This Professional Services Addendum ("Addendum") is effective as of last signature date below (the "Effective Date"), and is by and between [SELECT THALES ENTITY] ("Thales") and [INSERT CUSTOMER NAME] ("Customer"). each hereinafter referred to individually as a "party" and collectively as the "parties." This Addendum supplements the Master Purchase Agreement between the parties with an effective date of [INSERT EFFECTIVE DATE OF MASTER PURCHASE AGREEMENT]. This Addendum governs the provision of Professional Services by Thales’ Cloud Protection & Licensing (Authentication & Encryption) division.

GENERAL

1. DEFINITIONS

"Agreement" as used this this Addendum, means the Master Purchase Agreement, this Addendum, and any SOW entered into pursuant to this Addendum. In the event of a conflict, the order of precedence shall be as follows: (1) the applicable SOW, (2) this Addendum, (3) the Master Purchase Agreement.

"Custom Professional Services" means Professional Services engagements that are comprised of a customizable scope of work and Deliverables based on Customer requirements, the scope of which is set forth in the applicable SOW.

"Deliverable" means tangible and intangible deliverables, the Technology and Documentation created by Thales pursuant to an SOW.

"Professional Services" means collectively the support, consulting, development, installation, migration and/or deployment services purchased by Customer directly from Thales or indirectly through an Authorized Partner, the scope of which is set forth in the applicable SOW.

"Professional Services Pricing Sheet" means the document provided by Thales to the Customer or the Authorized Partner (the "Bill-to Party") that sets forth the engagement-specific payment, pricing and invoicing terms for Custom Professional Services.

"SOW" means the applicable Statement of Work that describes the specific Professional Services to be performed by Thales.

"Supplier Materials" means materials, equipment, documents and other property of Thales.

"Standard-Package Professional Services" means Professional Services engagements that are comprised of a pre-defined scope of work with a dedicated SKU and pricing.

"Work Product" means the Deliverables and any and all work product or works of authorship relating to the Technology and/or the Professional Services, including all original works of authorship conceived, created, performed or produced hereunder.

"Technology" means all tangible items related to, constituting, disclosing or embodying the Deliverables, including: (i) works of authorship, including all written, audio and visual materials and computer programs (whether in source code or in executable code form) and the related architecture and documentation; (ii) inventions (whether or not patentable), discoveries and improvements; (iii) proprietary and confidential information, trade secrets and know how; (iv) databases, data compilations and collections, and customer and technical data; (v) methods and processes; and (vi) devices, prototypes, designs and schematics.

2. PERFORMANCE AND ACCEPTANCE

a. Thales shall provide the Professional Services to Customer in accordance the applicable SOW. Unless otherwise specified in the applicable SOW, the Professional Services will be delivered on consecutive business days during normal business hours (8:00 a.m. to 6:00 p.m. Customer local time, weekdays). (Weekdays are considered to be Monday through Friday, excluding local holidays.)

b. Unless otherwise set forth in the applicable SOW, acceptance terms shall be as follows:
(i) Standard-Package Professional Services will be deemed accepted within 5 days of delivery of a Notice of Completion by Thales.

(ii) Custom Professional Services shall be deemed accepted upon the execution of the Certificate of Completion by the Customer or within 5 days of delivery of the Certification of Completion, whichever is sooner. If the Deliverables and/or Professional Services are to be incrementally delivered or otherwise completed in phases, each phase shall be independently accepted or deemed accepted (as appropriate).

c. Unless otherwise specified in the Agreement, all dates and times for the provision of the Professional Services are estimates only and time shall not be of the essence for the performance of the Professional Services. Thales shall not have any liability for delay or for any damages or losses sustained by Customer as a result of such dates or times not being met.

d. All Professional Services shall be scheduled by Customer within one (1) year of the purchase date. If not scheduled within this time period, the purchase price for such services shall be forfeited, except in the event that the delay in scheduling was caused by Thales. For clarity, the purchase date is the date when the Customer or the Authorized Partner has received the Order Acknowledgement from Thales.

e. Unless otherwise set forth in the applicable SOW, Thales is not responsible for any future trouble shooting, additions or changes requested after final delivery of all Deliverables provided under the applicable SOW.

3. INVOICE AND PAYMENT

The following section applies only to Orders for Professional Services placed directly with Thales:

a. Professional Services will be invoiced in accordance with the invoicing milestones provided in the ServicePack or Professional Services Pricing Sheet provided by Thales, as applicable. For ServicePacks without invoicing milestones details, the invoicing will take place at completion. If the Professional Services are billed on a time and materials basis, Customer will pay the reasonable travel, living, and out-of-pocket expenses incurred by Thales.

b. Invoices shall be deemed accepted by Customer upon receipt, unless Customer advises Thales in writing of a material error within ten (10) days after receipt.

c. Customer may not offset, defer or deduct any invoiced amounts that Thales determined are not erroneous following such period.

d. Unless otherwise stated in the Professional Services Pricing Sheet or the invoice issued by Thales, amounts payable to Thales under the Agreement are payable in full without deduction (net of applicable taxes, costs and expenses) and Customer shall pay all such applicable taxes, costs and expenses (exclusive of taxes on Thales’ net income) within thirty (30) days from the date of invoice in the method and currency identified. No discount for early payment is authorized.

e. All payments made by Customer and any unused Professional Services purchased by Customer are non-refundable.

f. Thales may suspend or terminate any or all Professional Services and refuse additional Orders until overdue amounts are fully paid by Customer. Any late payment will bear interest at a rate of one percent (1%) per month, or such other lesser rate as may be required by applicable law. Thales reserves the right to withdrawn any credit advanced at any time.

4. CUSTOMER OBLIGATIONS

Customer shall:

a. Co-operate with Thales in all matters relating to the provision of the Professional Services;

b. Provide Thales, its employees, agents, consultants and subcontractors (“Thales Representatives”), with access to the Customer's premises, office accommodation and other facilities as reasonably required by Thales to provide the Professional Services;

c. Provide Thales with such information and materials as Thales may reasonably require in order to supply the Professional Services, and ensure that such information is complete and accurate in all material respects;

d. Prepare the Customer's premises for the provision of the Professional Services;
e. Obtain and maintain all necessary licenses, permissions and consents which may be required for Thales to provide the Professional Services before the date on which the Professional Services are to start;

f. Keep all Supplier Materials at the Customer's premises in safe custody at its own risk, maintain the Supplier Materials in good condition until returned to Thales, and not dispose of or use the Supplier Materials other than in accordance with the written instructions or authorization of Thales;

g. Make appropriate system maintenance windows available for Thales Representatives as needed and requested by Thales to prepare for the Professional Services engagement;

h. Assign a single point of contact for all issues related to the Professional Services. Such point of contact shall be responsible for: management direction required to meet project objectives, including receiving any Deliverables created as a result of the Professional Services, ensuring availability of information and other resources needed by the Thales Representatives to complete assignments, managing the Acceptance process, being the primary contact for all business decisions, and providing any needed approvals for changes to the scope and cost of the Professional Services;

i. Assign necessary system administrators or staff members to be available for the duration of the Professional Services engagement. This includes access to key technical personnel, in particular those with an understanding of the business requirements and technical acumen to facilitate Thales Representatives’ delivery of the Professional Services and/or Deliverables defined in the applicable SOW;

j. If the performance of any Professional Services requires electronic or network transfer of data, provision and enable any network components or services required to facilitate the transfer;

k. Be responsible for all network connectivity, performance, and configuration issues; and

l. Comply with any additional Customer obligations as set out in the SOW.

5. CUSTOMER’S DEFAULT

If Thales’ performance of any of its obligations under the Agreement is prevented or delayed by any act or omission by the Customer or failure by the Customer to perform any relevant obligation (“Customer Default”):

a. without limiting or affecting any other right or remedy available to it, Thales shall have the right to suspend performance of the Professional Services until the Customer remedies the Customer Default, and to rely on the Customer Default to relieve it from the performance of any of its obligations in each case to the extent the Customer Default prevents or delays Thales’ performance of any of its obligations;

b. Thales shall not be liable for any costs or losses sustained or incurred by the Customer arising directly or indirectly from Thales’ failure or delay to perform any of its obligations herein as a result of a Customer Default; and

c. the Customer shall reimburse Thales on written demand for any costs or losses sustained or incurred by Thales arising directly or indirectly from the Customer Default.

6. LIMITED WARRANTY

Thales warrants that it will complete the Professional Services in accordance with the applicable SOW and exercise the degree of skill, diligence and prudence that would reasonably and ordinarily be expected in the performance of the Professional Services. Thales’ sole obligation and liability for any breach of this Limited Warranty and your sole and exclusive remedy therefor, shall be for Thales to re-perform or correct any non-conforming Professional Services to the extent due to errors on the part of Thales, provided Customer notifies Thales of such non-conformance within ten (10) days after the completion of such Professional Service or any defined portion or segment thereof. Warranty claims must be made in writing during the warranty period and within seven (7) days of the observation of the defect accompanied by evidence of the defect satisfactory to Thales, together with any available details that may reasonably assist Thales to reproduce the nonconformance and effect a cure. This Limited Warranty is conditioned upon payment of the invoice. Thales shall have no obligation under this Limited Warranty unless Customer promptly notifies Thales in writing of any failures within the applicable warranty period. This Limited Warranty extends only to the end user Customer. THIS LIMITED WARRANTY IS THE ONLY EXPRESS WARRANTY PROVIDED BY THALES. OTHER THAN THE EXPRESS WARRANTIES STATED IN THIS LIMITED WARRANTY, THE PROFESSIONAL SERVICES AND DELIVERABLES ARE BEING DELIVERED “AS IS” AND THALES MAKES NO WARRANTY OF ANY KIND, WHETHER STATUTORY, EXPRESS, OR IMPLIED AND HEREBY DISCLAIMS ANY
7. SCHEDULING

Unless otherwise stated in the applicable SOW, Thales requires a minimum two (2) weeks lead time ("Required Lead Time") to commence the Professional Services. Thales requires a minimum one (1) week lead time to schedule any on-call services. If Professional Services are required by Customer to be scheduled with less than the Required Lead Time, Customer or the Authorized Partner, as applicable, shall pay any actual expenses resulting from higher travel fees should they occur.

8. ASSIGNED PERSONNEL

Neither Thales nor its employees, agents, contractors, consultants, or representatives are or shall be deemed employees of Customer. Thales reserves the right to determine, replace or assign any of its employees, agents, contractors, consultants or representatives designated to perform the Professional Services. Thales reserves the right to use subcontractors in those roles it deems appropriate. During the term of the applicable SOW and for twelve (12) months afterward, Customer will not, except by general advertisement or with written consent, solicit for employment or employ Thales’ employees associated with the applicable SOW.

9. CHANGE MANAGEMENT PROCESS

The parties may request, in writing, additions, deletions, or modifications to the Professional Services described in the applicable SOW ("Change Request"). Thales shall have 3 business days from receipt of the Change Request from Customer or an Authorized Partner to research and document the proposed change, and prepare a Change Request Form. Change Requests may delay completion of the Professional Services. No change to the applicable SOW shall be made unless it is accepted by Thales. Thales will not perform or commence work in connection with any proposed change until (i) a Change Request Form is approved and signed by Thales and either the Customer, or the Authorized Partner, as applicable; and (ii) to the extent the fees associated with the Professional Services have changed based on the Change Request, Thales has received a Purchase Order for such changes.

10. PURCHASE ORDER

Thales is not obligated to perform the Professional Services until (i) Thales has received a signed SOW, if required by Thales; and (ii) Thales has received a Purchase Order for the Professional Services.

11. PERFORMANCE CONDITIONS

Thales will not be responsible for the loss or corruption of any Customer data or for any system outage. Customer is responsible for creating backups of all Customer data and scheduling system maintenance windows, as necessary for Thales to perform the Professional Services. Thales will not be responsible for any application or host system access that encompasses coding, scripting, application analysis, system performance, troubleshooting, or applications logins outside of the services described in the applicable SOW. Any and all future activity for trouble shooting, additions, or changes requested after Customer’s acceptance must be requested in writing by Customer and subject to a separate price quote. It is preferred that all technical inquiries are sent via email. Thales shall have two (2) business days from receipt of such inquiry to respond.

12. CANCELLATION / RESCHEDULE

a. By Customer:
Requests by Customer to cancel or reschedule a Professional Services engagement must be submitted in writing only via email to the assigned Thales engagement manager. Requests by phone or voicemail will not be accepted by Thales. If Customer cancels or reschedules a Professional Services engagement within five (5) business days of the scheduled engagement start date, Thales reserves the right to charge a commercially reasonable cancellation fee plus any related unrecoverable travel expenses incurred by Thales. No more than two rescheduling requests will be approved for any one given purchase. If the Customer wishes to reschedule more than two times, at that point, Customer will be charged a commercially reasonable cancellation fee. New engagement dates shall be established by mutual agreement.

b. By Thales:

In the event of a Professional Services engagement cancellation by Thales, Customer or the Authorized Partner, as applicable, shall receive full credit towards alternative engagement dates.

13. INTELLECTUAL PROPERTY AND PROPRIETARY RIGHTS

a. Unless otherwise set forth in the applicable SOW, no work-made-for-hire is provided under any SOW and Thales shall be deemed the sole owner of any and all Work Product conceived, created, performed or produced in the performance of the Professional Services by Thales or arising out of this Addendum. The Work Product, which includes the Deliverables is licensed to Customer and not sold. The source code of the Deliverables is a confidential trade secret of Thales.

b. Subject to Customer’s compliance with these Professional Services Terms and Conditions and the applicable SOW, Thales hereby grants to Customer a, non-exclusive, non-transferable, non-sublicensable license to use the Deliverables created by Thales in the performance of the Professional Services solely for Customer’s own internal use. Thales and its licensors reserve all other rights. Thales, or its licensors, own all intellectual property rights, including patent, copyright, trade secret, trademark and other proprietary rights in and to the Deliverables.

c. Customer may not, nor make any attempt to: (i) modify, adapt, decompile, disassemble, copy or reverse engineer the Deliverables, or in any other manner attempt to derive the source code of any component of the Deliverable for any purpose, including any components thereof; (ii) create derivative works based on the Deliverables; (iii) make unauthorized copies of the Deliverables; (iv) allow any resale, disclosure, distribution, lease, loan, rental, sublicense or relocation or unauthorized third party use or access to the Deliverables; (v) use the Deliverables for the benefit of, or to support or provide services to any unauthorized third party; (vi) disclose to any third party the results of any Deliverable performance benchmarks or any specific detailed comparisons between the deliverables and any Customer or third-party product; or (vii) to the fullest extent permitted by law, use any functionality of the Deliverables or any output generated by such functionality to augment or replace functionality in a third party product or as an add-in to any third party product without Thales’ prior written consent. In the event Customer breaches its payment obligations under these Professional Services Terms and Conditions, or breaches any of its obligations under this Section 13(c), Customer shall: (i) return to Thales all documents and tangible materials (and any copies) containing, reflecting, evidencing, embodying, incorporating or based upon the Deliverables and the Work Product, (ii) permanently remove and erase all of the Work Product and Deliverables from its computer systems and (iii) certify in writing to Thales that it has complied with the requirements of this clause.

d. Notwithstanding anything to the contrary, if Customer is obtaining source code, as specifically set forth in the applicable SOW, in addition to the rights in Section 13(c), Customer obtains the right to modify and prepare derivative works (the “Derivative Works”) from the Deliverables, including any source code included therein, in accordance and for the purpose outlined in the applicable SOW. Customer further agrees as partial, material consideration for the rights granted to Customer under this Addendum, Customer and its Affiliates covenant not to assert any claims against Thales or any of its Affiliates, officers, directors, employees, agents, licensees, resellers or distributors alleging intellectual property infringement based on inventions or intellectual property embodied in any Derivative Works developed using the source code provided.

[Signature on Following Page]
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officer or representative.

Thales
By: ____________________________
Name: __________________________
Title: ___________________________
Date: ___________________________

Purchaser
By: ____________________________
Name: __________________________
Title: ___________________________
Date: ___________________________