

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K
CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): June 14, 2021



Ipsidy Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-54545
(Commission File Number)

46-2069547
(IRS Employer
Identification Number)

670 Long Beach Boulevard, Long Beach, New York 11561
(Address of principal executive offices) (zip code)

516-274-8700
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act: Not applicable.

Title of each class	Trading Symbol	Name of each exchange on which registered
Not applicable.		

Item 1.01 Entry into a Material Definitive Agreement

Item 3.02 Unregistered Sales of Equity Securities

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Board of Directors and Executive Changes

On June 14, 2021, Phillip L. Kumnick resigned as Chief Executive Officer of Ipsidy Inc., a Delaware corporation (the “Company”) and Thomas L. Thimot was appointed Chief Executive Officer in his place. Further, Philip R. Broenniman resigned as President and Chief Operating Officer and Cecil N. Smith III (Tripp) was appointed President and Chief Technology Officer. Christopher White, formerly the Chief Technology Officer, became Senior Vice President Engineering.

On June 9, 2021 Theodore Stern, Herbert Selzer and Thomas Szoke resigned as directors of the Company. The size of the Board of directors was increased to seven and Dr. Michael A. Gorriz, Michael L. Koehneman, Sanjay Puri, Mr. Thimot and Jacqueline L. White were appointed as additional directors of the Company. Messrs Stern, Selzer and Szoke did not advise the Company of any disagreement with the Company on any matter relating to its operations, policies or practices. Mr. Szoke will continue with the Company as Chief Solutions Architect. There is no understanding or arrangement between the newly appointed directors and any other person pursuant to which the newly appointed directors were selected as directors of the Company. The newly appointed directors do not have any family relationship with any director, executive officer or person nominated or chosen by us to become a director or an executive officer. The newly appointed directors have not had direct or indirect material interest in any transaction or proposed transaction, in which the Company was or is a proposed participant exceeding \$120,000. The biographies of the new executive officers and directors are set forth below.

From 2018 through November 2020, Mr. Thimot served as Chief Executive Officer and director of Socure, Inc., a leading provider of identity verification and fraud risk solutions, as an advisor supporting Product, Technology, Marketing, and Sales functions. Prior to joining Socure, Mr. Thimot served as the Vice President of Cognizant Technology Solutions (Nasdaq: CTSH), a consulting firm and emerging business accelerator where he was responsible for all emerging services related to social, mobile, data analytics and cloud. From September 2015 through October 2018, he served as Chief Executive Officer and a director of Clarity Insights a privately held provider of data science consulting acquired by Accenture plc. where he was responsible for all operational aspects of the business. Prior to 2015, Mr. Thimot held various roles and founded various businesses including his own consulting business, CaseCentral (an eDiscovery cloud based software service now part of Oracle), Kazeon (a data and analytics software provider now part of Dell), GoRemote, Netegrity and Enigma. Mr. Thimot started his career with Oracle, Price Waterhouse and Accenture and received his BS Mechanical Engineering from Marquette University.

Mr. Cecil Smith is a technologist and thought leader specializing in data, analytics and AI. His experience spans entrepreneurial ventures to Fortune 100 enterprises, centered around strategy, product engineering, sales, and building high performance data science and engineering teams. In 2011, Mr. Smith joined Clarity Insights, a RLH Equity and Salesforce Ventures-backed data consultancy with deep data science, artificial intelligence and machine learning expertise. There he worked with hyper scale technology companies ultimately rising to Chief Technology Officer. Mr. White led Clarity Insights to a \$100MM+ ARR and an acquisition by Accenture AI in 2020. In 2020, Mr. Smith joined Socure Inc., a leading provider of identity verification and fraud risk solutions, as an advisor supporting Product, Technology, Marketing, and Sales functions. Mr. Smith previously held technical leadership roles at Hewlett Packard and the Advisory Board Company and is a graduate of the University of North Carolina at Chapel Hill.

Ms. White has been a leader in enterprise technology software and IT consulting for the past 25 years. Ms. White has held global positions at SAP, Oracle, and Accenture, always leading diverse, high performing organizations around the world. After leading the Banking & Capital Markets line of business of DXC Technology Co. (NYSE: DXC) as Senior Vice President and Practice Lead from September 2019 to January 2021, Ms. White recently joined in January 2021 the Executive Management Team of Temenos AG (Six: TEMN), a company specializing in enterprise software for banks and financial services, as the President of the Americas Region. From January 2018 through September 2019, Ms. White served as the Chief Revenue Officer of Saltstack, a VM Ware Company, and from January 2015 through January 2018 as Global Senior Vice President Global FSI Consulting for SAP (NYSE: SAP). Prior to joining SAP, Ms. White held various positions with Accenture Services Pvt. Ltd., Oracle, BearingPoint and Novell. Ms. White was named by Utah Business Magazine as “Top Executives to Watch” in July 2020. Ms. White received a BA in Comparative Literature from Brigham Young University and a Leadership Certificate from Boston University.

Mr. Koehneman joined our company as a director on June 14, 2021. Mr. Koehneman previously held various positions at Pricewaterhouse Coopers, a global accounting firm, including the Global Advisory Chief Operating Officer and Human Capital Leader from 2016 through 2019, the U.S. Advisory Operations Leader from 2005 through 2016, and the Lead Engagement Partner for Financial Statement Audits and Internal Control and Security Reviews from 1993 through 2004.

Mr. Puri has been engaged with Progress Partners, Inc. since 2019 and has served as Managing Director since 2020. From 2016 through 2019, Mr. Puri served as the Chief Strategy Officer, Chief Financial Officer and Chief Operating Officer of MoviePass. Mr. Puri received a BS Accounting from Pepperdine University and a MBA Finance/Investment Management from Columbia Business School.

Dr. Gorriz joined our company as a director on June 14, 2021. Dr. Gorriz has been the Chief Information Officer and a member of the management team of Standard Chartered Bank, Singapore since 2015. He is also Non-Executive Director of the Standard Chartered Bank Hong Kong Board and the mox HK Board. Prior to that he served as Chief Information Officer at Daimler AG from 2007. Dr. Gorriz received his PhD in Laser Engineering from the University of Stuttgart.

On June 14, 2021, Mr. Thimot and the Company entered an Offer Letter pursuant to which Mr. Thimot agreed to serve as Chief Executive Officer in consideration of an annual salary of \$325,000. The Company agreed to provide a bonus of 50% of the base salary (pro rated for 2021) upon terms to be agreed with the Compensation Committee for 2021 and on the understanding that the 2022 target will include a requirement of the Company achieving three times the annual revenue of 2021. In addition, Mr. Thimot will receive a one-time bonus opportunity of 100% of base salary upon a change of control. The employment of Mr. Thimot is at will and may be terminated at any time, with or without formal cause. The Company also entered an Executive Retention Agreement with Mr. Thimot, pursuant to which the Company has agreed to provide specified severance and bonus amounts and to accelerate the vesting on his equity awards upon termination upon a change of control or an involuntary termination, as each term is defined in the agreements. In the event of a termination upon a change of control or an involuntary termination after 12 months of service, Mr. Thimot is entitled to receive an amount equal to 100% of his base salary and the target bonus then in effect for the executive officer for the year in which such termination occurs. Mr. Thimot will be entitled to receive a payment of 50% of his base salary in the event there is an involuntary termination after six months of service. At the election of the executive officer, the Company will also continue to provide health related employee insurance coverage for twelve months, at the Company's expense. Mr. Thimot was granted an option to acquire 1,200,000 shares of common stock at an exercise price of \$7.80 per share for a term of ten years subject to certain performance vesting requirements.

On June 14, 2021, Mr. Smith and the Company entered an Offer Letter pursuant to which Mr. Smith agreed to serve as President and Chief Technology Officer in consideration of an annual salary of \$275,000. The Company agreed to provide a bonus of 50% of the base salary (pro rated for 2021) upon terms to be agreed with the Compensation Committee for 2021 and on the understanding that the 2022 target will include a requirement of the Company achieving three times the annual revenue of 2021. In addition, Mr. Smith will receive a one-time bonus opportunity of 50% of base salary upon a change of control and a bonus of \$50,000 after 90 days of service. The employment of Mr. Smith is at will and may be terminated at any time, with or without formal cause. The Company also entered an Executive Retention Agreement with Mr. Smith, the Company has agreed to provide specified severance and bonus amounts and to accelerate the vesting on his equity awards upon termination upon a change of control or an involuntary termination, as each term is defined in the agreements. In the event of a termination upon a change of control or an involuntary termination after 12 months of service, Mr. Smith is entitled to receive an amount equal to 100% of his base salary and the target bonus then in effect for the executive officer for the year in which such termination occurs. Mr. Smith will be entitled to receive a payment of 50% of his base salary in the event there is an involuntary termination after six months of service. At the election of the executive officer, the Company will also continue to provide health related employee insurance coverage for twelve months, at the Company's expense. Mr. Smith was granted an option to acquire 600,000 shares of common stock at an exercise price of \$7.80 per share for a term of ten years subject to certain performance vesting requirements.

