

SOFTWARE DEVELOPMENT SUBCONTRACT

BETWEEN:
.....
.....
(hereinafter referred to as the "Developer")

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AND:
.....
.....
(hereinafter referred to as the "Subcontractor")
(the Developer and the Subcontractor are hereinafter collectively referred to as the "Parties")

PREAMBLE

WHEREAS the Developer wishes to entrust the Subcontractor with the design and development of certain software for and on behalf of one of its clients;

WHEREAS the Subcontractor has agreed to provide the Developer with the software design and development services described hereinbelow, in return for good and valuable consideration;

WHEREAS the Parties wish to evidence their agreement in writing;

WHEREAS the Parties are duly authorized and have the capacity to enter into and perform this Agreement;

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1.00 PREAMBLE

The preamble hereto shall form an integral part hereof.

2.00 OBJECT

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2.01 Services

The Subcontractor agrees to provide the Developer with the following services (hereinafter referred to as the "Services"):

- a) design and develop certain software, including, without limitation:
 - design, develop and program the software components, including: source code, object code, interfaces, menus, menu structures, icons, help, release notes and literal and non-literal expressions of ideas and concepts allowing one to use, create, control, handle, access or otherwise affect the software's content; and
 - design the software documentation, including all user guides, instruction guides, notes and other information, in any form whatsoever,

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(hereinafter collectively referred to as the "Software Product") based upon the specifications set forth in Schedule "....." annexed hereto (hereinafter referred to as the "Specifications");

- a) carry out testing on the alpha, beta and final versions of the Software Product;
- b) install the Software Product in accordance with the Specifications;
- c) provide the Developer with the source code for the Software Product, after payment in full of all amounts owed pursuant to this Agreement;
- d) upon signing by the Developer of a detailed acknowledgement of receipt, provide the Developer with the information and documentation regarding the design and development of the Software Product, the whole on appropriate media;
- e) upon signing by the Developer of a detailed acknowledgement of receipt, return the information elements, as described in the Specifications (hereinafter referred to as the "Information Elements"), to the Developer; and
- f) provide all other services contemplated in this Agreement or in the Specifications.

03 2.02 Deadline for Providing the Services

As of the moment the Developer has provided the Subcontractor with the Information Elements, and subject to all additional services required by the Developer after the signing of this Agreement, the Subcontractor's deadline for providing the Services shall be the deadline set forth in the Specifications or any other deadline agreed upon between the Parties after the signing of this Agreement.

3.00 CONSIDERATION

04 3.01 Price of the Services

In consideration for the Services, the Developer shall pay to the Subcontractor the price set forth in the Specifications, together with all applicable taxes.

3.02 Performance Bonus

The Subcontractor shall be entitled to the performance bonus set forth in the Specifications if the Subcontractor abides by each and every one of the conditions attaching to the granting of the bonus. In such a case, the said performance bonus shall be considered to form an integral part of the price of the Services.

3.03 Expenses Incurred

In addition to payment of the price of the Services, the Developer shall reimburse the following to the Subcontractor:

- a) all direct and indirect expenses incurred with respect to the performance of this Agreement;
- b) supervision and management fees equal to percent (.....%) of the total of the aforementioned expenses; and
- c) the taxes which are applicable to the said expenses and fees.

The expenses set forth in the Specifications are only approximations. If the expenses to be incurred exceed the amount set forth in the Specifications by more than percent (.....%), the Subcontractor shall obtain the Developer's authorization prior to incurring same.

Upon request from the Developer, the Subcontractor shall provide the Developer with a copy of the invoices relating to the expenses incurred and for which a reimbursement is being claimed.

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