



KERAJAAN MALAYSIA

**Pungutan Hasil Melalui MEPSCASH Di Kaunter
Dan Secara *Online***

PERBENDAHARAAN MALAYSIA

KANDUNGAN

e-PAYMENT	2
PS 2.5/2013 Pungutan Hasil Melalui MEPSCASH Di Kaunter Dan Secara Online	2
1. Tujuan	2
2. Pungutan Hasil Melalui Kaunter Dan Secara <i>Online</i>	2
3. Kadar Caj Perkhidmatan	2
4. Tempoh Pemindahan Wang.....	3
5. Perjanjian Di Antara Kementerian Atau Jabatan Dan IPS SDN. BHD.	3
LAMPIRAN	5

e-PAYMENT**PS 2.5/2013 Pungutan Hasil Melalui MEPSCASH Di Kaunter Dan Secara Online****1. Tujuan**

- 1.1 Pekeliling Perbendaharaan ini bertujuan untuk menerangkan peraturan dan pelaksanaan pungutan hasil melalui MEPSCASH oleh IPS Sdn. Bhd.

2. Pungutan Hasil Melalui Kaunter Dan Secara Online

- 2.1 Pungutan hasil melalui MEPSCASH ini merangkumi perkhidmatan di kaunter dan pembayaran secara *online*.

3. Kadar Caj Perkhidmatan

- 3.1 Bagi melaksanakan kaedah ini, kadar caj perkhidmatan telah ditetapkan tidak melebihi 1.0% atas nilai setiap transaksi.
- 3.2 Selain daripada caj perkhidmatan tersebut di atas, tiada caj lain boleh dikenakan oleh IPS Sdn. Bhd.
- 3.3 Perbendaharaan Malaysia telah memutuskan caj perkhidmatan untuk pungutan hasil melalui MEPSCASH akan ditanggung oleh Kementerian atau Jabatan. IPS Sdn. Bhd. boleh menolak caj perkhidmatan pada kadar tersebut daripada amaun kasar yang dipungut dan menyerahkan amaun bersih kepada Kementerian atau Jabatan. Walau bagaimanapun, Kementerian atau Jabatan perlu mengakaunkan amaun kasar yang dipungut sebagai hasil dan jumlah caj perkhidmatan yang telah ditolak oleh IPS Sdn. Bhd. sebagai perbelanjaan.
- 3.4 Pekeliling Tatacara Perakaunan berkenaan perakaunan pungutan hasil melalui MEPSCASH hendaklah juga dirujuk.
- 3.5 Kementerian atau Jabatan hendaklah bertanggungjawab memastikan bahawa peruntukan adalah mencukupi untuk mengakaunkan bayaran caj perkhidmatan. Sekiranya peruntukan bagi bayaran caj perkhidmatan tidak mencukupi, pelarasan perlu dibuat.

4. Tempoh Pemindahan Wang

- 4.1 IPS Sdn. Bhd. hendaklah memindahkan wang ke akaun Kementerian atau Jabatan dalam tempoh satu (1) hari bekerja selepas transaksi dibuat iaitu (T + 1 hari bekerja).

5. Perjanjian Di Antara Kementerian Atau Jabatan Dan IPS SDN. BHD.

- 5.1 Bagi melaksanakan kaedah pungutan hasil menggunakan MEPSCASH, satu perjanjian di antara Kementerian atau Jabatan dan IPS Sdn. Bhd. perlu ditandatangani. Format perjanjian yang perlu diguna pakai adalah seperti di [Lampiran A](#) (MEPSCASH Services).

LAMPIRAN



Lampiran A

AN AGREEMENT BETWEEN

THE GOVERNMENT OF MALAYSIA

AND

IPS SDN BHD

**(FORMERLY KNOWN AS E-KENCANA SDN BHD)
(737740-W)**

FOR

MEPSCASH SERVICES

<u>Contents</u>	<u>Page</u>
ARTICLE 1: DEFINITIONS AND INTERPRETATIONS.....	6
ARTICLE 2: APPOINTMENT	9
ARTICLE 3: CONTRACT PERIOD.....	9
ARTICLE 4: SCOPE OF SERVICES	11
ARTICLE 5: COMMISSION RATE	10
ARTICLE 6: THE SERVICES.....	11
ARTICLE 7: THE FACILITIES.....	11
ARTICLE 8: INSTALLATION OF THE FACILITIES.....	11
ARTICLE 9: IMPLEMENTATION OF SERVICES.....	14
ARTICLE 10: DISPUTED TRANSACTIONS (FOR PORTAL TRANSACTION ONLY).....	16
ARTICLE 11: SERVICE LEVEL.....	17
ARTICLE 12: OBLIGATIONS OF PARTIES	17
ARTICLE 13: REPRESENTATIONS AND WARRANTIES	19
ARTICLE 14: REMITTANCE OF FUNDS	21
ARTICLE 15: INDEMNITY	22
ARTICLE 16: OTHER INDEMNITY	23
ARTICLE 17: TERMINATION	24
ARTICLE 18: FORCE MAJEURE EVENTS.....	28
ARTICLE 19: DISPUTE RESOLUTION COMMITTEE.....	29
ARTICLE 20: ARBITRATION.....	30
ARTICLE 21: CONFIDENTIALITY	31
ARTICLE 22: NOTICES	32
ARTICLE 23: NO AGENCY AND NO PARTNERSHIP	32
ARTICLE 24: IMPLIED TERMS.....	33
ARTICLE 25: AMENDMENT	33
ARTICLE 26: WAIVER	33
ARTICLE 27: SEVERABILITY	33

ARTICLE 28: LAWS APPLICABLE 34

ARTICLE 29: COMPLIANCE WITH APPLICABLE LAWS 34

ARTICLE 30: ASSIGNMENT..... 34

ARTICLE 31: BINDING EFFECT 34

ARTICLE 32: CAPTIONS AND HEADINGS 34

ARTICLE 33: COST AND STAMP DUTY 34

ARTICLE 34: TIME 34

Schedule 1 - Services and Process Flow: POS and Portal

Schedule 2 - Clearing and Settlement Process: POS and Portal

Schedule 3 - Service Level for Portal Transaction

Schedule 4 - Readiness, Specification and UAT for Portal Transaction Acceptance

Schedule 5 - Registration Form

Schedule 6 - EDC Terminal Operation Manual

Schedule 7 - SCR Terminal Operation Manual

Schedule 8 - Helpdesk

THIS AGREEMENT is made on the _____ day of _____ (month/year)

BETWEEN

THE GOVERNMENT OF MALAYSIA, who for the purpose of this Agreement is represented by _____ having its office at (hereinafter referred to as "the Government") of the one part;

AND

IPS Sdn Bhd (formerly known as e-Kencana Sdn Bhd) (737740-W), a company incorporated under the Companies Act 1965 and having its registered office at A-13-7 Block A Jaya One, No72A Jalan Universiti, 46200 Petaling Jaya Selangor Darul Ehsan (hereinafter referred to as "IPS") of the other part,

(both hereinafter singularly referred to as "the Party" and collectively as "the Parties").

WHEREAS:

- (a) IPS is licensed under the Payment Systems Act 2003 to operate the Malaysian Electronic Purse Cash (hereinafter referred to as "MEPSCASH") by implementing the MEPSCASH Scheme (as defined hereinafter).
- (b) The Government is desirous to implement the MEPSCASH Scheme, and IPS agrees to provide the MEPSCASH Scheme through the Services (as defined hereinafter) subject to the terms and conditions hereinafter appearing.

NOW IT IS HEREBY AGREED AS FOLLOWS:**ARTICLE 1: DEFINITIONS AND INTERPRETATION****1.1 Definitions**

In this Agreement, the following words and expression shall have the following meaning unless the context otherwise requires:

- "Business Day" means a day (other than Sunday, Saturday or public holidays), on which banks, licensed to carry on banking business under the provisions of the Banking and Financial Institution Act 1989, are open for business in their respective locations in Malaysia. In States where the banks are closed for business on days other than Saturdays and Sundays and/or public holidays `Business Day' shall be construed and interpreted accordingly;
- `Commission' means the amount chargeable by IPS to the Government at the mutually agreed rate as stipulated under Article 11.2;
- eCard' means -
- (a) a validly issued Automated Teller Card ("ATM") card bearing the MEPSCASH marks and/or Bankcard marks; or
 - (b) the Malaysian National Identification MyKad bearing the MEPSCASH marks; or
 - (c) any stand-alone cards bearing the MEPSCASH marks or affiliated marks;
- `EDC Transaction' means a transaction performed through the use of eCard at the EDC Terminal;
- "EDC" means Electronic Data Capture, being the electronic device which reads, captures and processes EDC Transactions;
- `EDC Terminal Facility' means any electronic terminal and wireless terminal infrastructure which is capable of reading chips embedded in the eCard, and being either offline for deduction or online for any connectivity to IPS, its details appended as Schedule 6 entitled EDC Terminal Operation Manual;

"Facilities"	means the enablers, devices, equipment and other infrastructure to allow MEPSCASH transactions which consists of: (a) EDC Terminal Facility; and (b) SCR Terminal Facility;
`Location'	means the premises as determined by the Government;, at which the Facilities is to be installed by IPS in accordance with the terms and conditions of this Agreement
`MEPSCASH'	means the brand name for Malaysian Electronic Purse, an e-purse application common to the Bankcard and MyKad, where money is stored electronically in a chip embedded in an eCard and handled electronically where the amount payable by a Cardholder shall be deducted directly upon usage of an eCard, from the monetary value stored in the chip;
`MEPSCASH Scheme'	means various usage of the MEPSCASH including payment and reload and in regards to the MyKad specifically, the MEPSCASH is used in conjunction with other identity-based applications;
'PC Smart Card Reader'	means the eCard reader component of the SCR Terminal Facility being a USB or serial/pin based personal computer device;
`POS'	means Point Of Sales Transaction, a transaction performed at point-of-sales counters whether assisted or unassisted, consisting of EDC Transaction and/or SCR Transaction through the use of eCard;
`Portal'	means the interactive website of the Government where the public can subscribe and use online products and/or services provided by the Government;
`Portal Transaction'	means a transaction performed over the Internet using SCR Terminal Facility through the use of eCard;
`Portal Transaction reference'	means a transaction reference generated by the Government over Portal, evidencing the payment made by the Cardholder through the use of the eCard;
`Sales Slip'	means the relevant charge slip generated electronically after the completion of each transaction arising from the use of EDC Terminal Facility over POS, evidencing the payment made by the Cardholder through the use of the eCard;

"SCR"	means PC Smart Card Reader used for Portal as well as for POS;
`Settlement Function`	MEPSCASH means the procedures carried out by the Government via the Facilities for the purpose of transmitting details of MEPSCASH transactions conducted daily to IPS;
`Services`	means to carry out and perform or cause to be carried out or performed all things necessary for the successful implementation of the MEPSCASH Scheme over – <ul style="list-style-type: none"> (a) POS (via EDC and/or SCR Terminal Facilities); (b) Portal vide the MEPSCASH payment gateway and/or (agencies to describe their own); or (c) other services to be determined by the Government such as automated kiosk;
`Software Plug-In`	means the MEPSCASH software installer, which is the sole property of IPS granted to the Government under terms of this Agreement, necessary to process MEPSCASH transactions over SCR Terminal Facility;
`SCR Transaction`	means a transaction performed through the use of eCard over the SCR Terminal Facility; and
`SCR Terminal Facility`	means a Smart Card Reader processing the eCard transactions through a computer as medium and using dial-up or Internet Protocol networks to conduct Settlement Function, details of which being contained in the SCR Terminal Operation Manual appended as Schedule 7 to this Agreement

1.2 Interpretation

- (a) The recitals, schedules hereto and any documents therein referred to shall be taken, read and construed as an essential and integral part of this Agreement provided however that in the event of any conflict or inconsistency between the various documents forming this Agreement, the following order of precedence shall apply:
 - (i) the clauses; and
 - (ii) the schedules.

- (b) Reference to Recitals, Clauses and Schedules are to be construed as reference to recitals, clauses and schedules of this Agreement, unless otherwise provided herein.
- (c) All references to provisions of statutes include such provisions as amended, modified or re-enacted.
- (d) The words "law" and "laws" mean in any present or future law and any constitution, decree, judgment, legislation, order, ordinance, statutes, treaty, directive, by-law, rule or regulation as amended from time to time.
- (e) Words applicable to natural persons shall also apply to any body of person, companies, corporation, firm or partnership incorporated or unincorporated.
- (f) The expression "this Agreement" or any similar expression shall comprise the Recitals, Clauses and Schedules of this Agreement and include any supplemental written agreement thereto as may be executed and be in force from time to time or any time.
- (g) Words importing any gender shall include any other gender.
- (h) Words importing the singular number shall include the plural number and vice versa including the definitions referred to in Article 1.1 hereof.
- (i) The headings and sub-headings to the Clauses of this Agreement are for convenience of reference only and shall not affect the interpretation and construction thereof.
- (j) Where any word or expression is defined in this Agreement, the definition shall extend to all grammatical variations and cognate expressions of the word or expression so defined.
- (k) For the purpose of calculating any period of time stipulated herein, or when an act is required to be done within a specified period or from a specified date, the period is inclusive of and time begins to run from the date so specified.
- (l) References to section, subsection, clause, exhibit, appendix or schedule are references to section, subsection, clause, exhibit, appendix or schedule to this Agreement.

- (m) Any technical term not specifically defined in this Agreement shall be construed in accordance with the usage or definition commonly accepted by those in that profession in Malaysia.
- (n) Any reference to a "working day" is to a day other than a Saturday, Sunday (except for States where Saturday and Sunday are working days, such reference excludes a Thursday and Friday) and any other day which is declared by the Government as a public holiday and any reference to a "day", "week", "month" or "year" is to that day, week, month or year in accordance with the Gregorian calendar.
- (o) Any reference to "normal business hours" in relation to the Government shall mean the hours between 7.30 a.m. to 5.30 p.m. from Monday to Friday.
- (p) Any reference to "writing" or cognate expressions, include any communication effected by telex, cable, facsimile transmission, electronic mail or other comparable means.

1.3 Entire agreement

This Agreement contains the entire understanding between the Parties with respect to the subject matter hereof and supersedes all prior agreements or understandings, inducements or conditions, express or implied, oral or written.

ARTICLE 2: APPOINTMENT

- 2.1 The Government hereby appoints IPS for the purposes of providing the Services and the Facilities and IPS hereby accepts such appointment and undertake to provide the Services subject to the terms and conditions of this Agreement.

ARTICLE 3: CONTRACT PERIOD

- 3.1 This Agreement shall be valid for a period of two (2) years (hereinafter referred to as the "Contract Period") commencing from (hereinafter referred to as the "Effective Date") and shall expire on (hereinafter referred to as the "Contract Expiry Date").
- 3.2 IPS may apply to the Government in writing for an extension of the Contract Period not less than three (3) months prior to the Contract Expiry Date if it intends to extend the Contract Period. The Government shall have the absolute discretion whether or not to consider such application. If such application is

considered, the Parties may, as soon as reasonably practicable after the receipt of such application by the Government, negotiate the terms and conditions as such extension not later than one (1) month prior to the Contract Expiry Date. If the Parties fail to reach an agreement, this Agreement shall automatically expire on the Contract Expiry Date.

ARTICLE 4: SCOPE OF SERVICES

4.1 IPS shall provide the Services in the following manner:

- (a) make available the Services at POS and Portal so as to enable the public to make payment through the use of eCard and the Government to accept such payment in accordance with this Agreement;
- (b) undertake that all payments made by the public to the Government are credited into the accounts of the Government in accordance with this Agreement;
- (c) undertake that all payments made by the public are secured; and
- (d) undertake that the service level as described in Schedule 3 are complied with at all times during the Contract Period.

4.2 For purposes of providing the Services, IPS shall provide to the Government:

- (a) the Facilities; and
- (b) MEPSCASH Software Plug-In,

in accordance with this Agreement.

ARTICLE 5: COMMISSION RATE

5.1 In consideration of IPS providing the Services in accordance with this Agreement, the Parties agree that IPS shall be entitled to charge, subject to this Agreement, commission at the rate of not more than one (1) per centum of the value of each successful MEPSCASH transaction.

For the avoidance of doubt, the issuance of a Sales Slip in respect of POS or a Portal Transaction Reference in respect of Portal shall be deemed to be a successful MEPSCASH transaction.

ARTICLE 6: THE SERVICES

- 6.1 Subject to the terms and conditions of this Agreement, IPS shall provide the Services, through the usage of the Facilities for the benefit of the Government in respect of POS and Portal, its operation manual for both EDC and SCR devices is as listed and described in Schedule 6 and 7 to this Agreement.
- 6.2 IPS and the Government agree that all MEPSCASH transactions shall only be for payment which does not exceed Ringgit Two Thousand (RM2,000.00) only for each transaction. Nothing however shall prevent the Cardholder from paying in multiple transactions of the maximum allowable limit. The Parties herewith agree that such limit may be reviewed from time to time and the Parties shall mutually agree on the revised maximum amount.

ARTICLE 7: THE FACILITIES

- 7.1 For purpose of providing the Services, IPS shall provide to the Government the Facilities which shall consist of the EDC Terminal for POS transactions only, and SCR Terminal in respect of both POS and Portal transactions.
- 7.2 EDC Terminal Facility shall only be available for POS transaction only, and operating in offline mode for collection of payment to the Government while requiring dial-up for reloads/top-ups, wherever applicable.
- 7.3 SCR Terminal Facility shall be available to both POS as well as Portal Transaction, operating in online mode.
- 7.4 The SCR Terminal Facility for POS can operate in offline mode for payment collection.

ARTICLE 8: INSTALLATION OF THE FACILITIES**8.1 EDC TERMINAL FACILITY**

- 8.1.1 IPS shall, at the written instruction of the Government provide to the Government the EDC Terminal Facility and shall ensure that the EDC Terminal Facility provided shall enable the Government to accept any payments made by Cardholder through the use of eCard for the Services at the various payment counters or POS of the Government.

- 8.1.2 In providing the EDC Terminal Facility, IPS shall supply, deliver, install, test and commission the EDC Terminal at the Location. The Location, delivery time and number of the EDC Terminals to be installed by IPS shall be determined by the Government prior to the installation. Such EDC Terminals shall be installed, tested and commissioned within thirty (30) days of delivery of the EDC Terminals or within a reasonable period of time as specified by the Government from time to time. All related stationery including paper for the EDC Terminal shall be at the cost of the Government.
- 8.1.3 In the event the Government requires additional EDC Terminals, IPS shall agree to consider such request and IPS shall bear all costs incurred as a result of such installation.
- 8.1.4 IPS shall bear the costs of relocating the EDC Terminal at to any other location excluding the costs on internal telephone cabling and other internal power points in the event such request is made by the Government.
- 8.1.5 IPS shall ensure that the EDC Terminals installed are commissioned in good functioning order and operable in accordance to with Schedule 6.
- 8.1.6 IPS shall at its own cost provide trouble-shooting on the EDC Terminal at all Location by having a helpdesk, the procedures and operating hours of the helpdesk and details thereof is in accordance with Schedule 8 of this Agreement.
- 8.1.7 (a) In the event of any fault or defect to the EDC Terminal, IPS shall at its own cost, take all steps and carry out all things necessary to repair such default and/or defect in order to ensure that the EDC Terminal shall function within twenty-eight (28) hours in the Klang Valley and within three (3) Business Days outside the Klang Valley from the time of receiving the report made by the Government in accordance with Schedule 8. In the event the EDC Terminal fails to function within the stipulated period, IPS shall at its cost promptly replace the faulty or defective EDC Terminal.
- (b) The Government shall keep the EDC Terminal in good condition at all times and shall ensure that each EDC Terminal is operated appropriately at all times in accordance with its operation manual as set out in Schedule 6 of this Agreement and shall promptly report any malfunction or breakdown of the EDC Terminal to IPS.

8.1.8 IPS shall obtain the user acceptance document duly acknowledged user acceptance document from the Government for the purposes of commissioning the EDC Terminal Facility.

8.2 SCR TERMINAL FACILITY

8.2.1 IPS shall ensure that the SCR Terminal provided to the Government shall enable the Government to accept any payments made by Cardholder through the use of eCard for the Services at the various POS and counters of the Government.

8.2.2 IPS shall, at the written instruction of the Government, supply and deliver the SCR Terminal at the Location. The Location and delivery of the SCR Terminals to be installed by IPS shall be determined by the Government prior to the installation, after consulting IPS. All SCR Terminals are to be connected to personal computers with minimum system requirements in accordance with Schedule 4 of this Agreement. For the avoidance of doubt, all network connectivity and personal computers shall be at the cost of the Government.

8.2.3 Both parties shall mutually agree as to the number of units of SCR Terminals to be provided by IPS whereupon the Services shall be for assisted or self-served counters. In the event that the Government requires additional SCR Terminal, IPS shall agree to consider to such request and IPS shall bear all cost incurred as a result of such request.

8.2.4 User acceptance test and final commissioning of the SCR Terminal Facility shall be in accordance with Schedule 4 and Schedule 7 of this Agreement, whichever is applicable. In the event that the SCR cannot be integrated with the Government POS for any reason whatsoever, IPS shall install the EDC Terminal Facility in accordance with Clause 7.1.

8.2.5 IPS shall obtain the user acceptance document duly acknowledged from the Government for the purposes of commissioning the SCR Terminal Facility.

8.3 INSTALLATION OF MEPSCASH SOFTWARE PLUG-IN

8.3.1 IPS shall, install the MEPSCASH Software Plug-in at the relevant Portal or POS server belonging to the Government. For the purpose of such installation, IPS shall notify in writing the relevant Government agencies at least fourteen (14) days prior to the date scheduled for installation.

- 8.3.2 Subject to clause 8.3.1 above, the Government shall provide IPS with access to the suitable payment server for the purpose of installation and operation of the MEPSCASH Software Plug-in.
- 8.3.3 The Government shall be responsible for the cost and expenses incurred for the necessary conduits, electrical connections outlets, communications and electricity power and equipment including personal computers, servers and peripherals required for the installation and operation of the MEPSCASH Software Plug-In.
- 8.3.4 The specification for readiness and basic requirements for the Government's installation of the Software Plug-In as well as agreed user acceptance test for commissioning the Software Plug-In shall be more described in **Schedule 4** of this Agreement.

8.4 SOFTWARE PLUG-IN

- 8.4.1 Each Software Plug-in supplied by IPS shall remain the property of IPS. IPS warrants and represent to the Government that each Software Plug-in supplied is free from any claims or right by any third party and the Government is entitle to the quiet use of the MEPSCASH Software Plug-in during the Contract Period.
- 8.4.2 IPS shall provide reasonable written notice to the Government prior to retrieving or deleting any MEPSCASH Software Plug-In in the event of termination for any reason whatsoever.
- 8.4.3 IPS shall provide to the Government any updates or enhancement made to the Software Plug-In at no cost to the Government.

ARTICLE 9: IMPLEMENTATION OF SERVICES

9.1 MEPSCASH POS IMPLEMENTATION PROCEDURES

9.1.1 MEPSCASH POS Transaction Procedures

When an eCard with MEPSCASH application is presented to the Government, the Government shall follow the relevant operation manual under Schedule 6 in respect of EDC or Schedule 7 for SCR Terminal Facility under this Agreement. The operation manual may be reviewed by IPS from time to time provided always prior written approval of the Government is obtained.

9.2 MEPSCASH PORTAL IMPLEMENTATION PROCEDURES

9.2.1 The Parties agree to implement the Services in the following manner:

(a) Registration

- (i) IPS shall provide the registration form as appended in Schedule 5 to the Government to register for access to the Portal Transaction using SCR Terminals.
- (ii) The Government shall complete the registration form for the Portal Transaction and shall return the same to IPS for processing such registration.
- (iii) Upon receipt of registration, IPS shall install the Facilities within thirty (30) days from the date of such receipt.

(b) Installation and Integration

- (i) Upon registration by the Government, IPS shall, at its own costs, provide the Government with an implementation kit which consists of Software Plug-In and manual guide.
- (ii) Upon receiving the implementation kit from IPS, the Government shall thereafter install and integrate the MEPSCASH Software Plug-In at the Portal, configure the integration and connect to the Government servers as referred to in the manual guide provided by IPS.
- (iii) For purposes of the installation, IPS shall -
 - (aa) provide the sample coding and respond to the Government's inquiries during the installation and integration processes by the Government;
 - (ab) co-ordinate and conduct the user acceptance test ("UAT") together with the Government, as more described in **Schedule 4**;
 - (ac) co-ordinate and prepare for migration to a working and live environment of the Portal Transaction;
 - (ad) co-ordinate and conduct the live testing together with the Government for the roll-out implementation; and

- (ae) obtain the user acceptance document duly acknowledged from the Government for the purposes of commissioning the Portal transaction acceptance.

ARTICLE 10: DISPUTED TRANSACTIONS (FOR PORTAL TRANSACTION ONLY)

- 10.1 For purposes of providing efficient and friendly Services, IPS shall take all reasonable and necessary steps to enable the public to make and Government and/or IPS to receive any complaints, suggestion or grouses in respect of the Services.
- 10.2 Upon receipt of any complaint from the public, IPS shall notify the Government within fourteen (14) Business Days from the receipt thereof. IPS shall thereafter investigate such complaint or any complaint received by the Government. If IPS requires the necessary information from the Government in relation to the fraudulent transaction, the Government shall upon such request provide IPS with the necessary information. IPS shall submit to the Government a report detailing the investigation carried out and the findings of such investigation within fourteen (14) Business Days from the date IPS notified the Government of such complaint or within fourteen (14) Business Days from the date IPS receives the necessary information from the Government on such complaint (whichever is applicable).
- 10.3 In the event the Government is satisfied that the complaint made relate to a fraudulent transaction in respect of the Bill and the Payment Collection -
 - (i) the Government shall refund to the appropriate person the Payment Collection received within fourteen (14) Business Days from the date the Government decide that it is a fraudulent transaction; and
 - (ii) IPS shall refund to the Government the Commission within fourteen (14) Business Days from the receipt by IPS of such demand from the Government, if any, in respect of the refund.

For the purpose of this clause "fraudulent transaction" shall include dispute which relate to the genuineness or duplication of a transaction completed in respect of a Bill.

- 10.4 If the complaint made is in respect of failure by IPS to comply with the service level described in Schedule 3, then the Government shall be entitled to demand from IPS damages stipulated in Schedule 3 and IPS shall pay to the Government such damages within fourteen (14) Business Days from the date of receipt by IPS of a notice demanding such damages from the Government PROVIDED that

payment of such compensation shall not prejudice the Government's right under this Agreement or under any other law.

- 10.5 For the avoidance of doubt, any payment to be made by IPS to the Government under this Agreement shall not be set-off against any payment due to IPS from the Government.

ARTICLE 11: SERVICE LEVEL

- 11.1 IPS shall store all transaction records and information securely and shall maintain its data processing system in good order and working condition to enable the continuity of the Portal Transaction
- 11.2 IPS shall provide and perform the Portal Transaction in a proper manner and in accordance with the Service Level Term as described in **Schedule 3**.
- 11.3 In the event that IPS fails to provide the Services in accordance with the service level described in Schedule 3 IPS shall pay to the Government by way of penalty the sum of RM20 per hour provided that the sum payable shall not exceed RM100 per day. The sum imposed shall be a debt due to the Government.
- 11.4 Notwithstanding any provisions in this Agreement, the Parties hereby agree that for purposes of imposition of penalty under Clause 11.3, the Accountant General's Department of Malaysia shall make such demand on behalf of the Government. IPS shall make such payment to the Accountant General's Department of Malaysia within fourteen (14) days from date of receipt of such demand. For the avoidance of doubt, the Parties hereby agree that the Government shall not make any claims whatsoever under this Clause.

ARTICLE 12 : OBLIGATIONS OF PARTIES

12.1 GOVERNMENT'S OBLIGATIONS

12.1.1 The Government's Records

- (a) The Government shall at its own cost keep proper account of all data and correct copies of all receipts resulting from the MEPSCASH transactions.
- (b) The Government shall ensure that its systems, networks and related equipment can accept the Facilities and perform the Services provided by IPS to the Government under this Agreement.

12.2 IPS'S OBLIGATIONS

12.2.1 Proper Functioning Of Services

- (a) IPS shall provide the Government with the online administration tool for the Portal Transaction portion of the Services and hard copies for the offline portion of the Services to enable the Government to view the transaction reports.
- (b) IPS shall ensure at all times that the MEPSCASH system provided for the purpose of the Services shall comply with the industry standard data security services. In the event of any change to the industry standard data security services, IPS shall take the necessary action to ensure that MEPSCASH system complies with the latest change.
- (c) IPS shall inform the Government promptly upon the occurrence of any (unscheduled down time) factor or event, which might affect the Services and shall update the Government once the factor or event is no longer occurring.

12.2.2 Reports

- (a) IPS shall provide to the Government, without any charge, the following:
 - (i) reports in respect of all MEPSCASH transaction on the Business Day following a transaction day. Such reports shall be in text file/BST data file form and submitted in hard copy and soft copy; and
 - (ii) copies of remittance notice issued to bank for purpose of remitting the total value of all successful MEPSCASH transaction. Such notice shall be sent on the Business Day following a transaction day.

12.2.3 Protection of Personal Data

IPS shall ensure that all personal data collected, used or disclosed in the course of this Agreement shall be used solely for the purpose for which it was collected.

12.2.4 Changes to the software or hardware

Each Party shall provide prior notice to the other, of not less than thirty (30) days or any such period as agreed by the Parties in the event of any changes to the software and/or hardware. Upon notification of the changes made, IPS shall assist the Government to perform any test to ensure that the Services operates in accordance with this Agreement.

12.2.5 IPS shall, at its own cost and expense, provide to the Government, personnel and employees the relevant training adequate for proper operation of the Facilities and usage of the Services -

- (a) in respect of the Services;
- (b) usage of the Facility; and
- (c) the MEPSCASH EDC and SCR Terminal Facility acceptance procedures.

ARTICLE 13: REPRESENTATIONS AND WARRANTIES

13.1 IPS hereby represents and warrants to the Government that -

- (a) it is a company validly existing under the laws of Malaysia;
- (b) it has the corporate power to enter into and perform its obligations under this Agreement and to carry out the transactions and business as contemplated under this Agreement;
- (c) it has taken all necessary corporate actions to authorise the entry into and performance of this Agreement and to carry out the transactions contemplated under this Agreement;
- (d) As at the execution date of this Agreement, neither the execution nor performance by it of this Agreement nor any transactions contemplated by this Agreement shall violate in any respect of any provision of -
 - (i) its Memorandum and Articles of Associations; or
 - (ii) any other document or agreement, which is binding upon it or its assets;

- (e) no litigation, arbitration, tax claim, dispute or administrative proceeding is presently current or pending or, to its knowledge, threatened, which is likely to have a material adverse effect upon it or its ability to perform its financial or other obligations under this Agreement;
- (f) this Agreement constitute a legal, valid and binding obligation and is enforceable in accordance with its terms and conditions;
- (g) it has obtained the necessary license, authorisation, approvals and certifications in providing the Services and the fulfillment of its obligations under this Agreement;
- (h) the Services shall be provided in conformity with the standards generally observed in the industry for similar Services; and
- (i) the execution of this Agreement and the performance of its obligations under this Agreement will not cause a breach by IPS of any duty arising in law or equity.

AND IPS acknowledges that the Government has entered into this Agreement in reliance on its representations and warranties as aforesaid.

ARTICLE 14: REMITTANCE OF FUNDS

14.1 Settlement

The Government shall carry out or perform a Settlement Function on a daily basis to enable IPS to capture all the transaction using EDC Terminal so as to allow IPS to remit the total collection of the value of each successful MEPSCASH transaction in accordance with Article 13 .3. Settlement over Portal is captured on automated basis.

14.2 Remittance by IPS

14.2.1 Upon completion of a Settlement Function, IPS shall remit to the Government the value of each successful MEPSCASH transaction less the Commission.

14.2.2 IPS shall remit the total value of all successful MEPSCASH transaction of each day to the Government on the following Business Day in accordance with **Schedule 2**. The remittance shall be made into an account as determined by the Government.

14.2.3 IPS shall provide to the Government free of charge, supporting reports in the form of hardcopy and softcopy in respect of all transactions for which monies is remitted in accordance with Article 14.2.1. Such report shall be submitted to the Government on the following Business Day following a transaction day. The report shall contain the following minimum information(s):

- (a) Government identification number;
- (b) POS or PORTAL identification number;
- (c) MEPSCASH Primary Account Number;
- (d) approval code;
- (e) amount of the transaction;
- (f) date of transaction;
- (g) gross total amount ;
- (h) Commission amount; and
- (i) net total amount.

14.3 Compensation for late remittance

In the event IPS fails to remit the Payment Collection in accordance with clause 14 of this Agreement, IPS shall pay compensation to the Government for such failure if it is caused or contributed to by any act or omission or negligence on the part of IPS, its employees, agents or servants. The amount of compensation to be paid for each day of delay or any part thereof shall be based on the amount to be remitted multiplied by the interbank rate as determined by Bank Negara Malaysia from time to time and the number of days delayed divided by 365 days as follows:

$$\frac{\text{Amount to be remitted} \times \text{Interbank Rate} \times \text{No of days delayed}}{365}$$

Payment of the compensation shall be made within fourteen (14) days from the receipt of notice issued by the Government demanding such payment.

14.4 Reconciliation

In the event of any discrepancy between the amount collected and the receipts pertaining to the collection, the Government shall immediately inform IPS in writing in respect thereof whereupon auditors from the Government shall inspect the relevant records and the to verify the discrepancy. IPS and the Government shall undertake to refund each other deficit or surplus (which ever is applicable) of monies paid within fourteen (14) Business Days from the date both Parties had verified the discrepancy (if any).

ARTICLE 15: INDEMNITY

15.1 Indemnity against infringement

15.1.1 IPS shall, at its own cost and expense, fully indemnify the Government against all claim, demands, liabilities and costs incurred by the Government if the Services, or any part thereof, infringes the copyright, trade secrets, patent and trade marks and other intellectual property rights of any third party provided that such infringement -

- (a) is not caused by the acts of the Government other than the normal use of the Services: or
- (b) relates to any hardware and software procured by IPS for the purposes of this Agreement.

15.2 Notice of Claim or Demand

15.2.1 The Government shall give notice to the IPS of any such claim or demand that is made against the Government and IPS in such event shall defend any such claim or demand and make settlement thereof at its own expense in order to settle or oppose it.

15.3 IPS Obligations

15.3.1 If at any time an allegation of infringement of a third party's rights is made, or if in IPS's opinion is likely to be made, in respect of any part used for the purpose of the Services, IPS shall at its own costs and expenses:

- (a) obtain for the Government the right to continue using such part; or

- (b) modify or replace the part (without detracting from the functionality specified under or pursuant to this Agreement and without affecting the performance of the Services) so as to avoid infringement and in consequence thereof, provide the relevant training for usage of such modification or replacement (if necessary), and the Government agrees that it shall use its best endeavour to provide to IPS all reasonable assistance (other than financial assistance) required to exercise such options. Notwithstanding the foregoing, the Government shall not incur any liability if IPS fails to obtain such right and fail to modify or replace the infringing part.

15.4 In no event shall either Party be liable for consequential, incidental, indirect, special or punitive loss, damage or expenses (including but not limited to business interruption, lost business, lost profits or lost savings) even if it has been advised of their possible existence.

ARTICLE 16: OTHER INDEMNITY

16.1 Other Indemnity by IPS

16.1.1 IPS shall be liable for and shall indemnify and keep the Government fully indemnified from and against:-

- (a) any demand, action, damage, expense, liability, loss, claim, suits or proceedings whatsoever arising under any law of Malaysia in respect of any accident, damage, injury or death to any person including defamation, libel and slander or in respect of injury or damage of any kind to any property real or personal by reason of the carrying out of this Agreement; or
- (b) any direct damage to the Government and/or the Government's property, to the extent that the same is occasioned by -
 - (i) defects in any aspect of the Services; and/or
 - (ii) the negligent acts or omissions of IPS, its agents and their respective employees committed in the course of their respective engagements or employment and shall hold the Government harmless from and against any and all claims, actions, damages, demands, liabilities, costs and expenses, including reasonable legal fees and expenses resulting there from.

16.2 Indemnity by Government

Without prejudice to the other provisions of this Agreement, the Government shall indemnify IPS and keep IPS indemnified from and against any payments, losses, costs, charges or expenses whatsoever, legal or otherwise which IPS may sustain, suffer or incur as a consequence of any negligent acts or omissions of the Government and/or its employees and agents arising out of or in connection with this Agreement.

16.3 Liability upon Expiry or Earlier Termination

The expiry or earlier termination of this Agreement shall not affect the liability of any Party for any of its acts or omissions during the Contract Period prior to earlier termination thereof and the aggrieved Party shall be kept indemnified and held harmless in respect of any claim arising there from.

16.4 Notification

The Government shall inform IPS of any claim or proceedings or anticipated claim or proceedings against it in respect of the matters covered by this Clause as soon as practicable after it becomes aware of such claim or proceedings.

ARTICLE 17: TERMINATION

17.1 Termination by the Government

17.1.1 Default by IPS

In the event IPS without reasonable cause -

- (a) suspends this Agreement and fails to proceed regularly and diligently with the performance of its obligations under this Agreement;
- (b) fails to provide the Services in accordance with this Agreement or persistently neglects to carry out its obligations under this Agreement;
- (c) defaults in performing the duties under this Agreement; or
- (d) breaches any of its obligations or fails to comply with any other terms and conditions of this Agreement,

then the Government shall give notice in writing to IPS specifying the default and requiring IPS to remedy such default within the period

specified in the notice. If IPS fails to remedy the relevant default within such period or such other period as may be determined by the Government, the Government shall have the right to terminate this Agreement at any time thereafter by giving notice to that effect.

17.1.2 General Default

If at any time during the Contract Period -

- (a) an order is made or a resolution is passed for the winding-up of IPS except for the purpose of reconstruction or amalgamation not involving the realization of assets in which the interest of creditors are protected;
- (b) IPS goes into liquidation or a receiver is appointed over the assets of IPS or IPS makes an assignment for the benefit of or enters into an arrangement or composition with its creditors or stops payment or is unable to pay its debts; or
- (c) execution is levied against a substantial portion of IPS's assets, unless it has instituted proceedings in good faith to set aside such execution,

then the Government shall have the right to terminate this Agreement forthwith by giving notice to that effect.

17.1.3 Consequences of Termination by the Government

Upon termination of this Agreement under Clause 17.1 or 17.2:-

- (a) the rights granted to IPS under this Agreement shall terminate immediately and shall revert to the Government forthwith;
- (b) IPS shall -
 - (i) forthwith cease all Services;
 - (ii) IPS shall at its own cost and expenses, vacate and remove all the EDC Terminal, SCR Terminal from the Location and delete or retrieve the MEPSCASH Software Plug-In from the Government server; and
 - (iii) submit to the Government the detailed reports of the last status of the Services rendered and any payments which has become due and owing from the Government prior to the termination, for verification and approval by the Government.

- (c) the Government shall -
- (i) be entitled to claim against IPS for all the losses and damages suffered (if any) as a result of the termination of this Agreement;
 - (ii) be entitled to claim against IPS for all monies due and payable under this Agreement; and
 - (iii) be entitled to appoint a third Party capable of performing this Agreement in IPS's stead,

provided that the termination shall not affect or prejudice the rights of any Party which have accrued prior to the date of termination of this Agreement and the obligations under this Agreement shall survive the termination of this Agreement in respect of any act, deed, matter or thing happening prior to such termination of this Agreement.

17.2 Termination by IPS

17.2.1 Default by the Government

If the Government without reasonable cause fails to perform or fulfill any of its obligations which adversely affects IPS's obligations under this Agreement, then IPS may give notice in writing to the Government specifying the default and the Government shall remedy the relevant default within thirty (30) days after receipt of such notice or such other extended period as agreed by the Parties. If the Government fails to remedy the relevant default within such period or such other extended period, IPS shall be entitled to terminate this Agreement at any time by giving notice to that effect.

17.2.2 Consequences of Termination by IPS

Upon such termination, IPS shall accept the following undertaking by the Government as full and complete settlement of all claims under or arising out of this Agreement:-

- (a) the Government shall pay IPS all monies due and payable to IPS as at the date of the termination of this Agreement which have not been paid (if any) under this Agreement;
- (b) IPS shall at its own cost and expense, vacate and remove all the EDC Terminal and SCR Terminal from the Location and delete the MEPSCASH software plug-in wherever applicable; and

- (c) IPS shall cease to carry out the obligations under this Agreement.

17.3 Effect of Termination

The right to terminate this Agreement by either Party shall not prejudice any other right or remedy accorded to each Party in respect of the breach concerned or any other breach. Upon termination of this Agreement for any reason, 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 obligation to the other Party under this Agreement.

17.4 Termination on National Interest

- (a) Notwithstanding any provision of this Agreement, the Government may terminate this Agreement by giving not less than thirty (30) days notice to that effect to the IPS (without any obligation to give any reason thereof) if it considers that such termination is necessary for national interest, in the interest of national security or for the purposes of Government policy or public policy.
- (b) For the purposes of this Clause, what constitutes "national interest", "interest of national security", "Government policy" and "public policy" shall be solely made and determined by the Government and such determination shall for all intent and purposes be final and conclusive and shall not be open to any challenge whatsoever.

17.5 Termination on Corruption, Unlawful or Illegal Activities

- (a) Without prejudice to any other rights of the Government, if the Government is satisfied that IPS, its personnel, servants, agents or employees is or are involved in corruption or unlawful or illegal activities in relation to this Agreement or any other agreement that IPS may have with the Government, the Government shall be entitled to terminate this Agreement at any time, by giving immediate written notice to that effect to IPS.
- (b) Upon such termination, the Government shall be entitled to all losses, costs, damages and expenses (including any incidental costs and expenses) incurred by the Government arising from such termination.

ARTICLE 18: FORCE MAJEURE EVENTS

18.1 Events of Force Majeure

Neither the Government nor IPS shall be in breach of its obligations under this Agreement if it is unable to perform or fulfill any of its obligations thereunder as a result of the occurrence of an Event of Force Majeure. An "Event of Force Majeure" shall mean an event not within the control of the Party affected, which that Party is unable to prevent, avoid or remove and shall include -

- (a) war, hostilities (whether declared or not), invasion, act of foreign enemies, rebellion, revolution, insurrection, military or usurped power, civil war or act of terrorism;
- (b) ionizing radiation or contamination by radioactivity from any nuclear waste, from the combustion of nuclear fuel, radioactive toxic explosive, or other hazardous properties of any explosive, nuclear assembly or nuclear component thereof;
- (c) pressure waves caused by aircraft or other aerial devices traveling at sonic or supersonic speeds;
- (d) natural catastrophe including but not limited to earthquakes, floods subsidence, lightning and exceptionally inclement weather; and
- (e) riot and disorders, criminal damage, sabotage, strike, lock out, labour unrest or other industrial disturbances (affecting the performance of this Agreement) that causes or can reasonably be expected to cause either Party to fail to comply with its obligations,

PROVIDED THAT the Event of Force Majeure shall not include economic downturn, non-availability or insufficient of fund or lack of financing on the part of the Company to perform its obligations under this Agreement.

18.2 Event of Force Majeure Affecting IPS

If an Event of Force Majeure occurs by reasons of which IPS is unable to perform any of its obligations under this Agreement, IPS shall inform the Government as soon as reasonably practicable of the occurrence of that Event of Force Majeure and take all reasonable measures to mitigate any delay or interruption to the Services.

18.3 Event of Force Majeure Affecting the Government

If an Event of Force Majeure occurs by reason of which the Government is unable to perform any of its obligations under this Agreement, the Government shall inform IPS as soon as reasonably practicable of the occurrence of that Event of Force Majeure and shall take all reasonable measures to mitigate any delay or interruption to the Services.

18.4 Termination by Force Majeure

If either Party considers the event of Force Majeure to be of such severity or to be continuing for such period of time that either Party is unable to perform any of its obligations hereunder, this Agreement may be terminated by mutual agreement.

18.5 Determination of Event of Force Majeure

Neither Party shall be entitled to rely upon the Termination by Force Majeure above if both Parties reasonably determine that an Event of Force Majeure has not occurred. If either Party does not agree that an Event of Force Majeure has not occurred the dispute may be referred to the Dispute Resolution Committee.

18.6 Effect of Termination

Where this Agreement is terminated pursuant to Force Majeure, IPS shall comply with all instructions and directions given by the Government.

18.7 Continuing Obligations

For avoidance of doubt, the Parties shall continue to perform those parts of those obligations not affected, delayed or interrupted by an Event of Force Majeure and such obligations shall, pending the outcome of Clause 18.5 continue in full force and effect.

ARTICLE 19: DISPUTE RESOLUTION COMMITTEE

19.1 Composition of the Dispute Resolution Committee

Any dispute between the Parties in respect of any matter under this Agreement (except in relation to the Government exercising its sole discretion under this Agreement) may be referred to a dispute resolution committee ("Dispute Resolution Committee") comprising:-

- (a) the Secretary General of the Ministry concerned or his representative / the Director General of the Department concerned or his representative as the Chairman;
- (b) two representatives appointed by the Government; and
- (c) two representatives appointed by IPS.

19.2 Independent Expert

The Dispute Resolution Committee may appoint an independent expert to advise it on any matter referred to it and all costs, fees and expenses of any independent expert so appointed shall be borne equally by the Parties.

19.3 Amicable Settlement

The Dispute Resolution Committee shall determine its own procedures. The Dispute Resolution Committee shall meet and endeavour to achieve an amicable settlement between the Parties in respect of any matter referred to it.

19.4 Non-settlement

If any matter, dispute or claim, which is referred to the Dispute Resolution Committee, cannot be mutually agreed by the Parties within thirty (30) days after the date of referral, then either Party may refer that matter, dispute or claim to arbitration pursuant to below.

ARTICLE 20: ARBITRATION

20.1 If any matter, dispute or claim arising out of or relating to the Agreement or the breach or termination hereof which cannot be agreed upon by the Parties or which cannot be settled amicably by the Parties, the matter, dispute or claim shall be referred to an arbitrator to be agreed between the Parties, and failing such agreement, to be nominated on the application of either Party by the Director General of the Regional Centre for Arbitration in Kuala Lumpur and any such reference shall be deemed to be a submission to arbitration within the meaning of the Arbitration Act 2005. The decision of the arbitrator shall be final and binding on each of the Parties.

20.2 Any such arbitration shall be heard at the Kuala Lumpur Regional Centre for Arbitration using the facilities and systems available at the Centre.

- 20.3 The reference of any matter, dispute or claim to arbitration pursuant to this Article and/or the continuance of any arbitration proceedings consequent thereof shall in no way operate as a waiver of the obligations of the Parties to perform their respective obligations under this Agreement.

ARTICLE 21: CONFIDENTIALITY

21.1 Confidentiality of Agreement

This Agreement and all matters pertaining hereto shall be considered as confidential information ("Confidential Information").

21.2 Non-Disclosure

Except with the prior written consent of the disclosing Party and subject to Clause 21.3, the recipient Party, its personnel and agents shall not at any time:-

- (a) communicate to any person or body or entity except those employees, agents and other suppliers on a need-to-know basis, any Confidential Information disclosed to it for the purpose of the Agreement or discovered by it in the course of the provision and performance of the Agreement;
- (b) make public any information as to the recommendations, assessments and opinions formulated in the course of or as a result of the provision and performance of the Agreement; or
- (c) make or cause to be made any press statement or otherwise relating to the Agreement nor publish or cause to be published any material whatsoever relating to the Agreement.

21.3 Exceptions

The obligations in Clause 21.2 shall not apply to any Confidential Information which -

- (a) is in the recipient party's possession (with full right to disclose) before receiving it from the Government;
- (b) is or becomes public knowledge other than by breach of Clause 21.2;
- (c) is independent or developed by the recipient Party without access to or use of the Confidential Information; or

(d) is lawfully received from a third party (with full rights to disclose).

21.4 Survival

Clause 21 shall survive the expiry of or the earlier termination of this Agreement.

ARTICLE 22: NOTICES

22.1 Any notices, demands, invoices, permissions, claims, approvals, request, consent or other communications required, authorised, permitted or contemplated to be served or given under this Agreement shall be in writing in Bahasa Melayu or the English language and delivered to the address or facsimile number of the Government or IPS, as the case may be, shown below or to such other address, or facsimile numbers as either Party may have notified the sender and shall unless otherwise provided herein be deemed to be duly given or made, in the case of delivery in person or by facsimile transmission, when delivered to the recipient at such address or facsimile number which is duly acknowledged:

to the Government;

Address :

Facsimile No. :

to IPS;

Address: A-13-7, Jaya One No. 72A Jalan Universiti 46200 Petaling Jaya, Selangor

Facsimile No: 03-79558990

22.2 Any change of address of the Parties as specified herein shall be duly notified to the other by giving one (1) month prior written notice.

ARTICLE 23: NO AGENCY AND NO PARTNERSHIP

23.1 No Agency

IPS shall not hold itself out to be the principal or agent of the Government for any purpose and under no circumstances shall any action of IPS shall bind the Government.

23.2 No Partnership

Nothing contained in this Agreement shall be construed as creating or be deemed to imply a partnership between the Government and IPS.

ARTICLE 24: IMPLIED TERMS

This Agreement embodies the entire understanding of the Parties and there are no provisions, terms, conditions or obligations, oral or written, express or implied, other than those contained herein.

ARTICLE 25: AMENDMENT

No modification, amendment or waiver of any of the provisions of this Agreement shall be effective unless made in writing by way of a supplementary agreement specifically referring to this Agreement and duly signed by the Parties.

ARTICLE 26: WAIVER

Failure by either Party to enforce at any time, any provisions of this Agreement shall not be construed as a waiver of its right to enforce against the breach of such provision or any other provision in this Agreement or as a waiver of anything continuing, succeeding or subsequent breach of any provision or other provision of this Agreement.

ARTICLE 27: SEVERABILITY

If any provision of this Agreement or any part thereof is rendered void, illegal or unenforceable by any legislation to which it is subjected, it shall be rendered void, illegal or unenforceable to that extent and no further. Such provision which is rendered void, illegal or unenforceable shall be deemed to be restated to reflect as nearly as possible the original intentions of the Parties hereto in accordance with the applicable law and the remainder of this Agreement shall remain in full force and effect as if this Agreement had been entered into without the void, illegal or unenforceable provision.

ARTICLE 28: LAWS APPLICABLE

This Agreement shall be governed and construed in accordance with the laws of Malaysia.

ARTICLE 29: COMPLIANCE WITH APPLICABLE LAWS

IPS shall comply with all applicable laws and with all directions, orders, requirements and instructions given to IPS by any authority competent to do so under any applicable law.

ARTICLE 30: ASSIGNMENT

IPS shall not, without the Government's prior written consent, assign or transfer to a third party all or any of the benefits or obligations of this Agreement.

ARTICLE 31: BINDING EFFECT

This Agreement shall be binding on the Parties' personal representatives, heirs, successors in-title and permitted assigns.

ARTICLE 32: CAPTIONS AND HEADINGS

The captions and headings to the clauses of this Agreement are for reference only and do not affect the interpretation and/or enforcement of the provisions of this Agreement.

ARTICLE 33: COST AND STAMP DUTY

All costs incidental to the preparation and completion of this Agreement and all duties payable including stamp duties shall be borne and paid for by IPS. However, each Party shall bear its own Solicitors cost.

ARTICLE 34: TIME

Time whenever mentioned shall be of the essence of this Agreement.

IN WITNESS WHEREOF the Parties hereto has executed this Agreement on the day and year herein before appearing

Signed by)
)
for and on behalf of the Government)
of Malaysia)

In the presence of)
)
)
)

Signed by)
)
for and on behalf of)
IPS Sdn Bhd)

In the presence of)
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