On June 9, 2021, the Company approved the grant of additional Stock Options to acquire 62,500 shares of common stock at an exercise price of \$7.80 with an exercise period of ten years to each of the newly appointed non-management Directors, that vest annually over a three-year period.

The above offers and sales of the securities were made to accredited investors and the Company relied upon the exemptions contained in Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act") with regards to the sales. No advertising or general solicitation was employed in offerings the securities. The offers and sales were made to accredited investors and transfer of the securities was restricted by the Company in accordance with the requirements of the Securities Act.

Reverse Split/Symbol Change

On March 22, 2021, at the annual meeting for the Company, the shareholders approved an amendment to the Company's Amended and Restated Certificate of Incorporation to effect a reverse stock split at a ratio not less than 1-for-2 and not greater than 1-for-50, with the exact ratio to be set within that range at the discretion of the Company's Board of Directors before December 31, 2021 without further approval or authorization of the Company's stockholders. On May 28, 2021, the Board of Directors approved the amendment to the Company's Amended and Restated Certificate of Incorporation implementing a reverse split at a ratio of 1-for-30 (the "Reverse Split").

Effective June 14, 2021, the Company implemented the Reverse Split pursuant to its Certificate of Amendment to its Amended and Restated Certificate of Incorporation (the "Amendment") with the Secretary of State of the State of Delaware. As a result of the Reverse Split, every 30 shares of the Company's issued and outstanding common stock has been converted automatically on the effective date into one share of common stock. No cash or fractional shares will be issued in connection with the Reverse Split and instead the Company will round up to the next whole share in lieu of issuing fractional shares that would have been issued in the Reverse Split.

The Company's shares are quoted on the OTCQB platform of OTC Markets. A "D" will be placed on the current symbol of the Company, "IDTY", for 20 business days to alert the public of the reverse split. After 20 business days, the trading symbol for the Company's common stock will change to "AUID". The new CUSIP number for the Company's common stock following the Reverse Split is 46264C206.

The foregoing information is a summary of each of the agreements and amendments involved in the matters described above, is not complete, and is qualified in its entirety by reference to the full text of the exhibits attached to this Current Report on Form 8-K. Readers should review those exhibits for a complete understanding of the terms and conditions associated with this transaction.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
3.1	Certificate of Amendment to the Amended and Restated Certificate of Incorporation effective June 14, 2021
4.1	Form of Stock Option
10.1	Executive Retention Agreement between Thomas L. Thimot and Ipsidy Inc. dated June 14, 2021
10.2	Executive Retention Agreement between Cecil N. Smith III and Ipsidy Inc. dated June 14, 2021
10.3	Letter Agreement between Thomas L. Thimot and Ipsidy Inc. dated June 14, 2021
10.4	Letter Agreement between Cecil N. Smith III and Ipsidy Inc. dated June 14, 2021
10.5	Form of Indemnification Agreement
10.6	Form of Director Agreement

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 15, 2021

Ipsidy Inc.

By: /s/ Stuart P. Stoller

Name: Stuart P. Stoller

Title: Chief Financial Officer

**CERTIFICATE OF AMENDMENT
OF
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
IPSIDY INC.,
a Delaware corporation**

IPSIDY INC., a Delaware corporation, organized and existing under and by virtue of the Delaware General Corporation Law (the “**DGCL**”), does hereby certify that:

FIRST: The name of the corporation is Ipsidy Inc. (the “**Corporation**”).

SECOND: The Board of Directors of the Corporation (the “**Board of Directors**”) has duly adopted resolutions proposing and declaring advisable the following amendment to the Amended and Restated Certificate of Incorporation of the Corporation (the “**Certificate of Incorporation**”), directing that said amendment be submitted to the stockholders of the Corporation for consideration thereof, and authorizing the Corporation to execute and file with the Secretary of State of the State of Delaware this Certificate of Amendment of Amended and Restated Certificate of Incorporation (this “**Certificate of Amendment**”).

THIRD: Upon the effectiveness of this Certificate of Amendment pursuant to the DGCL, Article IV of the Certificate of Incorporation is hereby amended by adding the following paragraph to the end of Article IV:

“(4) Reverse Stock Split. Effective immediately upon the filing of this Certificate of Amendment of Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware (the “Effective Time”), each thirty (30) shares of Common Stock then issued and outstanding, or held in the treasury of this corporation, immediately prior to the Effective Time, shall automatically be reclassified and converted into one (1) share of Common Stock, without any further action by this corporation or the respective holders of such shares (the “Reverse Stock Split”). No fractional shares shall be issued in connection with the Reverse Stock Split. A holder of Common Stock who would otherwise be entitled to receive a fractional share as a result of the Reverse Stock Split will receive one whole share of Common Stock in lieu of such fractional share.”

FOURTH: This Certificate of Amendment has been duly approved by the Board of Directors in accordance with the applicable provisions of Section 242 of the DGCL.

FIFTH: This Certificate of Amendment has been duly approved by the stockholders of the Corporation in accordance with the applicable provisions of Section 228 of the DGCL.

SIXTH: The effective date of this Certificate of Amendment shall be June 14, 2021.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be executed by the undersigned, and the undersigned has executed this Certificate of Amendment and affirms the foregoing as true under penalty of perjury this 1st day of June, 2021.

By: /s/ Stuart Stoller
Name: Stuart Stoller
Title: Chief Financial Officer

THIS NONSTATUTORY STOCK OPTION AGREEMENT (“**Agreement**”) is made and entered into as of the date set forth below, by and between Ipsidy Inc., a Delaware corporation (the “**Company**”), and the following Executive of the Company (“**Optionee**”):

In consideration of the covenants herein set forth, the parties hereto agree as follows:

1. Option Information.

- (a) Date of Option: _____, 2021
 (b) Optionee: _____
 (c) Number of Shares: _____
 (d) Exercise Price: \$ _____
 (e) Expiration Date: _____, 2031

2. Acknowledgements.

- (a) Optionee is a Director or employee of the Company.

(b) The Board of Directors (the “**Board**” which term shall include an authorized committee of the Board of Directors) and shareholders of the Company have heretofore adopted a 2017 Incentive Stock Plan (the “**Plan**”) This Option is not being granted subject to the terms of the Plan but may become subject to the terms of the Plan if so ratified by the stockholders. For the purposes of interpretation of this Option the provisions of the Plan shall be deemed incorporated herein by reference but in the event of any conflict between the provisions of the Plan and the provisions of this Option, the provisions of this Option shall prevail; and

(c) The Board has authorized the granting to Optionee of a nonstatutory stock option (“**Option**”) to purchase shares of common stock of the Company (“**Stock**”) upon the terms and conditions hereinafter stated and pursuant to an exemption from registration under the Securities Act of 1933, as amended (the “**Securities Act**”) provided by Section 4(2) thereunder.

3. Shares; Price. Company hereby grants to Optionee the right to purchase, upon and subject to the terms and conditions herein stated, the number of shares of Stock set forth in Section 1(c) above (the “**Shares**”) for cash (or other consideration as is authorized under the Plan and acceptable to the Board of Directors of the Company, in their sole and absolute discretion) at the price per Share set forth in Section 1(d) above (the “**Exercise Price**”), such price being not less than the fair market value per share of the Shares covered by this Option as of the date hereof.

4. Term of Option; Continuation of Service. This Option shall expire, and all rights hereunder to purchase the Shares shall terminate, ten (10) years from the date hereof, as set forth in Section 1(e) above (“**Expiration Date**”). This Option shall earlier terminate subject to Sections 7 and 8 hereof upon, and as of the date of, the termination of Optionee’s office or employment if such termination occurs prior to the Expiration Date. Nothing contained herein shall confer upon Optionee the right to the continuation of his or her office or employment with the Company or to interfere with the right of the Company to terminate such office or employment or to increase or decrease the compensation of Optionee from the rate in existence at the date hereof.

