

# SOFTWARE DEVELOPMENT CONTRACT

[NAME OF PARTY A] (hereinafter referred to as "Party A") hereby authorizes [NAME OF PARTY B] (hereinafter referred to as "Party B") to undertake the technology development and project implementation for the [description of project] (the "Project"). Based on Party A's requirements, Party B will write a requirements analysis report, a system proposal, compilation codes, and software tests and provide related technical support, and it will provide Party A with the related services that are agreed upon in this Contract. In accordance with the "Contract Law of the People's Republic of China" and applicable regulations, and in order to specify the rights, obligations, and economic responsibilities of both parties, both parties have agreed through consultation to sign this Contract. Terms of this Contract are specified below:

## SECTION 1 - DEFINITIONS

The terms listed below will have the following meanings wherever used in this Contract:

- 1.1. "Application software" means application programs that are to be developed by Party B to meet Party A's requirements and that will ultimately be handed over to Party A.
- 1.2. "Both contracting parties" means Party A and Party B.
- 1.3. "Construction site" means the specific installation and debugging location for the System, as designated by Party A.
- 1.4. "Final test" means the last test before the System goes into regular operation. The test contents include the operating stability of all of the System's hardware and third party software and the stability of the application software and specially developed software. They also include completeness of documentation and the suitability of training progress. After the System passes the final test, it goes into regular operation.
- 1.5. "One contracting party" means either Party A or Party B.
- 1.6. "Party A" means [Name of Party A], the client requesting the technical development of the System.
- 1.7. "Party B" means [Name of Party B], which will develop the System.
- 1.8. "Project" means \_\_\_\_\_ [name of project].
- 1.9. "Software upgrades" means program modifications and corrections that are performed by Party B, including code changes and alterations of end user documentation that do not materially change program indices or constitute version upgrades.
- 1.10. "System" means the set of applications consisting of the design proposal, design software, and related hardware and software equipment to be provided in accordance with the requirements contents that are set forth in the "Requirements Analysis Report".
- 1.11. "Technical documentation" means all technical parameters, drawings, designs, manuals, and other proprietary information that are specified in this Contract and to related documents on the calculation, operation, maintenance, and testing of the System.
- 1.12. "Technical services" means services that are provided in accordance with the provisions of this Contract, such as system design, installation supervision, installation, testing, debugging, inspection, system operation, maintenance, support and others.
- 1.13. "This Contract" or "the Contract" means this Contract and all of its inseparable attachments that are part of this Contract.

1.14. "Third party software" means software outsourced from third party such as operating systems and databases that are attached to the hardware equipment or that are essential to the proper operation of the System.

1.15. "Training" means the principles and the actual operation of the System installation, debugging, operation and maintenance that are taught to Party A by Party B, as well as to other related knowledge.

1.16. "Version upgrades" means major improvements to the application programs which are certified by Party B to be new versions, and which expand, alter, and enhance programs by increasing functions and performance while retaining the design purposes of the original programs.

## **SECTION 2 - PROJECT CONTENTS AND REQUIREMENTS**

2.1. The objective of this Project is to \_\_\_\_\_ *[describe the objectives of the Project]*. For the detailed requirements and demands, see the "Requirements Analysis Report."

2.2. Based on Party A's requirements, Party B will perform certain work such as writing the Requirements Analysis Report, designing the System proposal, compiling codes, testing software, and providing technical support.

2.3. The requirements and indices for this Project are as follows:

*[list requirements / indices]*

For the detailed requirements for this Project, see the "Requirements Analysis Report."

## **SECTION 3 - CONTENTS OF PROJECT**

The contents of the Project to be delivered under this Contract include but are not limited to the ones listed below:

- (a) System Design Proposal;
- (b) Application software program design and development;
- (c) Support software optimal deployment and application software deployment;
- (d) Testing and acceptance inspection;
- (e) Training of Party A's staff;
- (f) Provision of technical documentation;
- (g) Ongoing service and maintenance.

## **SECTION 4 - SYSTEM DESIGN PROPOSAL**

4.1 Party B will draw up a design proposal (the "System Design Proposal") that meets the Project development requirements based on Party A's needs. Upon Party A's written approval and acceptance, the System Design Proposal will become as the basis for the development of the Project.

4.2 After approval of the System Design Proposal by Party A, Party B is not entitled to revise the System Design Proposal without Party A's written consent. The revised Proposal will become effective only after being approved and accepted in writing by Party A.

4.3 If Party A wishes to revise the System Design Proposal, Party A must notify Party B in writing, and Party B will thereafter draw up a new design proposal as soon as possible based on Party A's revisions, and submit it for Party A's approval. If Party B devotes more than eight (8) hours of work time to revising the proposal due to the scope of the revisions, both parties will determine through consultation the additional costs that Party A is required to pay.