

SERVICE AGREEMENT

Effective Date: January 1, 2024

THIS SERVICE AGREEMENT ("Agreement") is made and entered into by and between:

Service Provider:

Provider Name: XYZ Solutions, Inc.

Address: 123 Innovation Drive, Tech City, TC 45678

Contact: John Doe, CEO

Email: john.doe@xyzsolutions.com

AND

Client Company:

Client Name: Alpha Innovations Ltd.

Address: 987 Enterprise Lane, Business Park, BP 12345

Contact: Jane Smith, Head of Operations

Email: jane.smith@alphainnovations.com

This Service Agreement ("Agreement") is entered into as of January 1, 2024 (the "Effective Date"), by and between ABC Corp, a corporation duly organized and existing under the laws of [State], with its principal place of business at [Address] ("Client"), and XYZ Solutions, a corporation duly organized and existing under the laws of [State], with its principal place of business at [Address] ("Service Provider").

1. DEFINITIONS AND INTERPRETATIONS

1.1 "Services" refers to the tasks and activities to be performed by the Service Provider as outlined in the Scope of Services.

1.2 "Deliverables" refers to the specific outputs and products to be delivered to the Client as detailed in the Scope of Services.

1.3 "Confidential Information" shall mean all information, whether written, oral, or electronic, disclosed by one party to the other, designated as confidential, or which should reasonably be understood to be confidential.

1.4 "Term" refers to the period during which this Agreement will be in effect, as stated in

Section 9 herein.

1.5 "Party" or "Parties" shall be interpreted as referring to the Client and/or the Service Provider.

2. SCOPE OF SERVICES

2.1 XYZ Solutions agrees to provide the following services to ABC Corp, as per the timelines and standards established herein:

(a) Web development, including the design, coding, and deployment of an e-commerce platform, to be completed by April 30, 2024.

(b) Monthly maintenance services, including updates, security patches, and bug fixing, to be provided from May 1, 2024, until December 31, 2024.

2.2 Responsibilities of ABC Corp include:

(a) Providing XYZ Solutions with all necessary data and access to current digital systems;

(b) Ensuring timely feedback and approval of deliverables as per the agreed timelines.

2.3 Failure to meet these responsibilities by ABC Corp may result in delays for which XYZ Solutions shall not be held liable.

3. PAYMENT TERMS AND INVOICING

3.1 Service Fees: ABC Corp agrees to pay XYZ Solutions the total amount of \$100,000 for services rendered under this Agreement.

3.2 Payments will be made as follows:

(a) An initial payment of \$25,000 upon signing this Agreement.

(b) Monthly payments of \$10,000 starting February 1, 2024, and continuing on the 1st of every month through December 1, 2024.

3.3 Invoicing: XYZ Solutions will issue invoices to ABC Corp on the 15th of each month

for the services provided in the prior month.

3.4 Late Fees: Any amounts not paid within thirty (30) days of the invoice date will be subject to a late fee of 1.5% per month.

3.5 Payment Adjustments: Any adjustments to the payment rate due to scope changes must be agreed upon in writing by both parties and will be reflected in amended invoices.

4. CONFIDENTIALITY

4.1 Both parties acknowledge that during the performance of this Agreement, they may have access to Confidential Information.

4.2 Each party agrees to:

(a) Maintain the confidentiality of the other party's Confidential Information;

(b) Only use such Confidential Information for the purposes of performing this Agreement; and

(c) Not disclose such Confidential Information to any third party without the prior written consent of the disclosing party.

4.3 These confidentiality obligations shall survive the termination or expiration of this Agreement for a period of three (3) years.

5. Intellectual Property

5.1 Ownership and Rights. All intellectual property ("IP") created by XYZ Solutions pursuant to this Agreement, including but not limited to software, documentation, designs, and inventions, shall be the exclusive property of ABC Corp. XYZ Solutions hereby assigns all right, title, and interest in and to such IP to ABC Corp. XYZ Solutions agrees to execute any documents necessary to perfect such assignment.

5.2 Usage Rights. XYZ Solutions shall have a non-exclusive, non-transferable license to use the IP created during the term of this Agreement solely for the purpose of performing the Services under this Agreement and for no other purpose.

6. Liability and Indemnification

6.1 Limitation of Liability. In no event shall either party be liable for any indirect, incidental, special, or consequential damages, including but not limited to loss of profits or revenue, even if advised of the possibility of such damages.

6.2 Indemnification. Each party ("Indemnitor") agrees to indemnify, defend, and hold harmless the other party ("Indemnitee"), its officers, directors, employees, and agents from and against any and all claims, liabilities, damages, losses, costs, and expenses (including reasonable attorneys' fees) arising out of or related to: (a) any breach by the Indemnitor of any representation, warranty, or covenant contained in this Agreement; (b) the Indemnitor's gross negligence or willful misconduct; or (c) any infringement or violation of any third party IP rights.

7. Termination

7.1 Termination for Convenience. Either party may terminate this Agreement for any reason upon 30 days written notice to the other party.

7.2 Termination for Cause. Either party may terminate this Agreement immediately upon written notice if the other party: (a) breaches any material term or condition of this Agreement and fails to cure such breach within 15 days after receipt of written notice of the breach; or (b) becomes insolvent, files for bankruptcy, or ceases to do business.

7.3 Consequences of Termination. Upon termination of this Agreement, XYZ Solutions shall immediately cease all work and deliver to ABC Corp all work in progress, completed work, and any materials or information provided by ABC Corp. ABC Corp shall pay XYZ Solutions for all Services rendered and expenses incurred up to the effective date of termination.

6. Dispute Resolution

6.1 Mediation. In the event of any dispute arising out of or relating to this Agreement, the parties agree to first attempt to resolve the dispute through mediation conducted by a mutually agreed upon mediator in New York, NY.

6.2 Arbitration. If the dispute cannot be resolved through mediation, the parties agree to submit the dispute to binding arbitration conducted in accordance with the rules of the American Arbitration Association. The arbitration shall take place in New York, NY, and the arbitrator's decision shall be final and binding.

6.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to its conflict of laws principles.

7. Key Dates and Milestones

Clause	Description	Effective Date	Expiry Date	Payment Terms	Penalties
Confidentiality	Both parties agree not to disclose confidential information without written consent.	2024-01-01	2025-01-01	N/A	Up to \$50,000
Termination	Either party may terminate the agreement with 30 days' written notice.	2024-01-01	2025-01-01	N/A	\$10,000 if notice not provided
Payment Schedule	Payments to be made quarterly within 15 days of invoice receipt.	2024-01-01	2025-01-01	Net 15 days	1.5% interest on late payments
Intellectual Property	All IP developed under this contract remains the property of the creator.	2024-01-01	2025-01-01	N/A	\$100,000 for unauthorized use
Limitation of Liability	The liability of each party shall not exceed the total contract value.	2024-01-01	2025-01-01	N/A	Limited to contract value
Warranties	The supplier warrants all goods are free from defects for one year from delivery.	2024-01-01	2025-01-01	N/A	Replacement or repair of goods

Dispute Resolution	Any disputes shall be resolved through arbitration as per applicable laws.	2024-01-01	2025-01-01	N/A	Costs split between both parties
Force Majeure	Neither party is liable for delays due to events beyond their control (e.g., natural disasters).	2024-01-01	2025-01-01	N/A	None

8. Eligibility for Rebates/Volume Discounts: The Supplier agrees to provide the Buyer with rebates or volume discounts on the total quantity of goods or services purchased as per the following schedule:

- Tier 1: Purchases of \$100,000 - 1.5% discount.
- Tier 2: Purchases exceeding \$200,000 - 2% discount.
- Discounts will be applied on the next purchase invoice following the achievement of the above thresholds.

9. Forex

The exchange rate applied to payments under this contract shall be locked at the rate in effect at the time of signing for the first 12 months. An annual review will allow both parties to adjust the rate based on the prevailing market conditions, using the average rate from a trusted financial institution as a reference.

If the exchange rate fluctuates by more than 5% during the review period, an adjustment will be applied to reflect this change. This exchange rate lock minimizes currency risk for both parties and ensures predictable pricing adjustments on an annual basis.

10. COLA/Inflation Adjustment

The contract pricing will be reviewed and adjusted annually based on the national Consumer Price Index (CPI). A price increase or decrease will be applied proportionally to reflect changes in the CPI over the previous year, with adjustments capped at 5% per year to prevent significant fluctuations.

Both parties agree to a yearly review meeting to discuss any economic changes that may impact contract pricing. This adjustment ensures fair alignment with inflation trends while capping excessive price changes.

10. Committal/Non-Committal Contracts

This Agreement is non-committal, meaning that neither party is obligated to purchase or sell any specific quantity of goods or services. The agreement serves as a framework for future negotiations but does not impose any binding commitment to enter into specific transactions. Either party may choose to enter into individual purchase orders under the terms set forth in this Agreement, but there is no minimum purchase requirement. The agreement may be terminated by either party with 30 days' notice.

This non-committal clause provides flexibility by ensuring that there are no specific purchase obligations while still maintaining a formal framework for negotiations.

11. Force Majeure

Neither party shall be held responsible for failure to perform any obligation under the contract due to unforeseen circumstances or events beyond their control, such as natural disasters, war, or government intervention.

12. Dispute Resolution

In the event of a dispute, both parties agree to first attempt to resolve the issue through mediation. If mediation fails, arbitration will be used to settle the dispute.

13. Governing Law

This contract shall be governed by and construed in accordance with the laws of the state or country where the supplier is based.

14. Non-Compete

The supplier agrees not to engage in any business that directly competes with the buyer's business within a specified time period and geographical location after the contract ends.

15. Audit Rights

The buyer has the right to audit the supplier's financial records and operations to ensure compliance with the terms and conditions of the contract.

16. Performance Bonds

The supplier agrees to provide a performance bond as security to ensure the fulfillment of all contractual obligations and the payment of any claims resulting from non-performance.

17. Amendment

Any amendments or modifications to this contract must be in writing and signed by authorized representatives of both parties.

18. Miscellaneous

18.1 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings between the parties, whether written or oral.

18.2 Amendments. This Agreement may only be amended by written agreement signed by both parties.

18.3 Severability. If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

18.4 Notices. Any notice required or permitted under this Agreement shall be in writing and shall be deemed to have been given when delivered in person, sent by overnight courier, or mailed by certified mail, return receipt requested, to the addresses set forth above.

18.5 Waiver. The waiver by either party of any breach of this Agreement shall not waive any subsequent breach.

18.6 Assignment. Neither party may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other party, except that either party may assign this Agreement in connection with a merger, acquisition, or sale of all or substantially all of its assets.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

ABC Corp

XYZ Solutions

Name: [Authorized Signatory]

Title: [Title]

Date:

Name: [Authorized Signatory]

Title: [Title]

Date:

Exhibit A: Description of Services

- Detailed description of the services to be provided by XYZ Solutions.
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