5. Vesting of Option. Subject to the provisions of Sections 7 and 8 hereof, this Option shall become exercisable and the Shares shall vest during the term of Optionee's office or employment as follows:

- (a) _____ of the Shares shall vest and become exercisable upon satisfaction of the first to occur of the following conditions:
- (i) A minimum annualized revenue run-rate of the Company and its subsidiaries on a consolidated basis of \$_____, based on the revenue for any quarterly period, excluding non-recurring one-time payments (as defined below), determined in accordance with United States Generally Accepted Accounting Principles ("**GAAP**") as shown in any of the Company's Annual Reports on Form 10-K, or Quarterly Reports on Form 10-Q filed with the SEC (collectively "**SEC Filings**") after the date hereof; or
 - (ii) The Company's Shares achieving a closing price on the principal market or exchange on which such shares are traded, which gives rise to a Fully Diluted Market Capitalization (as defined below) of the Company of not less than \$_____ for a period of not less than six consecutive months (183 calendar days).
- (b) _____ of the Shares shall vest and become exercisable upon satisfaction of the first to occur of the following conditions:
- (i) A minimum annualized revenue run-rate of the Company and its subsidiaries on a consolidated basis of \$_____, based on the revenue for any quarterly period, excluding non-recurring one-time payments, determined in accordance with GAAP as shown in any of the Company's SEC Filings after the date hereof; or
 - (ii) The Company's Shares achieving a closing price on the principal market or exchange on which such shares are traded, which gives rise to a Fully Diluted Market Capitalization (as defined below) of the Company of not less than \$_____ for a period of not less than six consecutive months (183 calendar days).
- (c) _____ of the Shares shall vest and become exercisable upon satisfaction of the first to occur of the following conditions:
- (i) A minimum annualized revenue run-rate of the Company and its subsidiaries on a consolidated basis of \$_____, based on the revenue for any quarterly period, excluding non-recurring one-time payments, determined in accordance with GAAP as shown in any of the Company's SEC Filings after the date hereof; or
 - (ii) The Company's Shares achieving a closing price on the principal market or exchange on which such shares are traded, which gives rise to a Fully Diluted Market Capitalization (as defined below) of the Company of not less than \$_____ for a period of not less than six consecutive months (183 calendar days).
- (d) _____ of the Shares shall vest and become exercisable as to _____ of the Shares covered by this Option at the end of each month commencing with the month following the date of this Option, over a period of forty-eight (48) months, subject to Optionee's continued service to the Company.

- (e) Upon the occurrence of a Change of Control (as defined below), prior to the occurrence of any of the other vesting conditions, up to 100% of the Shares subject to this Option shall vest to the extent not previously vested.
- (f) “**Fully Diluted Market Capitalization**” shall mean the amount which results from the following calculations or determinations:
- (i) the closing price of the Shares on the principal market or exchange on which the Company’s Shares are traded on the relevant date multiplied by
 - (ii) the aggregate of the following amounts (1) the number of issued and outstanding Shares of common stock on the relevant date; and (2) the number of Shares which are issuable pursuant to the exercise of any options of warrants or other instruments giving the right to call for the issuance of Shares, at an exercise price which is not more than the applicable closing price under sub-section (i) above; and (3) the number of Shares which are issuable pursuant to the conversion of any convertible note or other instruments giving the right to convert into Shares, at a conversion price which is not more than the applicable closing price under sub-section (i) above.
- (d) “**Change of Control**” shall have the meaning set forth in Optionee’s Executive Retention Agreement, except if any of the events set forth in such Agreement occurs in circumstances of the liquidation of the Company pursuant to a bankruptcy, or other insolvency proceeding.
- (e) “**Non-recurring one-time payments**” shall mean any revenue or accounts receivable derived from (i) sales of inventory, goods, equipment, or other assets of the Group not in the ordinary course of business, (ii) transaction revenue not received in the ordinary course of business, (iii) sales of services not in the ordinary course of business, or (iv) revenue received due to one-time, non-recurring transactions.
By way of example, if in a particular quarter the Company has \$3,000,000 of revenue but \$1,000,000 results from the sale of a subsidiary, or its assets, then for the purposes of the revenue condition the Company shall be deemed to have had revenue of \$2,000,000 in that quarter and an annualized revenue run rate of \$8,000,000.
- (g) The installments shall be cumulative (i.e., this option may be exercised, as to any or all Shares covered by an installment, at any time or times after an installment becomes exercisable and until expiration or termination of this Option). If any vesting condition is not satisfied before the earlier of the expiration or termination date of this Option, or termination of the Optionee’s service to the Company, the Option shall lapse as to the unvested Shares.

6. Exercise.

(a) Standard Exercise. This Option shall be exercised by delivery to the Company of (i) written notice of exercise stating the number of Shares being purchased (in whole shares only) and such other information set forth on the form of Notice of Exercise attached hereto as Appendix A, (i) a check or cash in the amount of the Exercise Price of the Shares covered by the notice (or such other consideration as has been approved by the Board of Directors consistent with the Plan) and (iii) a written investment representation as provided for in Section 13 hereof. This Option shall not be assignable or transferable, except by will or by the laws of descent and distribution, and shall be exercisable only by Optionee during his or her lifetime, except as provided in Section 8 hereof.

(b) Cashless Exercise. Notwithstanding anything to the contrary contained in this Option, this Option may be exercised by presentation and surrender of this Option to the Company at its principal executive offices with a written notice of the holder's intention to effect a cashless exercise, and such other information set forth on the form of Notice of Exercise attached hereto as Appendix A, including a calculation of the number of shares of Common Stock to be issued upon such exercise in accordance with the terms hereof (a "**Cashless Exercise**"). In the event of a Cashless Exercise, in lieu of paying the Exercise Price in cash, the holder shall surrender this Option for that number of shares of Common Stock determined by multiplying the number of Shares to which it would otherwise be entitled by a fraction, the numerator of which shall be the difference between the then current Market Price per share of the Common Stock and the Exercise Price, and the denominator of which shall be the then current Market Price per share of Common Stock. Market Price is defined as the average of the last reported sale prices on the principal trading market for the Common Stock during the five (5) trading days immediately preceding such exercise date.

7. Termination of Appointment.

(a) If Optionee shall cease to be a director, employee or contractor of the Company for any reason, whether voluntarily or involuntarily, other than by his or her death, Optionee (or if the Optionee shall die after such termination, but prior to such exercise date, Optionee's personal representative or the person entitled to succeed to the Option) shall have the right at any time within one (1) year following such termination of office or the remaining term of this Option, whichever is the lesser, to exercise in whole or in part this Option to the extent, but only to the extent, that this Option was exercisable as of the date of termination of office and had not previously been exercised; provided, however: (i) if Optionee is permanently disabled (within the meaning of Section 22(e)(3) of the Code) at the time of termination, the foregoing one (1) year period shall be extended to two (2) years; or (ii) if Optionee is terminated "*for cause*" (as defined below) this Option shall automatically terminate as to all Shares covered by this Option not exercised prior to termination. Unless earlier terminated, all rights under this Option shall terminate in any event on the Expiration Date.

(b) If the term "*for cause*" is defined in any employment agreement between the Optionee and the Company, then such definition shall be used. "*For Cause*" in this Agreement means (i) an intentional act of fraud, embezzlement, theft or any other material violation of law that occurs during or in the course of Optionee's employment or office with Company; (ii) intentional damage to the Company's assets; (iii) intentional disclosure of Company's confidential information contrary to the Company's policies; (iv) breach of Optionee's obligations to the Company; (v) intentional engagement in any competitive activity which would constitute a breach of Optionee's duty of loyalty or of Optionee's obligations to the Company; (vi) intentional breach of any of Company's policies; (vii) the willful and continued failure to substantially perform Optionee's duties for Company (other than as a result of incapacity due to physical or mental illness); or (viii) willful conduct by Optionee that is demonstrably and materially injurious to the Company, monetarily or otherwise.

8. Death of Optionee. If the Optionee shall die while holding office of the Company, Optionee's personal representative or the person entitled to Optionee's rights hereunder may at any time within two (2) years after the date of Optionee's death, or during the remaining term of this Option, whichever is the lesser, exercise this Option and purchase Shares to the extent, but only to the extent, that Optionee could have exercised this Option as of the date of Optionee's death; provided, in any case, that this Option may be so exercised only to the extent that this Option has not previously been exercised by Optionee.

9. No Rights as Shareholder. Optionee shall have no rights as a shareholder with respect to the Shares covered by any installment of this Option until the effective date of issuance of the Shares following exercise of this Option, and no adjustment will be made for dividends or other rights for which the record date is prior to the date such stock certificate or certificates are issued except as provided in Section 10 hereof.

10. Recapitalization. Subject to any required action by the shareholders of the Company, the number of Shares covered by this Option, and the Exercise Price thereof, shall be proportionately adjusted for any increase or decrease in the number of issued shares resulting from a subdivision or consolidation of shares or the payment of a stock dividend, or any other increase or decrease in the number of such shares effected without receipt of consideration by the Company; provided however that the conversion of any convertible securities of the Company shall not be deemed having been "effected without receipt of consideration by the Company".

