**SOFTWARE DEVELOPMENT AGREEMENT**

Saint Petersburg “\_\_\_” \_\_\_\_\_\_\_ 2020

The company **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**, hereinafter referred to as **the “Customer”** represented by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ acting under Power of Attorney, as one party, and

the Company\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ hereinafter referred to as **the “Contractor”**, represented by its acting on the basis of the Charter, as the other party, have concluded the present Agreement as follows:

1. **SUBJECT OF THE AGREEMENT**

**1.1.** Upon terms set forth in this Agreement the Contractor incurs commitments on software development work (hereinafter “Work”), and transfer the exclusive perpetual intellectual property rights of the Software to the Customer, whereas the Customer commits to accept the provided result of Work and pay for it upon the terms set forth in this Agreement.

**1.2.** The Contractor undertakes to perform the Work (clause 1.1. of this Agreement) by its own efforts and means, as well as including possible works that are not specifically mentioned in this Agreement, but are necessary for meeting the conditions set forth hereof.

**1.3.** The terms, contents, results, and requirements of the Software are specified in the Statement of Work (Annex 1), which constitutes an integral and essential part of the Agreement.

**2. RIGHTS AND OBLIGATIONS OF THE PARTIES**

**2.1. The Customer can:**

2.1.1. Develop the content of the Work together with the Contractor and set the terms of their providing;

2.1.2. Coordinate changes of the requirements imposed on the results of the Work with the Contractor;

2.1.3. Repudiate this Agreement by notifying the Contractor in writing or via e-mail 15 working days prior to it and pay the Contractor for the Works performed by the date of the repudiation.

**2.2. The Customer shall:**

2.2.1. Provide the Contractor with the code style guide and internal standards of development which are necessary for performing the Work by the Contractor under this Agreement;

2.2.2. Set tasks and their priority, unless otherwise provided or coordinated by the Parties.

2.2.3. Designate the executives to coordinate performance of the Work by the Contractor.

**2.3. The Contractor can:**

2.3.1. Ask for extra information and data necessary for the Work performance by requesting the Customer in writing or via e-mail.

2.3.2. Require acceptance of the Works performed and payment for them.

**2.4. The Contractor shall:**

2.4.1. Perform the Work to the extent required and within an agreed timeframe;

2.4.2. Promptly notify the Customer about the inability to get the expected results of the Work;

2.4.3. Assign developers with the required technical skills for the Work performance. The working day of the developers consists of at least 8 (eight) hours a day. The hours worked by the developer are recorded in the JIRA task tracker. The developers work in the Contractor’s office located at Tverskaya street, 21, Moscow (the 26th floor) under the terms of remote access.

2.4.4. Guarantee transfer of the results of the Work provided to the Customer which do not infringe exclusive rights of any third party.

2.4.5. At the end of every calendar month the Contractor sends a report on the Work performed to the Customer, with the subsequent redirecting of original documents by mail.

2.4.6. Transfer the source code and technical documentation to the Customer within 5 (five) working days from the date of signature of the Acceptance Certificate.

2.4.7 Transfer the right of property and exclusive perpetual intellectual property rights to the Product, its components, source codes and technical documentation indefinitely and in any territory at the moment of signing the Acceptance Certificate by both Parties.

2.4.8. Assign a developer with the required technical skills and qualification in case of the temporary absence (more than 3 (three) working days which includes illness, annual holiday, professional training) of the developer assigned earlier for the Work provision according to the tasks set by the Customer.

2.4.9. Replace the developer upon the Customer’s request if the Customer finds that the developer is unable to meet his obligations at the appropriate level or does not perform the Work with quality and in time, or qualification of the developer does not correspond to the qualification necessary for the performance of the Work.

**3. PRICE OF THE AGREEMENT AND TERMS OF PAYMENT**

**3.1.** The Price of the Agreement is calculated on the basis of the rates of the Contractor’s developers which are stipulated in the Cost Calculation (Annex №2 to this Agreement). Costs of the Work is formed by the end of each calendar month on the basis of the number of hours worked by the Contractor’s employees.

**3.2.** The costs include all taxes and fees paid or payable; payment of transportation and other charges, connected with Work performance.

**3.3.** Payment for the performed Work under this Agreement shall be done by the Customer in non-cash form in US dollars by transferring funds to the account of the Contractor within 5 (five) working days from the date of signing the Acceptance Certificate by both Parties on the basis of the Contractor’s invoice and the documents, specified in the paragraph 2.4.6 of this Agreement.

**3.4.** The date of the payment shall be considered the date of money transfer to Contractor’s bank account specified in the Article 12.

**3.5.** The Client pays all of the bank charges concerning money transfer stated in this section, including correspondent bank charges (excluding the Bank receiver).

**4. PROCEDURE OF ACCEPTANCE OF THE WORKS PERFORMED**

**4.1.** Upon performing the Work, the Contractor sends the Acceptance Certificate to the Customer. The Customer shall sign the Acceptance Certificate within 5 (five) working days or send a motivated refusal to the Contractor.

**4.2.** In case of receiving a motivated refusal from the Customer to sign the Acceptance Certificate, the Contractor shall address the shortcomings within 5 (five) working days from the date of receiving a notification about the shortcomings from the Customer. The Contractor shall address the shortcomings under this Agreement at its own expense.

**4.3.** After addressing all the shortcomings by the Contractor, the Customer shall resume the acceptance of the Works taking into account the corrective measures taken by the Contractor and sign the Acceptance Certificate.

**5. CONFIDENTIALITY**

**5.1.** Both Parties shall take measures to prevent unauthorized access to the Confidential Information (as defined below) by any third person.

**5.2.** Both Parties agree to consider the terms of this Agreement and the information received from one another or obtained during the performance of its obligations under the Agreement as confidential information (hereinafter referred to as “Confidential Information”). In this regard, the Parties are to take the necessary steps to protect the Confidential Information confidentially and not to disclose it to any third party except prior written permission of the other Party.

**5.3.** The obligations under the Agreement regarding confidentiality and non-disclosure of Confidential Information do not apply to public knowledge.

**5.4.** The foregoing obligations shall not apply to the extent Confidential Information must be disclosed by receiving Party to comply with any requirement of law or order of a court or administrative body, provided that receiving Party agrees to notify disclosing Party of the issuance of such order as soon as practicable, and to disclose only the portion of such Confidential Information that it is legally required to disclose.

**5.5.** The parties shall not use the Confidential Information or copies of it for any reason except for the reasons directly linked with the service provision upon the Agreement.

**6. LIABILITY OF THE PARTIES**

**6.1.** The Party that did not perform the obligations under the Agreement or did not perform them properly is liable in accordance with the current legislation of the Russian Federation.

**6.2.** The Contractor guaranties respect for the copyright, related and other exclusive rights of third parties during the performance of this Agreement.

**6.3.** In case of a delay in fulfillment of the obligations by the Contractor under the present Agreement, the Customer has the right to claim the payment of the penalty at the rate of 0.1 % of the cost of the non-performed Work specified in the paragraph 3.1 of this Agreement for each calendar day of the delay from the date following the day of expiration of time for fulfillment of the obligations established by this Agreement.

**6.4.** In case of a delay in fulfillment of the payment obligations by the Customer, the Contractor has the right to claim the payment of the penalty at the rate of 0.1 % of the cost of the unpaid Work for each working day of the delay according to the paragraph 3.1of this Agreement.

**7. TRANSFER OF RIGHTS**

**7.1** The right of property and exclusive perpetual intellectual property rights to the Software, its components, source codes and technical documentation shall be transferred to the Customer after signing the Acceptance Certificate. The Customer has the right to register the result of the Works provided according to the current legislation of the Russian Federation and/or the applicable legislation of a foreign state. The Customer has the right to use the Product, its components, source codes and technical documentation and at its own discretion in any territory on an unrestricted basis.

**7.2** The Contractor has no right to distribute the Product, its components, source codes and technical documentation for commercial or non-commercial purposes.

**7.3** The Contractor guarantees that the development of the Product, its components, source codes and technical documentation as well as the transfer of the right of property and exclusive intellectual property rights to the Customer don’t infringe the copyright, intellectual property right and other rights of third parties and meet the requirements of the applicable legislation. In case of submitting a claim against the Customer from third parties connected with violation of their rights regarding to the Product, its components, source codes and technical documentation, the Contractor shall settle the claim on its own and at its own expense and pay any damages to the Customer.

**7.4** The Contractor has no right to use the Customer’s trademark, service mark, logo and/or brand name without the prior written consent of the Customer.

**8. FORCEMAJEURE**

**8.1.** The Parties shall be exempted from the liability for failure to perform the obligations partially or fully under this Agreement in cases of force majeure which includes natural disasters, accidents, fires, civil disorders, war, prohibitions of the government (prohibition of trade and financial operations, change of the calculation policy, etc.), enactments of legislative and executive authorities which impede the fulfillment of the obligations by the Parties under this Agreement and other circumstances beyond the control of the Parties which appeared after signing the present Agreement if these circumstances influenced performance of this Agreement.

**8.2.** The Party, which can’t fulfill its obligations or part of the obligations under the present Agreement in case of force majeure, shall notify the other Party in writing about the beginning, an expected duration and cessation of those circumstances within 3 days after they started.

**8.3.** The facts outlined in the notification shall be confirmed by authorized competent bodies of the Russian Federation.

**8.4.** Upon the aforementioned circumstances by agreement between the Parties, the terms of the fulfillment of the obligations by the Parties can be extended for a period equal to that during which the fulfillment of the Agreement was suspended due to the circumstances and their consequences.

**8.5.** If the circumstances and their consequences continue for more than one calendar month, each Party has the right to terminate this Agreement unilaterally (by notifying the other Party about this in writing), or agree on alternative ways of the further fulfillment of its obligations under this Agreement.

**9. DISPUTE RESOLUTION**

**9.1.** The Parties hereby set a pre-trial procedure for any dispute resolutions. The Party concerned shall submit to the other Party a written claim which is to be answered by the other party within 15 business days since the claim receipt.

**9.2.** All of the disputes unsolved in the pre-trial procedures, as well as the disputes on payment will be conducted by the Arbitral tribunal of Saint-Petersburg and Leningrad Oblast.

**10. GENERAL TERMS**

**10.1.** The terms of this agreement shall commence on the date of its signing, and shall continue thereafter until each of the Parties fulfills their obligations.

**10.2.** Should a contradiction arise between the Agreement provisions and the Annex provisions, the results of the Work (regardless of their acceptance by the Client), or any other documents (whether it was negotiated with the Client or not, or regardless of Client’s approval) prepared and submitted to the Client by the Consultant in compliance with the Agreement (whether it was negotiated with the Client or not, or regardless of Client’s approval), the Agreement provisions are valid.

**10.3** A modification of the Agreement provisions is occurred by the bilateral signing of supplementary agreements containing direct instructions to cancel, amend, or introduce any of the sections of the Agreement. Any indirect modifications (including implied-in-fact contract) are considered invalid.

**10.4.** If a provision of the Agreement is recognized as invalid or insignificant, such provision (due to the fact of its invalidity or insignificance) do not have legal force and is considered as not included in the Agreement, which do not affect other provisions.

**11. FINAL PROVISIONS**

**11.1.** Each of the Parties guarantees to the other Party the following:

11.1.1. A Party may conclude the Agreement and perform it;

11.1.2. Conclusion of the Agreement and/or performance of the Agreement may not be contrary, directly or indirectly, to law, orders, regulations and other legislation, acts of government authorities, local legislation of a Party, judgments;

11.1.3. A Party has obtained all of the permits, approvals, and ratihabitions necessary for conclusion and performance of the Agreement (including the ones in accordance with the legislation of the Russian Federation or constitutional documents of a Party; including the approval of the related-party transaction and major transactions).

**11.2.** Terminology, notions, and definitions used in the singular form, herein and in any annexes or addenda, are deemed to be equal to the equivalent terminology, notions, and definitions in the plural form; and vice versa.

**11.3.** In case a Party changes the name, address, or bank details specified in the section 12 of the Agreement, the Party notifies of it the other Party in writing. Upon the notification receipt of the address or/and bank details modifications by the other Party, the obligation performance under the Agreement according to the former address and/or bank details is considered improper and might lead to liability introduced by the Agreement.

**11.4**. A Party may not transfer the rights and obligations under the Agreement to a third party without a prior written agreement of the other Party.

**11.5.** The Parties shall be governed by the legislation of the Russian Federation concerning any other issues not covered in this Agreement.

**11.6**. The Agreement is signed in two copies, one copy for each of the Parties. The two copies shall be equally valid and binding. The text of the Agreement is in Russian and is duplicated in English. In case of any inconsistencies, the English version shall prevail.

**11.7.** The Parties shall appoint representatives, one from each Party, whose duties include coordination and ensuring collaboration between the Parties on performance of work and additional contacts for a quick communication if the representative can’t be contacted during 2 (two) working days under this Agreement.

From the Customer:

1. \_\_\_\_\_\_\_\_\_\_

position: \_\_\_\_\_\_\_\_\_\_,

tel.: \_\_\_\_\_\_\_\_\_\_\_\_\_,

e-mail:

From the Contractor:

1. \_\_\_\_\_\_\_\_\_\_

position: \_\_\_\_\_\_\_\_\_\_,

tel.: \_\_\_\_\_\_\_\_\_\_\_\_\_,

e-mail:

**12. ADDRESS AND BANK DETAILS OF THE PARTIES**

|  |  |
| --- | --- |
| **The Contractor:** | **The Customer**: |
|  |  |
|  |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

Annex №1

to the Agreement No.1 of\_\_\_\_\_\_\_\_\_\_\_\_\_

**STATEMENT OF WORK**

In this annex the Parties should establish and describe the specification of the developing Software, requirements, and the term of development (e.g. From July 01,2020 due December 31,2020.), as well as the procedure of the transfer of the work results (source code, the software, documentation etc) that could be done via hard drive or CD/DVD, e-mail, cloud storage link etc.

Annex №2

to the Agreement No.1 of\_\_\_\_\_\_\_\_\_\_\_\_\_

**COST CALCULATION**

|  |  |  |
| --- | --- | --- |
| Name | Position | Wage |
| Alexey Pythonov | Lead python developer | Work days (Mon-Fri): 20 USD/hour\* During work on weekends and holidays by preliminary agreement with the Customer: 40 USDs/hour\*During work in excess 8 working hours a day by preliminary agreement with the Customer: 35 USD/hour |

|  |  |
| --- | --- |
| **The Contractor:** | **The Customer**: |
|  |  |
|  |  |
| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |