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28 JUN 2007

Al-falah securities (Pvt) Ltd

Agreement for Supply of Software

THIS AGREEMENT made as of June 28 2007 between **Softech Systems (Pvt.) Ltd.** (herein referred to as "**Softech**") , a company incorporated under the Companies' Ordinance, 1984 and having its registered office at 955-L, Phase 2, Johar Town, Lahore-54770, Pakistan

-and-

Alfalah Securities (Pvt) Limited (herein referred to as "**the Client**"), a company incorporated under the Companies' Ordinance, 1984 and having its registered office at 12th floor, Tower A, Saima Trade Towers, I.I. Chundrigar Road, Karachi, Pakistan.

(Softech and the Client are hereinafter collectively referred to as the "**Parties**" and individually also referred to as a "**Party**")

Whereas:

- A. Softech is involved in the development of software and specialises in customising software for its clients. Softech has also developed and owns the BackConnect (defined below) business software and the Client wishes to acquire an irrevocable license to use the same;
- B. The license to use the software relates only to the BackConnect base product (herein referred to as the "**Software**") and not to any Enhancements in the form of separate, customized modules implemented by Softech after the delivery of the BackConnect base product. However, the Client may also desire Softech to develop software modules that shall be used by it in addition to the Software provided; and
- C. Softech has agreed inter alia, to provide installation, training, Documentation, (defined below) application enhancements, and project management services to the Client in connection with the Software;

NOW THEREFORE THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

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1. DEFINITIONS

When used in this Agreement and in each Appendix issued hereunder, the capitalized terms listed below shall have the following meanings:

“**BACKCONNECT**” means the software system as defined in Appendix A hereto and herein after referred to as the “Software”.

“**BASIC ENHANCEMENTS**” means minor modifications, amendments and changes made by Softech, not being Enhancements or Major Modifications, in relation to the Software, to bring it in line with the Client’s requirements mainly to incorporate changing market trends and legal/regulatory requirements. Such modifications may also be made upon the recommendation of Softech should the Client feel that it would be more beneficial for it in terms of usage of the Software.

“**DOCUMENTATION**” means user manuals including but not limited to the administration manual and other written materials that relate to the Code, including materials useful for design (e.g., logic manuals, flow charts, and principles of operation). Documentation shall also include Documentation relating to any Software Changes created by Softech from time to time when added to the Documentation.

“**ENHANCEMENTS**” means any changes, modifications or additions, (other than Maintenance Modifications, Major Modifications, Basic Enhancements changes required to comply with regulatory requirements) including changes to the Source Code and related Documentation and all new Releases that improve or materially change the functions, add new functions, or significantly improve performance, utility, efficiency and functionality by changes in system design or coding.

“**MAJOR MODIFICATIONS**” means any and all changes and additions made to the Software by Softech at the behest and cost of the Client and involving changes to the Code and related Documentation that improve or materially change the functions, add new functions, or significantly improve performance, utility, efficiency and functionality by changes in system design or coding.

2. RULES OF INTERPRETATION

In this Agreement unless the contrary intention appears:

1. A reference to an article or schedule is a reference to an article of or a schedule to this Agreement
2. A reference to this Agreement or another instrument includes any variation or replacement of either of them;
3. The singular includes the plural and vice versa;
4. If a period of time is specified and it is from a given day or the day of an act or event, it is to be calculated exclusive of that day.
5. The use of headings in the Articles in this Agreement is for convenience only and shall not affect the construction of the individual Articles or limit, alter or affect the meaning of this Agreement as a whole.
6. The waiver of any breach of, or failure to enforce, any term or condition of this Agreement shall not be construed as a waiver of any other breach of the same or any other term or condition of this Agreement. No waiver shall be valid unless it is in writing and signed on behalf of the Party making the waiver.
7. The Appendices and Annexure hereof shall form an integral part of this Agreement.

Handwritten initials/signatures

3. SUPPLY

Softech shall:

- (a) Supply, deliver and install the Software at the respective Sites specified by the Client;
- (b) Undertake and implement Basic Enhancements, Major and Minor modifications as may be advised by the Client or as may be required for the purpose of making the Software perform in accordance the Client's requirements;
- (c) Provide the Documentation sufficient to enable the Client to operate the Software and undertake routine troubleshooting;
- (d) Maintain the Software highlighted in Appendix A & B, during the warranty period at no additional charge to the Client;

4. SCOPE OF SERVICES

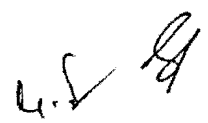
Both Parties may support each other in realization and implementation of the BackConnect Product. However, Softech has the sole obligation to supervise, manage, contract, direct, procure, perform, or cause to be performed all product implementation work to be carried out by Softech hereunder unless otherwise provided herein.

5. IMPLEMENTATION

The design, development, implementation and installation activities for the Software will follow in line with the project plan agreed with the client. The project plan lists the set of activities to be performed by Softech and Client in order to implement the product. This is provided to the client before the commencement of the implementation at client site.

After the complete implementation of the software the Client shall have three months to confirm that the Software is operational or that certain Software features are not working properly. In such a situation Softech shall immediately identify a date by which the defect or problem can be corrected or advise the Client of the correct instructions to operate the Software by way of demonstration.

The Client after the completion of initial implementation may at any time during this Agreement request in writing any changes, additions or deletions to any feature. In such case Softech shall advise the Client in writing on the possibility to implement the requested modifications and also the price and delivery timeline of such a request



6. ENHANCEMENT

Softech may from time to time incorporate enhancements (in order to improve the functionality or add new features to the existing modules) into the Software at its own discretion. Softech shall provide copies of such enhancements to the Client free of cost providing that the Client has signed the annual maintenance contract.

Softech may, from time to time, issue major enhancements (defined as design and development of new modules, different from the existing modules, with extensive new business features) to the Software and in such event, Softech shall apprise the Client of such major modification and the price and terms and conditions to acquire and maintain the right to use such major modifications.

7. TRAINING

1. **Coordinating person:** Softech shall provide complete training to the Client on the usage of the Software. The Client shall nominate one coordinating person to the BackConnect Product Implementation who shall be responsible to coordinate with Softech in the installation and implementation of the Software at Client site.
2. **Staff technical training:** Client will assign at least one full-time person to be trained to manage the day-to-day technical operations on the system, such as DB backups, application maintenance at user end etc. Softech will train person(s) nominated by the Client to perform the aforesaid functions
3. **Staff operational training:** Client will assign operational staff that will be trained by Softech on the system usage and its features and Softech will train person(s) nominated by the Client to perform the aforesaid functions
4. Softech hereby agrees to provide the Client with relevant user documentation for the smooth operation and usage of the system.

8. OWNERSHIP RIGHTS

1. Softech acknowledges that Client has paid in full as per agreement to acquire a license to deploy the Software and Softech has granted the Client a non-exclusive and non-transferable license to use the Software and related material for its own use only for perpetual use.
2. Softech shall deliver to the Client one copy of the Product and user documentation. The Client is allowed to maintain one additional copy for back-up purposes only at any other suitable location other than its own premises.

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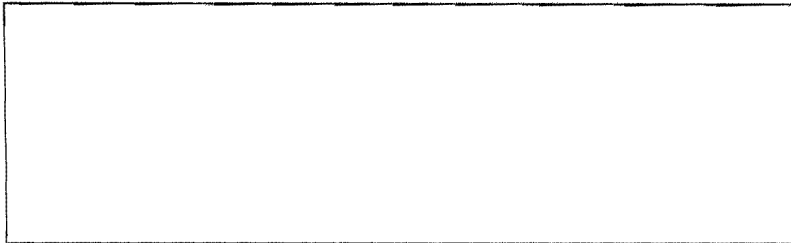
9. SOFTWARE PRICING

The Software product is priced according to the various components that the Client intends to implement. The Software configuration requested by the Client has the following modules:

- ◆ Equity Module
- ◆ Custody Module
- ◆ General Ledger
- ◆ Authority Management and Audit Trail System
- ◆ Client Trading Terminal with KSE straight-through processing capability
 - Desktop Trading Terminal
 - Risk Management System
 - Exchange Feed Server
 - Exchange Message Server
 - Exchange GW Server

- ◆ Customization requirements listed in Appendix B

The Software pricing for the requested client configuration above is attached as Appendix A hereunder.



