

Specimen Agreement for the Appointment of a Manager in a Company

AN AGREEMENT made this..... day of..... between..... Ltd., a company incorporated under the Companies Act, 1956 and having its Registered Office at....., (hereinafter referred to as the Company, which expression shall, unless repugnant to the context or contrary to the meaning thereof include its legal representatives) of the one part and Mr....., son of Mr....., resident of..... (hereinafter called the manager) of the other part.

WHEREAS the company intends to appoint a Manager and Mr....., has been considered as a suitable and competent person for the said post;

AND WHEREAS the said Mr..... has agreed to accept his appointment as the Manager of the Company.

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. The said Mr..... is hereby appointed on the terms and conditions hereinafter provided, as the Manager of the Company for a term of five years commencing..... on a monthly remuneration of Rs. ... subject to the approval of his appointment by the Central Government under Section 269 of the Companies Act, 1956 and also subject to the approval of his remuneration by the Central Government pursuant to the provisions of Sections 198, 310, 311, 312, 317 and 387 and other applicable provisions of the Act.

2. The Manager shall be entitled to other pecuniary benefits which are enjoyable by other employees of the company.

3. The Manager shall be paid travelling allowance for the tours he makes in connection with the, business of the company to perform his duties or to carry out the directions of the Board of Directors of the company.

4. The Manager shall be entitled to bonus in accordance with the provisions of the law.

5. The Manager shall be entitled to annual increment of his remuneration at the rate of Rs..... per annum.

6. The Manager shall be on probation for a period of six months. If his work is found satisfactory, his appointment shall continue for a full term of five years including the period of probation.

7. Either the company or the Manager shall be entitled to terminate this agreement by, giving the other, notice in writing of sixty days but the company may terminate this agreement by paying two months' remuneration to the Manager in lieu of the notice.

8. If the Manager dies during his continuance of service, his salary, remuneration, bonuses, allowances etc. for the current financial year shall be paid to his heirs, legal representatives, executors, administrators in a rateable proportion of what he would have received if he had lived and had continued in the service of the company for the whole of that year.

9. The Manager shall not be entitled to make any claim for damages against the company other than liquidated damages, if his services are determined on account of a reconstruction or amalgamation whether by the winding up of the company or otherwise before the expiration of this agreement.

10. The Manager shall devote the whole of his time and attention to the business of the company during the term of his service with the company and shall work with due diligence and using his abilities to his best. He shall comply with the directions issued by the Board of Directors of the company from time to time. He shall obey the orders issued by the Board of Directors. He shall do his best to promote the interest of the company and shall faithfully serve the company.

11. The Manager shall perform the duties towards the company and exercise the powers assigned to or vested in him by the Articles of Association of the company or by the Board of Directors of the company.

12. The Manager shall not disclose during the term of his service any information obtained by him in relation to the business of the company while attending to his duties and discharging his functions or exercising his powers as the Manager even to such employees of the company as have no concern with

the information or to any person not connected with the company.

13. The Manager shall not divulge any secret relating to any working process, improvement in the working process used by the company, invention leading to improvement in the working process or introduction of a new working process usable in the business of the company, invention relating to any of the articles connected with the business of the company, business matters, administrative affairs of the company, to any person not connected with such process, invention, matter and affairs either during the period of his employment in the company or any time after he has left the company.

14. The Manager shall be entitled neither to make use of any of the inventions in relation to the business of the company made by him during the employment in the company, nor to derive any benefit of all the patents whether obtainable in respect thereof in India or abroad, as such inventions and patents shall belong to the company. The Manager shall do at the expense of the company all that is necessary to give full benefit of such invention and patents whenever he is required to do so.

15. The Manager shall be bound not to do himself or participate or associate in any capacity with others in doing the business in which the company is engaged during the period of his employment with the company and for a period of six years after he has left the services of the company.

16. The Manager shall never make use of the working process used by the company even after he has left the services of the company and he shall not employ any invention relating to the business of the company either made by him during the period of his employment in the company or invention relating to the business of the company made by other employees of the company at any time.

IN WITNESS WHEREOF the parties hereto have set their hands on the day, month and year above written.

Witnesses:

For..... Ltd.

1.

2.

Manager