, except as may be required pursuant to valid legal processes or by any regulatory authority to which it is subject, in which event the Party required to make such disclosure shall promptly notify the other Party of such requirement. Each signatory binds itself to take all reasonable steps to maintain the confidentiality of all information passed to it by virtue of the negotiations undertaken pursuant to this Agreement.

10. GOVERNING LAW AND JURISDICTION

- 10.1 The construction, validity and performance of this Agreement shall be governed in all respects by the laws of Malaysia.
- 10.2 The Parties submit to the exclusive jurisdiction of the courts exercising jurisdiction in Malaysia for any proceedings in connection with this Agreement.

11. TERMINATION

- 11.1 Each of the parties may terminate this Agreement at any time by serving on the other party a termination notice with prior written notice of one (1) month if the other party fails to comply with any of its obligation under this Agreement and the failure (if capable of being remedied) remain unremedied for one (1) month after being called to its attention by written notice;
- 11.2 Notwithstanding anything contained in this Agreement, this Agreement may be terminated by either party by serving on the other party a three (3) months' notice without assigning any reason.
- 11.3 In addition to and without prejudice to any other rights of termination that XYZ may be entitled to (whether or not pursuant to this Agreement), XYZ shall be entitled to terminate this Agreement immediately if:
 - 11.3.1 an encumbrancer takes possession or a receiver is appointed over any of the property or assets of the Company or a manager is appointed to manage the business of the Company;
 - 11.3.2 the Company makes any voluntary arrangement with its creditors with a view to avoiding or in expectation of insolvency or becomes subject to an administration order;
 - 11.3.3 the Company goes into liquidation (except for the purposes of an amalgamation or reconstruction or other reorganisation and in such manner that the company resulting from reorganisation effectively agrees to be bound by or to assume the obligation imposed on the Company by XYZ under this Agreement);
 - 11.3.4 the Company becomes Insolvent; or

11.3.5 the Company ceases, or threatens to cease, to carry on business.

For the purposes of this Clause, the Company shall not be entitled to any compensation or damages in the event that XYZ decides to exercise its rights to terminate this Agreement.

12 CONSEQUENCES OF TERMINATION

Upon termination of this Agreement for any reason:

- 12.1 any sum payable by the Company under this Agreement shall become immediately payable by the Company.
- 12.2 the provisions of Clause 9 or any other provisions which are intended to survive the termination of this Agreement shall continue in force in accordance with their respective terms;
- 12.3 all obligations of XYZ under this Agreement shall cease;
- 12.4 subject as otherwise provided in this Agreement and to any rights or obligations which have accrued prior to termination, neither Party shall have any further obligations to the other under this Agreement.

13 SEVERABILITY

In the event that any of the provisions contained in this Agreement shall for any reason be determined illegal, invalid or otherwise unenforceable such provision shall be deemed to have been severed therefrom and the remaining provisions herein shall continue to be valid and enforceable to the fullest extent permissible by law.

14 NON-WAIVER

Unless otherwise agreed in writing, no failure by either Party to exercise any right or remedy available to it hereunder nor any delay so to exercise any such right to remedy shall operate as a waiver of it nor shall any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.

15 RELATIONSHIP

Nothing in this Agreement shall be deemed to constitute or create a relationship of employment, partnership or joint venture between the Parties.

16 VARIATION

No variation to this Agreement shall be effective unless it is in writing and signed by or on behalf of each of the Parties.

17 NOTICES

17.1 Any notice or communication to be given by any Party in this Agreement shall be in writing and in the English language and shall (without prejudice to any other manner of service) be deemed duly given if:

17.1.1 delivered personally; or

17.1.2 sent by telex or facsimile transmission or by prepaid registered post (airmail in the case of an address for service outside Malaysia);

to the addressee at the address or (as the case may be) the telex or facsimile number of that Party set opposite its name below:

<u>Name</u>	<u>Address</u>	<u>Telephone No.</u>	<u>Facsimile No.</u>
XYZ	[•] Attention to: [•]	[•]	[•]
The Company	[•] Attention to: [•]	[•]	[•]

or such other addresses (or telex or facsimile number) as the Party to be served has notified (in accordance with this Clause) for the purpose of this Agreement.

17.2 Any notice or other communication sent by telex or facsimile shall be deemed given when dispatched and any notice or other communication given by courier or prepaid registered post shall be deemed given:

17.2.1 if sent inland, forty-eight (48) hours after posting or collection by the courier service for despatch (as the case may be);

17.2.2 if sent overseas (in the case of post, by airmail), seventy-two (72) hours after posting.

17.3 In proving the giving of any notice, it will be sufficient to prove in the case of:

17.3.1 a letter that such letter was (if sent by post) properly stamped, addressed and placed in the post or (if sent by courier) was properly addressed and was collected by the courier service for despatch or (if by hand) was delivered or left at the current address;

17.3.2 a facsimile that such telex or facsimile was duly dispatched to the telex or facsimile number of the addressee given in Clause 17.1 or subsequently notified for the purposes of this Agreement.

17.4 Notwithstanding the preceding provisions of this Clause, if a notice or other communication is received by the recipient on a day which is after 5.00 pm (being the time as in the place where the recipient is located) on a Business Day, such notice or communication shall be deemed given on the next following Business Day at the commencement of such hours.

18 FORCE MAJEURE

- 18.1 If either Party is affected by Force Majeure, it shall, as soon as practicable, notify the other Party of the nature and extent of the circumstances in question.
- 18.2 Notwithstanding any other provisions of this Agreement, XYZ shall not be deemed to be in breach of this Agreement, or otherwise be liable to the Company, for any delay in performance or the non-performance of any of its obligations under this Agreement, to the extent that the delay or non-performance is due to any Force Majeure of which it has notified the Company, and the time for performance of that obligation shall be extended accordingly.
- 18.3 If the Force Majeure in question prevails for a continuous period in excess of [six (6) months], either Party shall be entitled to terminate this Agreement by a notice in writing given to the other Party.
- 18.4 Notwithstanding any other provision of this Agreement, no occurrence of an event of Force Majeure shall relieve the Company of its obligation to pay XYZ any amount due and payable under this Agreement.

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IN WITNESS WHEREOF, the Parties or their duly authorised representatives have set their respective hands the day and year first before written.

XYZ

SIGNED BY

for and on behalf of

[•] (Company No. [•])

in the presence of:

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.....
Name:

NRIC No.:

THE COMPANY

SIGNED BY

for and on behalf of

[•] (Company No. [•])

in the presence of:

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Name:

NRIC No.: