1. General

1.1. The following General Sales Terms and Conditions (“GSTC”) shall apply to all deliveries, products, and other services (hereinafter jointly “Services”) sold or offered by Thales DIS Schweiz AG, Hintere Bahnhofstrasse 12, CH-5001 Aarau (“Thales”) to a customer (“Customer”).

1.2. If agreed in writing between Thales and Customer these GSTC shall serve as a frame agreement for future agreements without having to refer to them in each individual case.

1.3. These GSTC shall apply exclusively. Any general terms and conditions of Customer or other oral or written agreements which differ from, contradict or supplement these GSTC shall be considered as a part of the contract only if and to the extent Thales has agreed to their applicability explicitly and in writing. A tacit acceptance of Customer’s general terms and conditions or other agreements by Thales is excluded and expressly waived by Customer.

1.4. References to any legal provisions are for purpose of clarification. Unless they are changed or excluded by these GSTC legal provisions shall apply even in the absence of any such clarification.

1.5. Any changes or amendments to these GSTC are only valid if agreed in writing by Thales and Customer and including a clear reference to these GSTC. This shall also apply to an amendment of the written form requirement.

1.6. Specific success shall not be owed by Thales by work or by a service.

2. Offer and Execution of Contract

2.1. Thales’s offers are not binding unless they are expressly labelled as being binding or if they contain a term for acceptance.

2.2. The ordering of Services by Customer or the modification of Thales’s offer shall constitute a binding offer to Thales.

2.3. An agreement (“Contract”) between Thales and Customer including these GSTC shall only be considered as concluded legally binding and being effective when Customer accepts Thales’s offer within the specified time period or if Thales accepts and provides a written acknowledgement of its acceptance of Customer’s order. In the event of a discrepancy between the order and the order acceptance, the order acceptance shall prevail and determine the terms of the Contract. No order may be cancelled or modified after the date of issuance of the order acceptance, except with the prior written approval of Thales and provided that all costs resulting therefrom shall be borne by the Customer.

2.4. All aspects of the legal relationship shall exclusively be based on the Contract and its annexes as the case may be. Oral or written covenants or verbal agreements of the parties prior to the conclusion of the Contract shall not be considered as binding.

2.5. Product descriptions, documents and data (such as dimensions, tolerances or technical data, etc.) provided by Thales to Customer in whatever form shall not constitute guaranteed characteristics or specifications.

3. Scope of Supply and Services

3.1. Thales’s offer or acknowledgement of order - as the case may be - exclusively defines Thales’s entire scope of supply and Services and the manner in which they will be delivered and/or performed. Materials, equipment, work or services which are not expressly included therein and which are asked for by Customer shall be offered by Thales to Customer at extra cost.

3.2. Thales shall be entitled to modify its scope of supply and Services at any time to the extent that such modification is not to the disadvantage of Customer.

3.3. Before start of production the customer has to accept printed products and print based products always by signing the “Good for printing” form in the form required by Thales. Galley proofs or other proofs, patterns, samples, designs or other means of proof must be carefully checked by the Customer in particularity for typing and other mistakes and for special instructions or requirements of Customer. Thales assumes no responsibility and liability for defects which were not notified by Customer to Thales in writing at the time when the “Good for printing” was given or if Customer has used a “Good for printing” form not authorised by Thales. If Customer refuses to sign the “Good for printing” form, the Customer shall give written and detailed reasons therefore within five (5) days. The printed products or print based products are deemed to be accepted if Customer does not sign the “Good for printing” form within the same five (5) day period or does not give written reasons for typing or other mistakes or does not respond of request within this time.

3.4. Products delivered, Services performed, samples provided, electronic or optical personalisation processes as well as accompanying letters and enclosures shall be checked by the Customer for their functionality, completeness and mistakes or defects upon receipt or before use as the case may be. Compliance with the agreed terms, conditions and specifications shall be confirmed in writing by Customer to Thales before Thales may start production/performance. Thales assumes no liability for defects or mistakes which were not notified by Customer to Thales. If Customer refuses to confirm the compliance, the Customer shall give written and detailed reasons therefore within 5 days. The agreed terms, conditions and specifications are deemed to be accepted if Customer does not confirm the compliance within the same five (5) day period or does not give written reasons for non-compliance or does not respond of request within this time.

3.5. Customer accepts deviations and tolerances customary in the industry from all and any agreed specifications. This includes but is not limited to deviations in workmanship and material as well as with regard to cutting accuracy, authenticity of reproductions, tonal value and quality of print media (paper, cardboard, plastic, etc.). If Thales’s own supplier imposes tolerances, they shall mutatis mutandis apply in relation to Customer.

3.6. If the Services are exclusively produced for the Customer, tolerances of excess and short delivery up to 10% from the ordered quantities are permissible under the Contract.
3.7. All and any products (e.g. photographs, data-media, typesetting, mounting, plates), tools (e.g. punches, stamping plates), machines, equipment, software and program source codes, required for the supplies and Services under or in connection with the Contract and which are produced or purchased by Thales remain Thales’s property or Thales’s supplier property as the case may be.

4. Regulations in the Country of Destination/Export Restrictions
4.1. Customer shall immediately upon conclusion of the Contract advise Thales of important and special legal, administrative and other regulations and standards relating to the Services in the country of destination. Thales reserves the right to amend its scope of supply or Services, to change the prices for its Services or to otherwise amend the Contract in the event that such regulations and standards have an impact on its scope of supply or Services, the prices or other important provisions of the Contract.

4.2. Delivery or performance of Services from Switzerland or any other country may be subject to US, EU, United Nations or any other authority’s import or export regulations or sanctions such as but not limited to embargoes, black listing or comparable sanctions. Customer represents and warrants that it is and will at all times remain aware of and fully adhere to any such regulations or sanctions. In the event of any such regulation or sanction Thales shall be entitled to (i) immediately stop or suspend all on going or planned deliveries or performance in whole or in part and/or (ii) to terminate any according Contract with Customer with immediate effect without running any kind of liability or obligation of compensation or indemnification in the event of such a suspension or termination.

4.3. It shall be Customer’s responsibility to keep itself at all times updated on the issuance or potential issuance or the coming into force of any subject regulations or sanctions and to inform Thales immediately in writing.

4.4. Thales’s obligations under the Contract shall be subject to the proviso that such fulfilment is not prevented by any impediments arising out of national or international foreign trade or customs requirements or any embargoes or other sanctions.

5. Material and Data supplied by the Customer
5.1. Materials, information, specifications and data (including data media) etc. obtained from and supplied by the Customer to Thales or other services performed by the Customer (collectively “Supplies”) shall be delivered to Thales free of any defects and suitable for the intended purpose and shall be delivered on time. The Customer is liable for any loss arising from the unsuitability of the Supplies and from any delay in delivery. Surplus or unused Supplies are placed at the Customer’s disposal or stored at Customer’s expense and risk.

5.2. Supplies will be treated by Thales with normal care. If any special or unusual care is required Customer shall inform Thales accordingly in writing before any use by Thales of any such Supplies.

5.3. The Customer guarantees that it possesses all the necessary rights of use and is fully entitled to transfer such rights for Supplies, material, data, patterns and other products (e.g. software) supplied by it to Thales.

6. Prices
6.1. Unless expressly otherwise agreed in the Contract, Thales’s prices are net, FCA, Thales premises (INCOTERMS® 2010), in Swiss francs, exclusive of packing, transport, insurance, any sales or turnover taxes, assembly, installation, commissioning and other extra costs.

6.2. Thales’s prices in effect at the delivery of or performance of its Services shall apply. If between conclusion of the Contract and delivery or performance thereunder any of the parameters of its price calculation changes Thales shall be entitled to revise the prices accordingly. However, if any such change leads to a price increase of more than 10% Customer shall be entitled to cancel the according Service subject to prior consultation with Thales and provided such consultation does not lead to a mutual agreement on such price increase within 5 working days.

Prices may also be revised by Thales if delivery terms or other conditions are changed for whatever reason or if the Supplies by the Customer did not fulfill the needed requirements or were incomplete.

7. Payment Conditions
7.1. Customer shall pay invoiced amounts within thirty (30) days after the date of invoice to the account as indicated by Thales without any deduction of any kind such as but not limited to discounts, costs, taxes and any form of fees.

7.2. In the event of late payment, Thales reserves the right to immediately suspend further Services until such payment has been executed. In addition Customer shall pay 8% delay interest to Thales.

8. Terms of Delivery
8.1. Unless otherwise agreed in writing the delivery or performance period shall begin, when and if:
- the Contract has been executed and is in force and effect, and
- all necessary formalities are completed, and
- any advance payments – if applicable – are paid and sureties to be provided are in Thales’s possession, and
- Thales has received all the necessary and correct materials, data, Supplies and information required for fulfilling its obligations under the Contract, and
- receipt by Thales of any license or other official authorization necessary for the import or export.

Delivery or performance has been made if a Service is completed and ready for dispatch at Thales’s premises before the expiry of the term of delivery or Thales has started the performance of the Service.

8.2. The agreed periods are suitably extended:
- if any Supplies required for fulfilling its obligations is not received by Thales on time or if it is subsequently changed by the Customer;
- if payment terms are not met, or essential import and export licences are not received by Thales on time;
- in the event of force majeure (e.g. epidemics, pandemics, mobilisation, war, civil disorder, natural events, serious disruption of operations, accidents, labour disputes), late or inadequate delivery of essential raw materials, finished or semi-finished products, administrative measures or non-performance.
9. Delivery, Shipment, Storage and Insurance

9.1. Delivery shall be done FCA, Thales premises (INCOTERMS® 2010). Products are packed by Thales in accordance with its standard packaging. The packing is separately charged to the Customer at cost.

9.2. Any special requirements concerning shipment, storage and insurance must be notified in writing to Thales in good time. Products are in any event transported and stored at the Customer’s expense and risk.

9.3. The Customer is responsible for insuring the products against all forms of losses and defects during storage and transport.

9.4. If the performance of the Service, the delivery, or the taking over by Customer is delayed for reasons within Customer’s responsibility, or if Customer has failed for other reasons to accept delivery, the risk of accidental loss or damage to the product/Services shall transfer to Customer on the date when it would have passed but for such reasons or failure of Customer.

10. Inspection and Acceptance of Services

10.1. If the Customer requests special inspections by Thales on its behalf prior to shipment such inspections shall be agreed upon separately in writing and paid for by the Customer.

10.2. The Customer shall thoroughly inspect the Services no later than 10 days from receipt and immediately inform Thales in writing of any defects or deficiencies detected. If the Customer fails to do so, the Services are deemed to be approved and accepted by the Customer.

10.3. Thales strives to remedy defects notified in accordance with Article 10.2. as quickly as possible. Customer shall provide Thales with the opportunity to do so.

10.4. Defects or deficiencies in the Services do not authorise the Customer to reject Services delivered or performed by Thales.

11. Warranty and Liability for Defects

Thales shall be liable to Customer for defects as follows:

11.1. The Customer shall notify Thales of the defects in writing immediately after the defects have been discovered, and the notice shall thoroughly describe the conditions under which the defect has arisen in order to facilitate the diagnosis of the defect. If a defect exists, Thales is free to choose to have it either repaired or replaced at Thales’s expense. The property of the defective Services shall pass to Thales upon delivery of the replacement. Transportation and insurance costs for defective parts returned to Thales shall be borne by the Customer and transportation and insurance costs for parts replaced or repaired by Thales shall be borne by Thales. For the Services which have been replaced or repaired by Thales hereunder, Thales shall have the same liability as set out in this Article.

In the case of Services not manufactured or performed by Thales, Thales’s warranty obligations and liability shall not exceed those granted by Thales’s according subcontractor or supplier.

11.2. Thales shall under no circumstances be liable for defects if:

- the Customer or any third party modify or repair or damage the Services; or
- the Customer does not promptly take all suitable steps to mitigate any potential damage to the maximum and if Customer prevents Thales from remediating a defect; or
- the Customer has not informed Thales of any defects or deficiencies according to Article 10.2.; or
- resulting from natural wear and tear, defective maintenance, failure to comply with operating instructions, overloading, unsuitable operating resources, chemical or electro-magnetic influences and other reasons not attributable to Thales; or
- to Services supplied/performed at request of Customer which Thales has indicated may not conform (risk products) to applicable technical specifications or constitute experimental, developmental or non-qualified products; or
- if connecting the Services with Customers or any third-party products, accessories or peripheral equipment except if expressly authorized by Thales’s specifications; or
- for any other default not attributable to Thales.

11.3. Thales does not warrant that the Services are suitable for the Customer’s intended purpose and they can be used or processed in the conditions existing on the premises of the Customer or of any third parties. The Customer agrees that fitness for a particular purpose is expressly excluded. Any special guarantees given by Thales must be agreed upon specifically in writing.

11.4. The limitation period for defects shall be 12 (twelve) months for all and any products and Services and shall start at the date of delivery or completion of the Services. The limitation period for a remedied part of the products or Services shall be 6 (six) months, but expire the latest 6 (six) months after lapse of the defects liability for the original product or Services provided in the first sentence of this Article 11.4 above.

11.5. In the event Customer provides designs, plans, data (e.g., personalization data), electronic security mechanisms and architecture, and specifications with respect to Services (collectively “Designs”) Customer is responsible for such Designs. If, at Customer’s request or otherwise, Thales makes suggestions with respect to the Designs, Customer will be responsible for accepting the same and determining whether or not to incorporate them into the Designs. Customer represents and warrants that by placing an order for the Services (a) it relies on its own knowledge and judgment in the selection and use of the Services as well as the electronic security mechanism and/or architecture installed in the Services, and (b) it has read, understood and accepted the electronic security mechanisms and/or architecture offered by the Services. Thales shall not be liable in any manner whatsoever with respect to failure of, or attack on the electronic security mechanisms and/or architecture of the Services.

11.6. Thales does not and shall not warrant or guarantee that the Services will be resistant to all possible attacks and shall not incur, and disclaims any liability in this respect. Even if the Services are compliant with current security standards in force on the date of their design, the Customer acknowledges that the resistance of the security mechanisms necessarily evolves according to the state of the art in security systems and notably under the emergence of new attacks. Under no circumstances shall Thales be held liable for any third-party actions or claims, in particular not in the event of successful attacks against systems or equipment in connection with the Services.
11.7. The liability of Thales for defects in this Article 11 and the rights and remedies of the Customer hereunder are exclusive and in lieu of other rights and remedies of the Customer. The Customer's remedies for any breach of warranty or guarantee as the case may be shall be exclusively those provided in this Article 11.

12. Limitation of Liability

12.1. Notwithstanding anything to the contrary provided for in these GSTC or the Contract Thales shall in no event be liable for any incidental, consequential, indirect or punitive damages or losses, for special damages, for loss of production, loss of earnings, loss of profit, loss of use, loss of revenue, savings, for payment of interest and financing expenses; loss of information and data; or for damages based on Customer's third party contracts such as Customer's purchasers, other contractors/suppliers or clients, for loss of contracts or any other financial loss. This will also apply if Thales was advised in advance of the possibility of such damages. The Customer shall defend, indemnify, and hold harmless Thales from and against any such claim. Under no circumstances shall Thales be liable to the Customer for any damages resulting from or arising out of any illegal and/or fraudulent use of the Services by the Customer, any third party or the end-user.

12.2. Thales's total aggregate liability for all claims and damage under or in connection with these GSTC and the Contract shall in the aggregate not exceed 10% of the total price agreed upon in the Contract.

12.3. The limitation and exclusions of liabilities set forth in Article 12.1 and 12.2 shall not apply in the event of (a) gross negligence or intent and (b) in the case of culpable injury to life, body or health and (c) if liability is mandatory.

12.4. Customer acknowledges that using or selling Services in devices or systems where malfunction may result in personal injury, death, damage to property or the environment is at its own risk and agrees to indemnify and hold Thales harmless from all loss, expense and damages (including reasonable attorney's fees) which may be incurred by Thales as a result of any claims or actions resulting from damages caused by the use of the Services in such devices or systems by Customer or any party to whom the Customer has directly or indirectly supplied Services.

12.5. Any Customer's claim must be brought by Customer within ninety (90) days of the date of the event giving rise to any such claim, and any lawsuit relative to any such claim must be filed within one (1) year of the date of the claim.

12.6. The limitations and exclusions of liability and any entitlement to be held harmless and/or indemnified set forth in this GSTC or the Contract shall also apply for the benefit of Thales's subcontractors, suppliers, agents, advisors, directors and employees.

13. Intellectual Property

13.1. Nothing under or in connection with these GSTC or the Contract shall provide for the transfer to Customer of any of Thales's intellectual property rights or any other rights in the Services or any trade marks (including product names) including but not limited to patents and know-how. The sale of software shall not constitute the transfer of ownership rights or title in such software to Customer. Thales grants Customer for the duration of the Contract a non-exclusive, non-transferable, royalty free license to use the Services for the subject purpose as set forth in the Contract. The Customer shall not and shall not contractually bind its customers and the end-customers not to copy, modify, translate, reverse engineer, create derivative works, disassemble or decompile the software or otherwise use the software.

13.2. Any and all intellectual property rights or any other rights in Services, materials, know-how and information (e.g. photographs, data-media, type-setting, mounting, plates), tools (e.g. punches, stamping plates), machines, trademarks, designs, copy rights, software and program source codes, which are produced or purchased by Thales and which are used for or in connection with the Services remain Thales's or the according third party's property.

13.3. The Customer shall keep any and all information in strict confidence and shall not disclose any of the information to any other person other than the Customer's employees who need to know such information. The Customer shall not make available or disclose any information to any other person without prior written consent of Thales. The obligations expressed in this provision shall remain binding upon the Customer even after completion or termination of the Contract.

13.4. Always subject to Article 12 above, Thales shall hold harmless, protect and indemnify the Customer against any and all claims, costs, expenses or liability directly arising out of the infringement of patent, copyright, trade secret rights, as existing at the date of entry into the Contract in the Customers’ country and as a consequence of the use by the Customer of the Services in accordance with their technical specifications. The foregoing obligations are conditioned on Customer: (a) notifying Thales promptly in writing of the claim; (b) cooperating and, at Thales's request and expense, assisting in such defence; (c) giving Thales sole control of the defense thereof and any related settlement negotiations; and (d) that the Customer itself shall refrain from making any admission, declaration or arrangement with the third party raising such claims. Thales has no obligation under this Article 13 or otherwise with respect to any claim arising out of the infringement of intellectual property rights based upon: (a) any use of the Services not in accordance with the GSTC or the Contract; (b) any modification of the Services by any person other than Thales or its authorized agents; (c) use of the Services in combination with product, business process, data or equipment if the infringement was caused by such use or combination, regardless of whether or not the Services or elements of the Services are a material part of the infringement; (d) any content and/or materials introduced or made available in or through the product by Customer, Customer's client(s), end users, and/or any third parties; (e) the infringement of any method or process in which any product may be used but not covering the products when used alone, (f) the use of the Services other than as permitted in the related documentation; and (g) use of the Services during any time period after Thales has notified Customer to discontinue use of the same, (sub-sections (a) to (g) are hereafter collectively referred to as "Excluded Claim(s))"). Customer indemnifies Thales against all liability, damages and costs (including reasonable attorneys' fees) resulting from or related to an Excluded Claim.

13.5. If a court or an arbitrator finally establishes that there has been an infringement of patent, copyright, trade secret rights as set forth in this Article or should Thales consider that the Services could be the subject of a claim or suit for infringement, Thales may choose one of the following solutions:
13.6. This Article 13 states the entire liability and warranty of Thales. Any further rights and remedies of Customer (including Customer’s right to claim damages) shall be excluded. Except as expressly stated in this Article 13 any remedy for indemnification regarding such intellectual property rights shall become time-barred twelve (12) months after the delivery of the respective Service to Customer.

13.7. Customer’s obligations arising out of this Article 13 shall survive the expiration or termination of this Contract.

14. Prevention of risks of corruption and influence peddling

14.1. Customer shall always act in accordance with the national and foreign laws and regulations applicable to the prevention of risks of corruption and influence peddling.

14.2. Whether directly or through third parties, Customer shall not offer or promise any gift or advantage to a person, for himself or for others, with the purpose that this person abuses or because this person would have made illegitimate use of its real or supposed influence in order to obtain distinctions, jobs, contracts or any other favorable decision.

14.3. Customer shall not solicit or accept for itself any offer, promise, gift or advantage of any kind, to make illegitimate use of its influence for the purpose of making or obtaining any favorable decision.

14.4. Customer declares to have implemented a compliance program.

14.5. Customer declares that it has adopted a code of conduct substantially equivalent to Thales’s Integrity and Corporate Responsibility Charter for Partners and Suppliers and undertakes to comply with it.

14.6. Customer shall ensure that its own suppliers, subcontractors, distributors, resellers and service providers adhere to Thales’s Integrity and Corporate Responsibility Charter for Partners and Suppliers or a code of conduct substantially equivalent thereto.

14.7. Any violation by the Customer of any provision of this Article shall be deemed a material breach of its contractual obligations, entitling Thales either to suspend the Contract performance as long as the breach is not satisfactorily remedied or to terminate the Contract immediately and without prejudice to any other remedy for which it may be entitled under contractual and/or legal provisions.

15. Jurisdiction and Applicable Law

15.1. These GSTC and the Contact shall exclusively be governed by the substantive laws of Switzerland. Neither the application of the UN Convention on Contracts for the International Sale of Goods (CISG) nor any conflict of law rules shall apply.

15.2. Place of jurisdiction shall be Aarau/Switzerland. Thales may, however, bring legal action against the Customer at the place of Customer’s registered office.

16. Assignment

Neither Thales nor the Customer shall, without the express prior written consent of the other (such consent shall not be unreasonably withheld) assign to any third party the Contract or any part thereof, except that Thales shall be entitled to assign the Contract or any part thereof to (i) any affiliated company; or (ii) any third party in connection with a merger, sale of substantially all of Thales’s assets or a change of control.