11. Reorganization. The grant of this Option shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations or changes in its capital or business structure or to merge, consolidate, dissolve or liquidate or to sell or transfer all or any part of its business or assets. The provisions of the Plan shall govern the rights of the Optionee in the event of a Reorganization as defined in the Plan.

12. Taxation upon Exercise of Option. Optionee understands that, upon exercise of this Option, Optionee will recognize income, for Federal and state income tax purposes, in an amount equal to the amount by which the fair market value of the Shares, determined as of the date of exercise, exceeds the Exercise Price. The acceptance of the Shares by Optionee shall constitute an agreement by Optionee to report such income in accordance with then applicable law and to cooperate with Company in establishing the amount of such income and corresponding deduction to the Company for its income tax purposes. Withholding for federal or state income and employment tax purposes will be made, if and as required by law, from Optionee's then current compensation, or, if such current compensation is insufficient to satisfy withholding tax liability, the Company may require Optionee to make a cash payment to cover such liability as a condition of the exercise of this Option.

13. Modification, Extension and Renewal of Options. The Board or Committee, as described in the Plan, may modify, extend or renew this Option or accept the surrender thereof (to the extent not theretofore exercised) and authorize the granting of a new option in substitution therefore (to the extent not theretofore exercised), subject at all times to the Plan, the Code and all relevant securities statutes and rules. Notwithstanding the foregoing provisions of this Section 13, no modification shall, without the consent of the Optionee, alter to the Optionee's detriment or impair any rights of Optionee hereunder.

14. Investment Intent; Restrictions on Transfer.

(a) Optionee represents and agrees that if Optionee exercises this Option in whole or in part, Optionee will in each case acquire the Shares upon such exercise for the purpose of investment and not with a view to, or for resale in connection with, any distribution thereof; and that upon such exercise of this Option in whole or in part, Optionee (or any person or persons entitled to exercise this Option under the provisions of Sections 7 and 8 hereof) shall furnish to the Company a written statement to such effect, satisfactory to the Company in form and substance. If the Shares represented by this Option are registered under the Securities Act, either before or after the exercise of this Option in whole or in part, the Optionee shall be relieved of the foregoing investment representation and agreement and shall not be required to furnish the Company with the foregoing written statement.

(b) Optionee further represents that Optionee has had access to the published financial statements and other information of the Company, has had the opportunity to ask questions of the Company concerning its business, operations and financial condition, and to obtain additional information reasonably necessary to verify the accuracy of such information.

(c) Unless and until the Shares represented by this Option are registered under the Securities Act, all Company records regarding the Shares (which shall be issued in book entry form) and any securities issued pursuant to any stock split, share reclassification, stock dividend or other similar capital event shall bear legends in substantially the following form:

THESE SECURITIES HAVE NOT BEEN REGISTERED OR OTHERWISE QUALIFIED UNDER THE SECURITIES ACT OF 1933 (THE 'SECURITIES ACT') OR UNDER THE APPLICABLE OR SECURITIES LAWS OF ANY STATE. NEITHER THESE SECURITIES NOR ANY INTEREST THEREIN MAY BE SOLD, TRANSFERRED, PLEDGED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE SECURITIES LAWS OF ANY STATE, UNLESS PURSUANT TO EXEMPTIONS THEREFROM.

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ISSUED PURSUANT TO THAT CERTAIN NONSTATUTORY STOCK OPTION AGREEMENT DATED _____ BETWEEN THE COMPANY AND THE ISSUEE WHICH RESTRICTS THE TRANSFER OF THESE SHARES WHICH ARE SUBJECT TO REPURCHASE BY THE COMPANY UNDER CERTAIN CONDITIONS.

and/or such other legend or legends as the Company and its counsel deem necessary or appropriate. Appropriate stop transfer instructions with respect to the Shares will be placed with the Company's transfer agent.

15. Stand-off Agreement. Optionee agrees that, in connection with any registration of the Company's securities under the Securities Act, and upon the request of the Company or any underwriter managing an underwritten offering of the Company's securities, Optionee shall not sell, short any sale of, loan, grant an option for, or otherwise dispose of any of the Shares (other than Shares included in the offering) without the prior written consent of the Company or such managing underwriter, as applicable, for a period of at least six months following the effective date of registration of such offering.

16. Notices. Any notice required to be given pursuant to this Option or the Plan shall be in writing and shall be deemed to be delivered upon receipt or, in the case of notices by the Company, five (5) days after deposit in the U.S. mail, postage prepaid, addressed to Optionee at the address last provided by Optionee for his or her employee/officer records.

17. Agreement Subject to Plan; Applicable Law. This Option is not made pursuant to the Plan, subject to ratification by the stockholders but for the avoidance of doubt shall be interpreted to comply therewith. A copy of such Plan is available to Optionee, at no charge, at the principal office of the Company. This Option has been granted, executed and delivered in the State of Delaware, and the interpretation and enforcement shall be governed by the laws thereof and subject to the exclusive jurisdiction of the courts therein.

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

COMPANY:

IPSIDY INC.,
a Delaware corporation

By: _____

Name: _____

Title: _____

OPTIONEE:

By: _____

(signature)

Name: _____

Appendix A

NOTICE OF EXERCISE

Ipsidy Inc.

Re: Nonstatutory Stock Option

Notice is hereby given pursuant to Section 6 of my Nonstatutory Stock Option Agreement that I elect to purchase the number of shares set forth below at the exercise price set forth in my option agreement:

Nonstatutory Stock Option Agreement dated: _____

Number of shares being purchased: _____

Exercise Price: \$ _____

EITHER

1) A check in the amount of the aggregate price of the shares being purchased is attached.

OR

2) I elect a cashless exercise pursuant to Section 6 of my Stock Option Agreement. Please determine the Market Price* as of the date of this Exercise Notice and calculate the resulting number of shares of common stock to be issued on a cashless exercise basis.

* Market Price is defined as the average of the last reported sale prices on the principal trading market for the Common Stock during the five (5) trading days immediately preceding the exercise date.

Further, I understand that the exercise of the Options will give rise to taxable income at the time of exercise, which will be payable in addition to the Exercise Price under the Option, whether by deduction from my compensation, or by my additional payment to the Company.

I hereby confirm that such shares are being acquired by me for my own account for investment purposes, and not with a view to, or for resale in connection with, any distribution thereof. I will not sell or dispose of my Shares in violation of the Securities Act of 1933, as amended, or any applicable federal or state securities laws.

I understand that the Transfer Agent's record relating to the Option Shares will bear a restrictive legend within the contemplation of the Securities Act and as required by such other state or federal law or regulation applicable to the issuance or delivery of the Option Shares.

I agree to provide to the Company such additional documents or information as may be required pursuant to the Company's 2017 Incentive Stock Plan.

By: _____

Dated: _____

EXECUTIVE RETENTION AGREEMENT

This Executive Retention Agreement (the "**Agreement**") is made and entered into as of June 14, 2021 by and between IPSIDY INC., a Delaware corporation (the "**Company**"), and THOMAS THIMOT (the "**Executive**").

Recitals:

WHEREAS, the Executive is a key employee of the Company who possesses valuable proprietary knowledge of the Company, its business and operations and the markets in which the Company competes; and

WHEREAS, the Company and the Executive desire to enter into this Agreement to encourage the Executive to continue to devote the Executive's full attention and dedication to the success of the Company, and to provide specified compensation and benefits to the Executive in the event of a Termination Upon Change of Control or certain other terminations pursuant to the terms of this Agreement.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. PURPOSE AND TERM

The purpose of this Agreement is to provide specified compensation and benefits to the Executive in the event of (i) a Termination Upon Change of Control or (ii) an Involuntary Termination. Subject to the terms of any applicable written employment agreement between Company and the Executive (as to which Executive acknowledges no other such agreement exists as of the date hereof), either the Executive or Company may terminate the Executive's employment at any time for any reason, with or without notice. The term of this Agreement shall be the period from the date set forth above until Executive's employment is terminated for any reason or this Agreement is terminated by mutual agreement of the parties.

2. TERMINATION GENERALLY

2.1 Termination of Employment Generally. In the event the Executive's employment with the Company terminates, for any reason whatsoever including death or disability the Executive shall be entitled to the benefits described in this Section 2.1.

2.1.1 Accrued Salary and Vacation. All salary and accrued vacation earned through the Termination Date shall be paid to Executive on such Date.

2.1.2 Accrued Bonus Payment. The Executive shall receive a lump sum payment of any actual bonus amount to the extent that all the conditions for payment of such bonus have been satisfied and any such bonus was earned and is unpaid on the Termination Date.

2.1.3 Expense Reimbursement. Within ten (10) days following submission to the Company of proper expense reports by the Executive, the Company shall reimburse the Executive for all expenses incurred by the Executive, consistent with the Company's expense reimbursement policy in effect prior to the incurring of each such expense, in connection with the business of the Company prior to the Termination Date.

3. TERMINATION UPON CHANGE OF CONTROL

3.1 Severance Payment. In the event of the Executive's Termination Upon Change of Control, the Executive shall be entitled to receive an amount equal to twelve (12) months of the Executive's Base Salary and 100% of Executive's target annual bonus for the year in which the Termination Date occurs (or, if greater, the target annual bonus in effect immediately prior to the Change of Control) which shall be paid in a lump sum payment within ten (10) days following the Termination Date; provided, however, that if Section 409A of the Code would otherwise apply to such cash severance payment, it instead shall be paid at such time as permitted by Section 409A of the Code. This section shall not apply and no severance payment shall be payable hereunder to the extent of the amount of any bonus payable to Executive upon a Change of Control.

3.2 COBRA. The Company will reimburse Executive for the cost of continuation of health coverage for Executive and Executive's eligible dependents pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**") until the earlier of (i) 12 months following the Termination Date, (ii) the date Executive is eligible for health coverage for Executive and Executive's eligible dependents from a new employer or (iii) the date Executive and Executive's eligible dependents are no longer eligible for COBRA; provided, however, if, at the time of the Termination Date, the Company determines that providing the COBRA reimbursement in this paragraph would result in a violation of law or an excise tax to the Company, then the Company instead will pay a lump sum payment equal to 150% of 12 months of Executive's estimated COBRA premiums, less applicable withholdings, within 10 days following the Termination Date.

3.3 Equity Compensation Acceleration. Upon the Executive's Termination Upon Change of Control, the vesting and exercisability of all then outstanding stock options and shares of restricted stock (or any other equity award, including, without limitation, stock appreciation rights and restricted stock units) granted to the Executive under any Company Plans shall be accelerated as to 100% of the shares subject to any such equity awards granted to the Executive.

3.4 Indemnification. In the event of the Executive's Termination Upon Change of Control, (a) the Company shall continue to indemnify the Executive against all claims related to actions arising prior to the termination of the Executive's employment to the fullest extent permitted by law, and (b) if the Executive was covered by the Company's directors' and officers' insurance policy, or an equivalent thereto, (the "**D&O Insurance Policy**") immediately prior to the Change of Control, the Company or its Successor shall continue to provide coverage under a D&O Insurance Policy for not less than twenty-four (24) months following the Executive's Termination Upon Change of Control on substantially the same terms of the D&O Insurance Policy in effect immediately prior to the Change of Control.

4. INVOLUNTARY TERMINATION

4.1 Severance Payment. In the event of the Executive's Involuntary Termination, the Executive shall be entitled to receive an amount equal to twelve (12) months of the Executive's Base Salary, which shall be paid according to the following schedule: (i) a lump sum payment equal to one-fourth of such amount shall be payable within ten (10) days following the Termination Date, and (ii) one-fourth of such amount shall be payable within ten (10) days of each of the three-month, six-month and nine-month anniversaries of the Termination Date (and in each case no interest shall accrue on such amount); provided, however, that if Section 409A of the Code would otherwise apply to such cash severance payment, it instead shall be paid at such time as permitted by Section 409A of the Code. Notwithstanding the foregoing, if the Involuntary Termination occurs within the first twelve (12) months following the Effective Date, the amounts paid will instead equal six (6) months of the Executive's Base Salary.

4.2 COBRA. The Company will reimburse Executive for the cost of continuation of health coverage for Executive and Executive's eligible dependents pursuant to COBRA until the earlier of (i) 12 months following the Termination Date, (ii) the date Executive is eligible for health coverage for Executive and Executive's eligible dependents from a new employer or (iii) the date Executive and Executive's eligible dependents are no longer eligible for COBRA; provided, however, if, at the time of the Termination Date, the Company determines that providing the COBRA reimbursement in this paragraph would result in a violation of law or an excise tax to the Company, then the Company instead will pay a lump sum payment equal to 150% of 12 months of Executive's estimated COBRA premiums, less applicable withholdings, within 10 days following the Termination Date.

4.3 Equity Compensation Exercise. Upon the Executive's Involuntary Termination, the Exercise Period with respect to vested Shares, under the Company Plans for the purposes of the Executive's stock options granted under the Company Plans shall be extended so as to expire four (4) years from the date of Involuntary Termination or the remaining term of the relevant equity award, whichever is the lesser. All unvested Shares under any such grants or other equity awards shall lapse and no longer be exercisable as of the date of Involuntary Termination.

4.4 Indemnification. In the event of the Executive's Involuntary Termination, (a) the Company shall continue to indemnify the Executive against all claims related to actions arising prior to the Termination Date to the fullest extent permitted by law, and (b) if the Executive was covered by the D&O Insurance Policy immediately prior to the Termination Date, the Company shall continue to provide coverage under a D&O Insurance Policy for not less than twenty-four (24) months following the Executive's Involuntary Termination on substantially the same terms of the D&O Insurance Policy in effect immediately prior to the Termination Date.

5. FEDERAL EXCISE TAX UNDER SECTION 280G

5.1 Excise Tax. If (a) any amounts payable to the Executive under this Agreement or otherwise are characterized as excess parachute payments pursuant to Section 4999 of the Internal Revenue Code of 1986, as amended (the "**Code**"), and (b) the Executive thereby would be subject to any United States federal excise tax due to that characterization, then such amounts will either be (i) delivered in full, or (ii) delivered to such lesser extent which would result in no portion of such amounts being subject to excise tax pursuant to Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Code Section 4999, results in Executive's receipt on an after-tax basis, of the greatest amounts, notwithstanding that all or some portion of such amounts may be taxable under Code Section 4999. If a reduction in the amounts constituting "parachute payments" is necessary so that no portion of such amounts are subject to the excise tax under Code Section 4999, the reduction will occur in the following order: (i) reduction of the cash severance payments, which will occur in reverse chronological order such that the cash payment owed on the latest date following the occurrence of the event triggering such excise tax will be the first cash payment to be reduced; (ii) cancellation of accelerated vesting of equity awards which will occur in the reverse order of the date of grant for such stock awards (i.e., the vesting of the most recently granted stock awards will be reduced first); and (iii) reduction of continued employee benefits, which will occur in reverse chronological order such that the benefit owed on the latest date following the occurrence of the event triggering such excise tax will be the first benefit to be reduced. If two or more equity awards are granted on the same date, each award will be reduced on a pro-rata basis. Notwithstanding the foregoing, no such reduction or elimination shall apply to any non-qualified deferred compensation amounts (within the meaning of Section 409A of the Code) to the extent such reduction or elimination would accelerate or defer the timing of such payment in a manner that does not comply with Section 409A of the Code.

5.2 Calculation by Independent Public Accountants. Unless the Company and the Executive otherwise agree in writing, any calculation of the amount of any excess parachute payments payable by the Executive shall be made in writing by the Company's independent public accountants (the "**Accountants**") whose conclusion shall be final and binding on the parties. For purposes of making such calculations, the Accountants may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make the required calculations. The Company shall bear all fees and expenses the Accountants may charge in connection with these services, but the engagement of the Accountants for this purpose shall be pursuant to an agreement between the Executive and the Accountants.

6. DEFINITIONS

6.1 Capitalized Terms Defined. Capitalized terms used in this Agreement shall have the meanings set forth in this Section 4, unless the context clearly requires a different meaning.

6.2 "**Base Salary**" means the greater of (a) if applicable, the monthly salary of the Executive in effect immediately prior to the Change of Control, or (b) the monthly salary of the Executive in effect immediately prior to the Termination Date.

6.3 "**Cause**" means:

- (a) the Executive willfully failed to follow the lawful written directions of the Board of Directors of the Company (the "**Board**") or Executive's immediate superior; provided that no termination for such Cause shall occur unless the Executive: (i) has been provided with notice, specifying such willful failure in reasonable detail, of the Company's intention to terminate the Executive for Cause; and (ii) has failed to cure or correct such willful failure within thirty (30) days of receiving such notice;
- (b) the Executive engaged in gross misconduct, or gross incompetence which is materially detrimental to the Company; provided that no termination for such Cause shall occur unless the Executive: (i) has been provided with notice, specifying such gross misconduct or gross incompetence in reasonable detail, of the Company's intention to terminate the Executive for Cause; and (ii) has failed to cure or correct such gross misconduct within thirty (30) days of receiving such notice;
- (c) the Executive willfully failed to comply in any material respect with the Employee Invention Assignment & Confidentiality Agreement, the Company's share dealing code, the Executive's non-competition agreement, or any other reasonable policies of the Company where non-compliance would be materially detrimental to the Company; provided that no termination for such Cause shall occur unless the Executive: (i) has been provided with notice of the Company's intention to terminate the Executive for such Cause, and (ii) has failed to cure or correct such willful failure within thirty (30) days of receiving such notice, provided that such notice and cure period requirements shall not apply in the event that such non-compliance is of a nature that it is unable to be remedied; or

- (d) the Executive is convicted of a felony or crime involving moral turpitude (excluding drunk driving unless combined with other aggravating circumstances or offenses) or fraud that the Company reasonably believes would have a material adverse effect on the Company.

6.4 “**Change of Control**” means:

- (a) any “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) becomes the “beneficial owner” (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing fifty (50%) percent or more of (i) the outstanding shares of common stock of the Company, or (ii) the combined voting power of the Company’s outstanding securities;
- (b) the Company is party to a merger or consolidation, or series of related transactions, which results in the voting securities of the Company outstanding immediately prior thereto failing to continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), directly or indirectly, at least fifty (50%) percent of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation;
- (c) the sale or disposition of all or substantially all of the Company’s assets, or consummation of any transaction, or series of related transactions, having similar effect (other than to a subsidiary of the Company);
- (d) a change in the composition of the Board within any consecutive two-year period, as a result of which fewer than a majority of the directors are Incumbent Directors. “Incumbent Directors” shall mean directors who either (i) were directors of the Company as of the effective date of this Agreement, or (ii) are elected, or nominated for election, to the Board with the affirmative votes of a least a majority of those directors whose election or nomination was not in connection with an actual or threatened proxy contest related to the election of directors to the Company; or
- (e) the dissolution or liquidation of the Company.

6.5 “**Company**” shall mean IPSIDY INC. and, following a Change of Control, any Successor.

6.6 “**Company Plans**” shall mean the Company’s 2017 Incentive Stock Plan and any employee equity plan that replaces or supplements such plan, as well as any grant of stock options, restricted stock, stock appreciation rights, stock award, or stock purchase offer, which may be made to Executive outside of any such plan.

6.7 “**Involuntary Termination**” means:

- (a) any termination without Cause of the employment of the Executive by the Company; or

- (b) any resignation by Executive for Good Reason where such resignation occurs within one hundred twenty (120) days following the occurrence of such Good Reason.

Notwithstanding the foregoing, the term “Involuntary Termination” shall not include any termination of the employment of the Executive: (1) by the Company for Cause; (2) by the Company as a result of the Permanent Disability of the Executive; (3) as a result of the death of the Executive; (4) as a result of the voluntary termination of employment by the Executive for any reason other than Good Reason (5) that would qualify as a Termination Upon Change of Control hereunder.

6.8 “**Good Reason**” means the occurrence of any of the following conditions, without the Executive’s written consent:

- (a) Any act, set of facts or omissions with respect to the Executive that would, as a matter of applicable law, constitute a constructive termination of the Executive.
- (b) The assignment to the Executive of a title, position, responsibilities or duties that is not a “Substantive Functional Equivalent” to the title, position, responsibilities or duties which the Executive had immediately prior to such assignment (including, as relevant, immediately prior to the public announcement of the Change of Control).
- (c) A material reduction in the Executive’s Base Salary or, if applicable, target bonus opportunity (subject to applicable performance requirements with respect to the actual amount of bonus compensation earned similar to the applicable performance requirements currently in effect), and in the event of a Change of Control, as compared to Executive’s Base Salary and target bonus opportunity in effect immediately prior to the public announcement of the Change of Control; provided, however, that this clause (c) shall not apply in the event of a reduction in the Executive’s Base Salary or, if applicable, target bonus opportunity as part of a Company-wide or executive team-wide cost-cutting measure or Company-wide or executive team-wide cutback as a result of overall Company performance.
- (d) The failure of the Company (i) to continue to provide the Executive an opportunity to participate in any benefit or compensation plans provided to employees who hold positions with the Company comparable to the Executive’s position, (ii) to provide the Executive all other fringe benefits (or the equivalent) in effect for the benefit of any employee group which includes any employee who hold a position with the Company comparable to the Executive’s position, where in the event of a Change of Control, such comparison shall be made relative to the time immediately prior to the public announcement of such Change of Control); or (iii) continue to provide director’s and officers’ insurance.
- (e) A material breach of this Agreement by the Company, including, in the event of a Change of Control, failure of the Company to obtain the consent of a Successor to perform all of the obligations of the Company under this Agreement.

The Executive must first give the Company an opportunity to cure any of the foregoing within thirty (30) days following delivery to the Company of a written explanation specifying the specific basis for Executive’s belief that Executive is entitled to terminate employment for Good Reason, and Executive terminates employment with the Company not later than (30) days following the Company’s failure to cure.

6.9 “**Permanent Disability**” means that:

- (a) the Executive has been incapacitated by bodily injury, illness or disease so as to be prevented thereby from engaging in the performance of the Executive’s duties;
- (b) such total incapacity shall have continued for a period of six consecutive months; and
- (c) such incapacity will, in the opinion of a qualified physician, be permanent and continuous during the remainder of the Executive’s life.

6.10 “**Substantive Functional Equivalent**” means that the Executive’s position must:

- (a) be in a substantive area of the Executive’s competence (e.g., finance or executive management) and not materially different from the position occupied immediately prior;
- (b) allow the Executive to serve in a role and perform duties functionally equivalent to those performed immediately prior; and
- (c) not otherwise constitute a material, adverse change in authority, title, status, responsibilities or duties from those of the Executive immediately prior, causing the Executive to be of materially lesser rank or responsibility, including requiring the Executive to report to a person other than the Board.

6.11 “**Successor**” means any successor in interest to, or assignee of, substantially all of the business and assets of the Company.

6.12 “**Termination Date**” means the date of the termination of the Executive’s employment with the Company.

6.13 “**Termination Upon Change of Control**” means:

- (a) any termination of the employment of the Executive by the Company without Cause during the period commencing on or after the date that the Company first publicly announces a definitive agreement that results in a Change of Control (even though still subject to approval by the Company’s stockholders and other conditions and contingencies, but provided that the Change of Control actually occurs) and ending on the date which is twelve (12) months following the Change of Control; or
- (b) any resignation by Executive for Good Reason where (i) such Good Reason occurs during the period commencing on or after the date that the Company first publicly announces a definitive agreement that results in a Change of Control (even though still subject to approval by the Company’s stockholders and other conditions and contingencies, but provided that the Change of Control actually occurs) and ending on the date which is twelve (12) months following the Change of Control, and (ii) such resignation occurs at or after such Change in Control and in any event within twelve (12) months following the expiration of any Company cure period.

Notwithstanding the foregoing, the term "Termination Upon Change of Control" shall not include any termination of the employment of the Executive: (1) by the Company for Cause; (2) by the Company as a result of the Permanent Disability of the Executive; (3) as a result of the death of the Executive; or (4) as a result of the voluntary termination of employment by the Executive for any reason other than Good Reason.

7. EXCLUSIVE REMEDY

7.1 No Other Benefits Payable. The Executive shall be entitled to no other termination, severance or change of control compensation, benefits, or other payments from the Company as a result of any termination with respect to which the payments and benefits described in Section 2 have been provided to the Executive, except as expressly set forth in this Agreement.

7.2 No Limitation of Regular Benefit Plans. Except as may be provided elsewhere in this Agreement, this Agreement is not intended to and shall not affect, limit or terminate any plans, programs or arrangements of the Company that are regularly made available to a significant number of employees or officers of the Company, including, without limitation, the Company's stock option plans.

7.3 Release of Claims. The payment of the benefits described in Sections 3 and 4 of this Agreement is conditioned upon the delivery by the Executive to the Company of a signed and effective general release of claims as provided by the Company in the form attached hereto as Exhibit 1; provided, however, that the Executive shall not be required to release any rights the Executive may have to be indemnified by the Company or as otherwise provided under this Agreement.

7.4 Noncumulation of Benefits. The Executive may not cumulate cash severance payments, stock option vesting and exercisability and restricted stock vesting under this Agreement, any other written agreement with the Company and/or another plan or policy of the Company. If the Executive has any other binding written agreement with the Company which provides that, upon a Change of Control or Termination Upon a Change of Control or Involuntary Termination, the Executive shall receive termination, severance or similar benefits, then no benefits shall be received by Executive under this Agreement unless, prior to payment or receipt of benefits under this Agreement, the Executive waives Executive's rights to all such other benefits, in which case this Agreement shall supersede any such written agreement with respect to such other benefits.

8. ARBITRATION

8.1 Disputes Subject to Arbitration. Any claim, dispute or controversy arising out of this Agreement (other than claims relating to misuse or misappropriation of the intellectual property of the Company), the interpretation, validity or enforceability of this Agreement or the alleged breach thereof shall be submitted by the parties to binding arbitration by a sole arbitrator under the rules of the American Arbitration Association; provided, however, that (a) the arbitrator shall have no authority to make any ruling or judgment that would confer any rights with respect to the trade secrets, confidential and proprietary information or other intellectual property of the Company upon the Executive or any third party; and (b) this arbitration provision shall not preclude the Company from seeking legal and equitable relief from any court having jurisdiction with respect to any disputes or claims relating to or arising out of the misuse or misappropriation of the Company's intellectual property. Judgment may be entered on the award of the arbitrator in any court having jurisdiction.

8.2 Costs of Arbitration. All costs of arbitration, including reasonable attorney's fees of the Executive, will be borne by the Company, except that if the Executive initiates arbitration and the arbitrator finds the Executive's claims to be frivolous the Executive shall be responsible for his own costs and attorneys' fees.

8.3 Site of Arbitration. The site of the arbitration proceeding shall be in Santa Clara County, California.

9. NOTICES

For purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or five (5) business days after being mailed, return receipt requested, as follows: (a) if to the Company, attention: General Counsel, at the Company's offices at 670 Long Beach Boulevard, Long Beach, New York 11561 USA or legal@ipsidy.com and, (b) if to the Executive, at the address indicated below or such other address specified by the Executive in writing to the Company. Either party may provide the other with notices of change of address, which shall be effective upon receipt.

12. MISCELLANEOUS PROVISIONS

12.1 Heirs and Representatives of the Executive; Successors and Assigns of the Company. This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors and assigns of the Company.

12.2 Amendment and Waiver. No provision of this Agreement shall be modified, amended, waived or discharged unless the modification, amendment, waiver or discharge is agreed to in writing, specifying such modification, amendment, waiver or discharge, and signed by the Executive and by an authorized officer of the Company (other than the Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

12.3 Withholding Taxes. All payments made under this Agreement shall be subject to deduction of all federal, state, local and other taxes required to be withheld by applicable law.

12.4 Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

12.5 Choice of Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California, without regard to where the Executive has his residence or principal office or where he performs his duties hereunder.

12.6 No Duty to Mitigate. The Executive is not required to seek alternative employment following termination, and payments called for under this Agreement will not be reduced by earnings from any other source.

12.7. Section 409A of the Code. The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of the Code and the Treasury Regulations and guidance promulgated thereunder (“**Section 409A**”), to the extent subject thereto, and accordingly, to the maximum extent permitted, this letter shall be interpreted and administered to be in compliance therewith. Notwithstanding anything contained herein to the contrary, Executive shall not be considered to have terminated employment with the Company for purposes of any provision in this Agreement providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment until Executive would be considered to have incurred a “separation from service” from the Company within the meaning of Section 409A and this Agreement shall be interpreted consistently therewith. Without limiting the foregoing, and notwithstanding anything to the contrary contained herein, to the extent (a) any payments or benefits to which Executive becomes entitled under this Agreement, or under any agreement or plan referenced herein, in connection with Executive’s termination of employment with the Company constitute deferred compensation subject to Section 409A of the Code and (b) Executive is deemed at the time of such termination of employment to be a “specified employee” under Section 409A of the Code, then such payments shall not be made or commence until the earliest of (i) the expiration of the six (6)-month period measured from the date of Executive’s “separation from service” (as such term is at the time defined in Treasury Regulations under Section 409A of the Code) from the Company; or (ii) the date of Executive’s death following such separation from service; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to Executive, including (without limitation) the additional twenty percent (20%) tax for which Executive would otherwise be liable under Section 409A(a)(1)(B) of the Code in the absence of such deferral. Upon the expiration of the applicable deferral period, any payments which would have otherwise been made during that period (whether in a single sum or in installments) in the absence of this paragraph shall be paid to Executive or Executive’s beneficiary in one lump sum (without interest). Any termination of Executive’s employment is intended to constitute a “separation from service” as such term is defined in Treasury Regulation Section 1.409A-1. It is intended that each installment of the payments provided hereunder constitute separate and distinct “payments” for purposes of Section 1.409A of the Code. It is further intended that payments hereunder satisfy, to the greatest extent possible, the exemption from the application of Code Section 409A (and any state law of similar effect) provided under Treasury Regulation Section 1.409A-1(b)(4) (as a “short-term deferral”). The Company makes no representation that any or all of the payments described or referenced in this letter will be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to any such payment, and Company’s only obligation is to comply with its obligations set forth herein.

12.8 Entire Agreement. This Agreement represents the entire agreement and understanding between the parties as to the subject matter herein (whether oral or written and whether express or implied). The Executive hereby acknowledges, represents and warrants that he has been individually represented by counsel in negotiating and signing this agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company, by its duly authorized officer, as of the day and year first above written.

EXECUTIVE

/s/ Tom Thimot

THOMAS THIMOT

333 Johnson Ave,
Los Gatos, CA 95030

IPSIDY INC.

By: /s/ Phillip Kunnick

Phillip L. Kunnick, CEO

EXHIBIT 1

RELEASE OF CLAIMS

This General Release of all Claims (this "Release") is entered into on [●], by and between Ipsidy Inc., a Delaware corporation (the "Company"), and Thomas Thimot (the "Executive").

In accordance with Section 7.3 of the Executive Retention Agreement by and between the Company and the Executive, effective _____, 2021 (the "Retention Agreement"), in consideration of the payments and benefits to which the Executive is entitled pursuant to the Retention Agreement subject to the execution and non-revocation of this Release, the Executive agrees as follows:

- General Release and Waiver of Claims.
 - o *Release.* The Executive and each of the Executive's respective heirs, executors, administrators, representatives, agents, successors and assigns (collectively, the "Releasors") hereby irrevocably and unconditionally release and forever discharge the Company and each of its subsidiaries and affiliates and each of their respective officers, employees, directors, managers, shareholders and agents ("Releasees") from any and all claims, actions, causes of action, rights, judgments, obligations, damages, demands, accountings or liabilities of whatever kind or character (collectively, "Claims"), including, without limitation, any Claims under any federal, state, local or foreign law, that the Releasors may have or in the future may possess, arising out (i) of the Executive's employment relationship with and service as an employee, officer, manager or director of the Company, and the termination of such relationship or service and (ii) any event, condition, circumstance or obligation that occurred, existed or arose on or prior to the date hereof; *provided, however*, that notwithstanding anything else herein to the contrary, this Release shall not affect: the obligations of the Company to pay the amounts due and owing to Executive on the Termination Date or other obligations that, in each case, by their terms, are to be performed after the date hereof by the Company; any indemnification or similar rights the Executive has as a current or former officer, manager or director of the Company, including, without limitation, any and all rights thereto referenced in the Company's governance documents or any rights with respect to "directors' and officers'" insurance policies; and the Executive's right to reimbursement of business expenses.
 - o *Specific Release of ADEA Claims.* The Releasors hereby unconditionally release and forever discharge the Releasees from any and all Claims that the Releasors may have as of the date the Executive signs this Release arising under the Federal Age Discrimination in Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder ("ADEA"). By signing this Release, the Executive hereby acknowledges and confirms the following: (i) the Executive was advised by the Company in connection with his termination to consult with an attorney of his choice prior to signing this Release and to have such attorney explain to the Executive the terms of this Release, including, without limitation, the terms relating to the Executive's release of claims arising under ADEA, and the Executive has in fact consulted with an attorney; (ii) the Executive was given a period of not fewer than twenty-one (21) calendar days to consider the terms of this Release and to consult with an attorney of his choosing with respect thereto; and (iii) the Executive knowingly and voluntarily accepts the terms of this Release. The Executive also understands that he has seven (7) calendar days following the date on which he signs this Release within which to revoke the release contained in this paragraph, by providing the Company a written notice of his revocation of the release and waiver contained in this paragraph.
-

- o *Release of All Claims.* The Executive acknowledges, understands and agrees that he may later discover Claims or facts in addition to or different from those which he now knows or believes to be true with respect to the subject matters of this Release, but that it is nevertheless his intention by signing this Release to fully, finally and forever release any and all Claims whether now known or unknown, suspected or unsuspected, which now exist, may exist, or previously have existed as set forth herein.
- o *California Civil Code Section 1542 Waiver.* The Executive has read the provisions of California Civil Code Section 1542 and has consulted his own counsel regarding that section. The Executive waives any and all rights under California Civil Code Section 1542, which states:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

