

Hardware Development Agreement

Country, city _____

Effective Date: _____ 20 ____

Limited liability company " _____ " place of registration: _____, legal entity identification number: _____, represented by the CEO/director _____, acting on the basis of the Charter (hereinafter - the "Customer"), on the one hand, and

Or (if Customer is an individual)

Surname and name: _____, tax ID: _____, passport _____, registered at the address: _____ (hereinafter – "Customer"), on the one hand, and

_____, tax ID: _____, passport _____, registered at the address: _____ (hereinafter - "Contractor"), on the other hand,

hereinafter collectively referred to as the "Parties", and each individually as a "Party", concluded this Agreement for the provision of services (hereinafter referred to as the "Agreement", "Contract") on the following:

SCOPE OF THE AGREEMENT

1.1. The Customer instructs, and the Contractor undertakes, in the manner and under the conditions defined by this Agreement, to provide a specifically defined list of services in accordance with the assigned task, and the Customer undertakes to accept the provided services and pay for them in the manner defined hereunder.

The Contractor commits to offering hardware development services, potentially including, but not limited to:

- Developing hardware specifications that meet the customer's requirements and comply with technical standards.
- Designing the hardware architecture to efficiently perform tasks and meet the technical requirements of the customer.
- Creating a hardware prototype for testing and validating the developed solution.
- Conducting testing of the hardware to confirm that it meets the customer's requirements and technical standards.
- Calibrating the hardware to ensure its optimal operation and compliance with customer requirements.
- Providing documentation for the hardware project, including technical specifications, schematics, user manuals, and instructions.
- Creating technical and other documentation necessary for understanding technical requirements, ensuring proper installation and configuration of the hardware, and for support and maintenance.
- Ensuring that the hardware meets all technical requirements, standards, and regulatory requirements related to its operation and safety.
- In some cases, the developer may also be responsible for developing software that interacts with the hardware. Responsibilities include developing technical requirements for the software, architecture, coding, testing, debugging, and documentation.
- Providing consultation and technical support to the customer regarding installation, configuration, and use of the hardware.
- Responsible for developing the design and external appearance of the hardware, which should

- meet the customer's requirements.
- Ensuring that the hardware has a high level of security and protection, including the use of encryption, authentication, and authorization mechanisms.

1.2. The exact list of services, their scope, terms of provision, prices for them, as well as the requirements for them, are specified, apart from this Agreement, in separate orders or statements of work (next– **SOW**) agreed by the Parties using e-mail, special software or in another way by agreement of the Parties.

TERMS OF PROVISION OF SERVICES

2.1. The Contractor performs work for the Customer at his own risk and personally. At the same time, the Contractor has the right, with the consent of the Customer, to involve other persons (subcontractors) in the performance of work, remaining responsible to the Customer for the result of their work. Involvement of other persons (subcontractors) in the performance of works must be carried out in full accordance with the terms of this Agreement.

2.2. The contractor starts work within [] days from the moment of payment and receiving from the Customer all the information necessary for the implementation of the task.

2.3. The quality of the performed work must meet the requirements, standards, technical conditions, other technical documentation applicable in the market for this type of products and services, as well as the expectations and requirements of the Customer.

PROCEDURE FOR RECEIVING SERVICES

3.1. The Services are accepted by the Customer on the basis of the Invoice provided by the Contractor, unless the Parties agree other frequency in the SOW.

3.2. The Contractor shall sign and provide the Customer with the Invoice containing the list, description and price of the services rendered within the previous period.

3.3. The Customer shall pay the Invoice or send to the Contractor a motivated refusal from accepting the services within 5 business days upon receipt of the Invoice. In case the Contractor does not receive the motivated refusal from accepting the Services from the Customer within the agreed term, the Services shall be deemed duly provided.

3.4. In case of the motivated refusal of the Customer to accept the Services, the Parties shall agree on a list of deficiencies of the provided Services and terms for their fixing. When the deficiencies are fixed, the Parties shall apply the terms of this section again.

3.5. For the purpose of this Agreement, the refusal is motivated only in case there are substantial deficiencies in the Services and resulting Deliverables, which make using of the Services and resulting Deliverables impossible for the purposes, for which the Customer has reasonably expected to use them. The Contractor shall eliminate the shortcomings/ corrections of one issue at his own expense once, arising during an execution of the SOW on the initiative of the Customer, the subsequent improvements shall be made by the Contractor for a separate fee. Corrections of shortcomings caused by the Contractor's fault, which do not comply with terms of the SOW, do not require separate payment from the Customer.

PAYMENT

4.1. All payments hereunder shall be made in **USD**.

4.2. The total fee for the Services provided under this Agreement shall be [] ([]) USD.

4.3. The hourly rate for the Contractor's services is USD.

4.4. Upon his request, the Contractor is eligible to receive a preliminary payment (advance) in an amount mutually agreed upon by the Parties, which will be accounted for in the final settlement between the Parties as compensation for the services rendered.

4.5. Payments shall be executed by transferring the funds to the Contractor's operating account within 5 business days following the issuance of an invoice for the completed services or for an advance payment.

4.6. The payment amount for the services rendered can be amended only through the modification of this Agreement by signing an appropriate Addendum to the Agreement or through any other method mutually agreed upon by the parties via electronic communication.

INTELLECTUAL PROPERTY RIGHTS

5.1. Should any intellectual property be created, the Contractor will transfer all rights associated with the Results of the Work (including those in the process of development or partially completed) to the Customer upon receipt of payment for their services, effective from the moment of their creation.

5.2. The copyright fee for the use of objects of intellectual property rights (results of work and/or provision of services) and the transfer of exclusive property rights of the author to them to the Customer is included in the amount of payment for works and/or provision of services.

5.3. The Customer's ownership of exclusive property rights remains valid for the entire term of copyright in all territories, including other states.

PRIVACY STATEMENT

6.1. The Parties agree to keep all information related to the signing and fulfillment of this Agreement confidential, and not to disclose it to any third parties, except for subcontractors involved in this agreement, unless prior written consent is obtained from the other Party. Should subcontractors be engaged under this agreement, they are required to adhere to its terms and conditions.

6.2. Confidentiality obligations imposed on the Parties by this Agreement are valid throughout the term of the Agreement and for 3 years after termination/termination of its validity.

6.3. Confidential information means any information presented by one Party to another Party in documentary form (in paper, electronic or oral form).

6.4. Information will not be considered confidential, and the Parties will have no obligations regarding such information if it meets at least one of the following conditions:

- was already known to the other party before the conclusion of the Agreement;
- received legally from a third party outside this Agreement;
- publicly disclosed by another party;
- disclosed at the substantiated written request of a state body whose authority to obtain such information is determined by the current legislation;
- authorized for distribution with the written consent of the other party.

CIRCUMSTANCES OF FORCE MAJEURE (FORCE MAJEURE)

7.1. The Parties are relieved of liability for failing to fulfill or for improperly fulfilling their obligations under this Agreement in cases of force majeure. Such circumstances include, but are not limited to, the enactment of laws or regulations by government bodies that significantly hinder the execution of the Agreement, natural disasters (earthquakes, floods, fires, typhoons, hurricanes), acts of war, widespread diseases (epidemics, epizootics), transport constraints, embargoes or trade restrictions due to international sanctions, and other similar events beyond the control of the Parties (hereafter referred to as "**Force Majeure Circumstances**").

7.2. The Party impacted by force majeure must inform the other Party within five days of the onset of such conditions.

7.3. The timeframe for fulfilling the obligations under this Agreement will be extended by a duration equivalent to the period of the Force Majeure Circumstances and/or their impact.

7.4. The Party citing Force Majeure Circumstances must provide verification from a competent government authority or a relevant chamber of commerce (or its branch) confirming the impact of these circumstances.

7.5. Should the Force Majeure event persist for more than six months, either Party is entitled to terminate this Agreement by restoring any property or funds previously exchanged for the execution of this Agreement up to the end of its term. In such a case, neither Party is entitled to claim compensation for potential losses from the other.

TERM OF EFFECTIVENESS AND TERMINATION

8.1. This Agreement takes effect on the Effective Date and shall continue to be in force for [REDACTED], or until all obligations of the Parties have been fully discharged. Unless one Party notifies the other of its intention to terminate this Master Agreement at least 30 (thirty) days prior to the end of the current term, this Agreement will be automatically extended for an identical duration and under the same terms as stipulated herein.

8.2. The Agreement may be terminated early by mutual consent of both Parties.

8.3. Either Party may terminate this Agreement by providing the other Party with a written notice [REDACTED] days in advance, except in circumstances outlined in this Agreement and its annexes.

8.4. The termination of this Agreement does not absolve the Parties of liability for any breaches that occurred during the term of the Agreement.

8.5. Even after the termination of the Agreement, its clauses pertaining to confidentiality and intellectual property rights will continue to be effective.

WARRANTIES

9.1. The Parties acknowledge and affirm that this Agreement establishes legal commitments which are to be fulfilled in accordance with all stipulated terms. The Parties assure their capability to adhere to the terms of this Agreement and confirm the absence of any hindrances to its execution.

The Parties declare that:

- Their consent to this Agreement is given freely and deliberately, aligning with their true intent;
- This Agreement genuinely reflects the Parties' intentions, and they have no reservations about any of its terms;

- Both Parties fully comprehend the meaning, conditions, and legal ramifications of this Agreement for each side, as demonstrated by their signatures;
- The Agreement is not fictitious or feigned;
- The Agreement is entered into without any error, deceit, physical or psychological coercion, threat, duress, or under distressing circumstances;
- Each Party affirms it is not legally deemed incapacitated or of limited capacity and does not suffer from any condition that would prevent understanding this Agreement's content at the time of its execution;
- Entering into this Agreement aligns with the interests of both Parties.
- The Parties guarantee that this Agreement does not contravene any binding contractual restrictions, nor does it conflict with any laws, statutes, or other founding documents of legal entities where the Parties are members, representatives, or have any affiliation.

9.2. Furthermore, the Parties assure that as of the signing date of this Agreement, there are no ongoing legal investigations, pre-trial inquiries, or any legal disputes that could adversely affect the execution of the business project or the fulfillment of obligations under this Agreement.

PERSONAL DATA

10.1. The Parties agree to the gathering, processing, and dissemination of their personal data, which includes but is not limited to activities such as collecting, recording, organizing, structuring, storing, adapting or altering, retrieving, consulting, using, disclosing by transmission, dissemination or otherwise making available, aligning or combining, restricting, erasing, or destroying. This encompasses various forms of data such as names, surnames, patronymics, dates of birth, passport details, identification numbers, information from the unified state register of legal entities and individual entrepreneurs (including tax system details), qualifications, contact numbers, electronic identification data (IP addresses, telephone numbers, email addresses), residential addresses, and any other voluntarily provided data. These actions are taken for the purpose of facilitating civil-law and economic-law relationships, settlements between the Parties, accounting and tax purposes, communications and contractual relations with governmental bodies, business partners, and other third parties in the course of economic activities, and other lawful objectives.

10.2. The Parties consent to their personal data being processed and shared with third parties when necessary.

10.3. Furthermore, the Parties are committed to ensuring the secure protection of personal data against unauthorized processing and access. This includes implementing necessary measures to prevent personal data disclosure by employees and/or other authorized individuals of the Parties who have access to such data or have learned of it through the fulfillment of obligations under this Agreement.

RESPONSIBILITIES OF THE PARTIES

11.1. In case of violation of their obligations under this Agreement, the Parties bear the responsibility defined by this Agreement and the current legislation of .

11.2. If a Party fails to fulfill or improperly fulfills its responsibilities under this Agreement, it is obligated to reimburse the other Party for all verified losses incurred due to this non-compliance.

11.3. The imposition of fines and the compensation for damages do not absolve the Parties from their duty to adhere to the obligations stipulated in this Agreement, except as specifically outlined within this Agreement.

11.4. A Party shall not be deemed responsible for any breach of the Agreement if it can demonstrate that it has taken all reasonable steps within its power to ensure proper compliance with this Agreement.

TAXES

12.1. Each Party individually assumes full responsibility for accurately calculating and duly paying all taxes and mandatory charges associated with the execution of their respective obligations under this Agreement.

12.2. The Parties agree to comply with all relevant tax laws and regulations in their respective jurisdictions. In addition, each Party shall maintain accurate and comprehensive records of all transactions and payments related to this Agreement, ensuring transparency and readiness for potential audits or financial reviews.

12.3. The Parties also agree to provide each other with reasonable assistance, if necessary, to facilitate the proper calculation and payment of such taxes and mandatory contributions. This responsibility extends to any future changes in tax laws or regulations that might impact the obligations under this Agreement. The Parties acknowledge that failure to fulfill these tax and payment obligations may result in legal penalties or additional charges, for which each Party is solely responsible.

DISPUTE RESOLUTION PROCEDURE

13.1. Should any disagreements arise concerning matters covered by this Agreement, the Parties shall endeavor to settle these disputes amicably through direct negotiations.

13.2. In cases where disagreements related to the execution, amendment, or termination of this Agreement occur, the Parties agree to attempt to resolve these issues through dialogue. If a resolution is not reached within 20 days, such disputes will be escalated to a court of competent jurisdiction, in accordance with the prevailing laws of [REDACTED].

13.3. In situations where disputes linked to this Agreement arise, the victorious Party in such a dispute is entitled to reimbursement for reasonable legal expenses and other costs incurred during the resolution of the dispute.

CHANGES AND ADDITIONS

14.1. Modifications, supplements, and annexes to this Agreement constitute an essential part of it and are legally binding when they are documented in writing and endorsed by the duly authorized representatives of the Parties.

14.2. Any Party to this Agreement is entitled to propose amendments. Upon receipt of a proposed amendment, the other Party is obligated to review and respond to the proposal within 30 (thirty) calendar days. Changes to this Agreement are to be mutually agreed upon by the Parties and formalized by executing an addendum to this Agreement, except in instances specifically addressed within the Agreement itself.

ELECTRONIC SIGNATURES

15.1. The Parties have the option to employ electronic signatures for the execution of this Agreement, embracing modern digital methods for convenience and efficiency. This includes, but is not limited to, the use of specialized electronic signature platforms which offer secure, verifiable, and legally recognized means of signing documents.

FINAL PROVISIONS

16.1. Neither Party may assign or delegate all or part of this Agreement, or any rights, duties or obligations under this Agreement, by operation of law or otherwise, without the consent of the other Party.

16.2. The Parties confirm that in the event that any provision of this Agreement becomes or is deemed invalid due to non-compliance with any law, this provision will not be taken into account or the Parties will take measures to amend the Agreement to the extent that the contract is valid and preserve the intentions of the Parties in full.

16.3. The names of articles and sections of this agreement are used only for convenience and do not affect the interpretation of the provisions of the Agreement.

16.4. All corrections to the text of this Agreement are valid and can be taken into account only on the condition that they are dated in each individual case, certified by the signatures of the Parties and sealed with their seals (if available).

16.5. Additional agreements and appendices to this Agreement are its integral parts and have legal force if they are set out in writing, signed by the Parties and sealed with their seals (if any).

16.6. The Parties bear full responsibility for the correctness of the details specified by them in this Agreement and undertake to promptly notify the other Party in writing of their change, and in case of failure to notify bear the risk of adverse consequences related to it. In particular, in case of any changes: legal status, taxation system, location and registration, bank or other details, contacts, the Party is obliged to notify the other Party in writing within 10 (ten) working days from the moment of their occurrence. In case of untimely notification, the Party that did not notify compensates the other Party for all losses incurred in connection with such untimely notification. In the absence of such notification, the appropriate data for communication and information exchange are the data specified in this Agreement.

16.7. All notifications can be sent by one Party and are considered received by the other Party if they are sent by e-mail to the address specified in the details of this Agreement.

DETAILS AND SIGNATURES OF THE PARTIES

Customer

Place of registration:

Identification tax number:

Bank details:

Phone:

E-mail address:

_____ / _____ /

Contractor

Place of registration:

Identification tax number:

Bank details:

Phone:

E-mail address:

_____ / _____ /