11. QUALITY OF SUPPLIES

Softech warrants;

- (a) that notwithstanding anything to the contrary in the Contract, the Client may freely disclose all information concerning such compatibility to third parties;
- (b) That Software is free from:
 - (i) All Viruses that could have been detected by using the latest (at the date of completion of the implementation) commercially available Virus detection software; and
 - (ii) All forms of 'electronic repossession' and 'logic bomb' (which expression shall have meanings as they are generally understood within the computing industry) and the Supplier indemnifies the Buyer



against all actions, claims, proceedings, damages, cost and expenses arising from breach of this warranty;

- (c) That after acceptance by the Client, the Software will perform in accordance with the functional specifications;
- (d) That it has and shall use and adopt only good quality materials, techniques and standards in performing its obligations hereunder with the standards of care, skill and diligence required of good computing practices;
- (e) That it shall comply with the requirements of the Client, all applicable legislation, regulation or by-laws applicable to the business of the Client; and
- (f) That it has obtained all necessary licences, authorities, consents and permits for the supply and maintenance of the Software and Softech undertakes to indemnify the Client against all costs, claims or demands resulting directly or indirectly from any breach of such warranty.

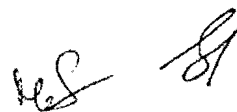
12. ANNUAL MAINTENANCE

The annual maintenance fee is charged at 10% of the product price after expiry of the warranty period. The Annual Maintenance will include:

- ◆ Softech does continuous product research and stays alert to any change to capital market business rules that impact brokerage business and hence performs product enhancement on continuous basis, including changes that become necessary to make the software compatible with the rules and regulations of the KSE, CDC, SECP and any other regulatory authority.
- ◆ Softech will provide technical assistance to Client to diagnose issues/problems faced during regular operations on live system.
- ◆ Softech will assist Client in testing new releases and promoting to live system.
- ◆ Softech will provide updated documentation with each release.
- ◆ As a part of the maintenance agreement Softech will provide upgrades, including bug fixes, and new features at Softech discretion free of cost.
- ◆ The maintenance agreement does not include enhancements or new functionality requested by Client, for which a separate proposal will be submitted.
- ◆ In case of any major upgrades (new modules or extensive enhancements to the software) carried out by Softech, the Client will be informed of the new modules and any new features and their cost, as these are made available in the product.
- ◆ Any new version or change that Softech may provide as part of the maintenance agreement or as a modification on an additional payment made by the Client.

13. PAYMENT TERMS FOR ANNUAL MAINTENANCE

- ◆ Payable in two equal installments after warranty period
 - Beginning of the term
 - After six months



14. GENERAL TERMS AND CONDITIONS

- ◆ The product price is for the modules mentioned in section 9 above, which includes the customization as per appendix B
- ◆ Any additional customization in the product is chargeable on time and material basis.
- ◆ The Client acceptance-testing period for the system is 3 months from date of delivery.
- ◆ The warranty period is 6 months from date of acceptance of complete software by Client.
- ◆ The warranty period covers free phone/fax/email support, and bug fixes.
- ◆ Client will bear cost of air traveling, and boarding/lodging capped at
- ◆ Any runtime tools (such as operating system, database, other required tools etc.) will be the responsibility of Client, and is not part of the cost of the application.

15. TEST SERVER

The Client will setup Software Test Server and provide online remote access to Softech for diagnosis and troubleshooting ("Remote Access").

The Client shall set-up a test machine ("Live Machine") that shall be physically present at the Client's premises with Softech having Remote Access to it. Whenever a new patch is introduced or a minor/major change is made, Softech's technology expert will initially carry out the changes on the test machine. Once both parties are in agreement as to the new patch or the changes, the same will be transferred to the Live Machine kept at the Client's premises. Softech expressly agrees to use the Remote Access granted to them only for the purpose mentioned above and not to misuse the access in any way whatsoever.

16. CONFIDENTIALITY

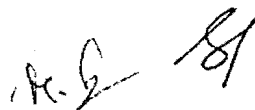
Both parties and their respective affiliates and subsidiaries shall keep confidential and not disclose, publish sell, trade or disseminate in any manner to any third party any technical information, data, business or trade secrets, other proprietary information or other similar information ("Confidential Information) provided by either party to the other during the course of this Agreement without written consent from the party which has provided the Confidential Information.

The Confidential Information is the property of the party providing the same and if possible, shall be returned to the other party or if permitted copies exist, destroyed upon termination of this Agreement.

The Confidential Information shall be used by either party for their mutual benefit during the course of this Agreement. This clause shall survive the expiry/termination of this Agreement and shall continue in force for [one year] after the termination of this Agreement.

17. NON-COMPETITION

Both parties agree that they will not, either directly or indirectly or through a third party, solicit any programmers/consultants employed by the other party for a period of 2 years after termination of this contract.



18. ASSIGNMENT

Neither party may, without the prior written consent of the other party, assign or transfer this Agreement or any right obtained or obligation incurred hereunder, except by merger, reorganization, consolidation, or sale of all or substantially all of such party's assets. Any attempt to do so in contravention of this Section shall be void and of no force and effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

19. TAXES

Each Party shall be liable for its own taxes. The prices quoted in this Agreement are inclusive of taxes. The Client would make payment after deduction of applicable withholding tax.

20. NOTICE

Any notice, demand, request or communication required or permitted to be given under the Agreement shall be in writing. Such notice shall be considered sufficiently given when it is delivered in person or by courier or by fax or email.

21. ENTIRE AGREEMENT

This Agreement sets forth the complete and exclusive agreement of the parties regarding the subject matter of this Agreement and supercedes all prior agreements, understandings and communications, oral or written, between the parties regarding the subject matter of this Agreement. The parties hereto expressly agree and confirm that this Agreement is executed without reliance on any oral or written statements, representations or promises of any kinds, which are not expressly contained in this Agreement. This Agreement is not, however, intended to limit any rights that the parties may have under trade secret, copy right, patent or other laws that may apply to the subject matter of this Agreement both during and after the term of this Agreement.

22. DISPUTE RESOLUTION

All disputes arising between the Parties hereto as to any matter or thing arising from or in any manner connected with this Agreement shall be referred to arbitration at Karachi in accordance with the Arbitration Act 1940 or any amendment or re-enactment thereof, to be conducted by a sole arbitrator to be appointed by the mutual consent of the Parties hereto. The Arbitrators' decision shall be final and binding on all the parties.

23. GOOD FAITH

The Parties undertake to act in good faith with respect to each other's rights under this Agreement and to adopt all reasonable measures to ensure the realization of the objectives of this Agreement.



24. SEVERANCE

In the event of any one or more of the provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable, the remaining provisions of this Agreement shall be unimpaired and the invalid, illegal and unenforceable provision(s) shall be replaced by mutually acceptable provision(s), which being valid, legal and enforceable come(s) nearest to the intention of the parties.

25. BINDING EFFECT

It is acknowledged and agreed that this Agreement constitutes the legal, valid and binding obligation of the parties hereto and shall be binding upon and inure the benefit of each party's respective successors and assigns. This Agreement shall survive the termination of any negotiations or discussions between the parties hereto and may not be modified or terminated, in whole or in part, and no release hereunder shall be effective except by means of a written instrument executed by the parties hereto. No failure or delay by either party in exercising any rights, power or privilege under this Agreement shall operate as a waiver of such right, power or privilege; nor shall any single or partial exercise of that right, power or privilege preclude any other or future exercise thereof.

26. AUTHORITY

Each signatory hereto represents and warrants to the other that he or she is the appointed representative of the party on whose behalf he or she has signed this Agreement and has the actual and unconditional authority and is duly authorized to sign for and bind that party.

27. TERMINATION

This Agreement may be terminated as follows:

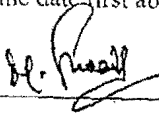
- 27.1 The Agreement may be terminated by Softech owing to a breach of the terms of agreement by the Client, in which case Softech shall serve written notice upon the Client to rectify the breach within 30 days of the receipt of notice.
- 27.2 The Agreement may be terminated by Client owing to a breach of the terms of this Agreement by Softech, in which case Client shall serve written notice upon Softech to rectify the breach within 30 days of the receipt of notice, failing which the Client shall be entitled to terminate this Agreement and the product provided by Softech shall become the non-exclusive property of the Client without any marketing rights to any third party and will be entitled to its use under the conditions of this Agreement.
- 27.3 In the event of Softech becoming insolvent, or closing down the business the Client shall be entitled to terminate this Agreement and the base product provided by Softech shall become the non-exclusive property of the Client without any marketing rights to any third party and will be entitled to its use under the conditions of this Agreement.

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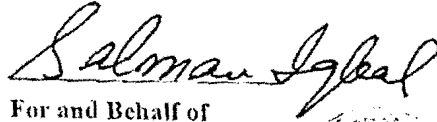
28. CHOICE OF LAW

This agreement shall be governed by and constructed in accordance with the laws of Pakistan.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.



For and Behalf of
Alfalah Securities (Pvt.) Ltd
(Mr. Shoib Memon, CEO)



For and Behalf of
Softech Systems (Pvt.) Ltd
(Dr. Salman Iqbal, CEO)