- o Executive agrees and acknowledges that the released claims extend to and include unknown and unsuspected claims. In furtherance of the Executive's intent, the release in this Release shall remain in full and complete effect notwithstanding the discovery or existence of any additional, contrary, or different facts.
 - o *No Assignment.* The Executive represents and warrants that he has not assigned any of the Claims being released under this Release.
 - Proceedings. The Executive has not filed, and agrees not to initiate or cause to be initiated on his behalf, any complaint, charge, claim or proceeding against the Releasees before any local, state or federal agency, court or other body, other than in respect of any matter described in the proviso to Section 1(a) of this Release (each, individually, a "Proceeding"), and agrees not to participate voluntarily in any Proceeding. The Executive waives any right he may have to benefit in any manner from any relief (whether monetary or otherwise) arising out of any Proceeding.
 - Remedies. The Executive understands that by entering into this Release he will be limiting the availability of certain remedies that he may have against the Company and limiting also his ability to pursue certain claims against the Company.
 - Severability Clause. In the event any provision or part of this Release is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Release, will be inoperative.
 - Non-admission. Nothing contained in this Release will be deemed or construed as an admission of wrongdoing or liability on the part of the Company.
 - Governing Law. All matters affecting this Release, including the validity thereof, are to be governed by, and interpreted and construed in accordance with, the laws of the State of California applicable to contracts executed in and to be performed in that State.
 - Capitalized Terms. Capitalized terms used but not defined herein have the meanings ascribed to them in the Retention Agreement.
-

THE EXECUTIVE ACKNOWLEDGES THAT HE HAS READ THIS RELEASE AND THAT HE FULLY KNOWS, UNDERSTANDS AND APPRECIATES ITS CONTENTS, AND THAT HE HEREBY EXECUTES THE SAME AND MAKES THIS AGREEMENT AND THE RELEASE AND AGREEMENTS PROVIDED FOR HEREIN VOLUNTARILY AND OF HIS OWN FREE WILL.

IN WITNESS WHEREOF, the Executive has executed this Release on the date first set forth below.

EXECUTIVE:

THOMAS THIMOT

ACKNOWLEDGED AND AGREED

IPSIDY INC.

By: _____
Its: _____

EXECUTIVE RETENTION AGREEMENT

This Executive Retention Agreement (the "**Agreement**") is made and entered into as of June 14, 2021 by and between IPSIDY INC., a Delaware corporation (the "**Company**"), and CECIL N. SMITH III (the "**Executive**").

Recitals:

WHEREAS, the Executive is a key employee of the Company who possesses valuable proprietary knowledge of the Company, its business and operations and the markets in which the Company competes; and

WHEREAS, the Company and the Executive desire to enter into this Agreement to encourage the Executive to continue to devote the Executive's full attention and dedication to the success of the Company, and to provide specified compensation and benefits to the Executive in the event of a Termination Upon Change of Control or certain other terminations pursuant to the terms of this Agreement.

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. PURPOSE AND TERM

The purpose of this Agreement is to provide specified compensation and benefits to the Executive in the event of (i) a Termination Upon Change of Control or (ii) an Involuntary Termination. Subject to the terms of any applicable written employment agreement between Company and the Executive (as to which Executive acknowledges no other such agreement exists as of the date hereof), either the Executive or Company may terminate the Executive's employment at any time for any reason, with or without notice. The term of this Agreement shall be the period from the date set forth above until Executive's employment is terminated for any reason or this Agreement is terminated by mutual agreement of the parties.

2. TERMINATION GENERALLY

2.1 Termination of Employment Generally. In the event the Executive's employment with the Company terminates, for any reason whatsoever including death or disability the Executive shall be entitled to the benefits described in this Section 2.1.

2.1.1 Accrued Salary and Vacation. All salary and accrued vacation earned through the Termination Date shall be paid to Executive on such Date.

2.1.2 Accrued Bonus Payment. The Executive shall receive a lump sum payment of any actual bonus amount to the extent that all the conditions for payment of such bonus have been satisfied and any such bonus was earned and is unpaid on the Termination Date.

2.1.3 Expense Reimbursement. Within ten (10) days following submission to the Company of proper expense reports by the Executive, the Company shall reimburse the Executive for all expenses incurred by the Executive, consistent with the Company's expense reimbursement policy in effect prior to the incurring of each such expense, in connection with the business of the Company prior to the Termination Date.

3. TERMINATION UPON CHANGE OF CONTROL

3.1 Severance Payment. In the event of the Executive's Termination Upon Change of Control, the Executive shall be entitled to receive an amount equal to twelve (12) months of the Executive's Base Salary and 100% of Executive's target annual bonus for the year in which the Termination Date occurs (or, if greater, the target annual bonus in effect immediately prior to the Change of Control) which shall be paid in a lump sum payment within ten (10) days following the Termination Date; provided, however, that if Section 409A of the Code would otherwise apply to such cash severance payment, it instead shall be paid at such time as permitted by Section 409A of the Code. The severance payment payable hereunder shall be reduced to the extent of the amount of any bonus payable to Executive upon a Change of Control.

3.2 COBRA. The Company will reimburse Executive for the cost of continuation of health coverage for Executive and Executive's eligible dependents pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**") until the earlier of (i) 12 months following the Termination Date, (ii) the date Executive is eligible for health coverage for Executive and Executive's eligible dependents from a new employer or (iii) the date Executive and Executive's eligible dependents are no longer eligible for COBRA; provided, however, if, at the time of the Termination Date, the Company determines that providing the COBRA reimbursement in this paragraph would result in a violation of law or an excise tax to the Company, then the Company instead will pay a lump sum payment equal to 150% of 12 months of Executive's estimated COBRA premiums, less applicable withholdings, within 10 days following the Termination Date.

3.3 Equity Compensation Acceleration. Upon the Executive's Termination Upon Change of Control, the vesting and exercisability of all then outstanding stock options and shares of restricted stock (or any other equity award, including, without limitation, stock appreciation rights and restricted stock units) granted to the Executive under any Company Plans shall be accelerated as to 100% of the shares subject to any such equity awards granted to the Executive.

3.4 Indemnification. In the event of the Executive's Termination Upon Change of Control, (a) the Company shall continue to indemnify the Executive against all claims related to actions arising prior to the termination of the Executive's employment to the fullest extent permitted by law, and (b) if the Executive was covered by the Company's directors' and officers' insurance policy, or an equivalent thereto, (the "**D&O Insurance Policy**") immediately prior to the Change of Control, the Company or its Successor shall continue to provide coverage under a D&O Insurance Policy for not less than twenty-four (24) months following the Executive's Termination Upon Change of Control on substantially the same terms of the D&O Insurance Policy in effect immediately prior to the Change of Control.

4. INVOLUNTARY TERMINATION

4.1 Severance Payment. In the event of the Executive's Involuntary Termination, the Executive shall be entitled to receive an amount equal to twelve (12) months of the Executive's Base Salary, which shall be paid according to the following schedule: (i) a lump sum payment equal to one-fourth of such amount shall be payable within ten (10) days following the Termination Date, and (ii) one-fourth of such amount shall be payable within ten (10) days of each of the three-month, six-month and nine-month anniversaries of the Termination Date (and in each case no interest shall accrue on such amount); provided, however, that if Section 409A of the Code would otherwise apply to such cash severance payment, it instead shall be paid at such time as permitted by Section 409A of the Code. Notwithstanding the foregoing, if the Involuntary Termination occurs within the first twelve (12) months following the Effective Date, the amounts paid will instead equal six (6) months of the Executive's Base Salary.

4.2 COBRA. The Company will reimburse Executive for the cost of continuation of health coverage for Executive and Executive's eligible dependents pursuant to COBRA until the earlier of (i) 12 months following the Termination Date, (ii) the date Executive is eligible for health coverage for Executive and Executive's eligible dependents from a new employer or (iii) the date Executive and Executive's eligible dependents are no longer eligible for COBRA; provided, however, if, at the time of the Termination Date, the Company determines that providing the COBRA reimbursement in this paragraph would result in a violation of law or an excise tax to the Company, then the Company instead will pay a lump sum payment equal to 150% of 12 months of Executive's estimated COBRA premiums, less applicable withholdings, within 10 days following the Termination Date.

4.3 Equity Compensation Exercise. Upon the Executive's Involuntary Termination, the Exercise Period with respect to vested Shares, under the Company Plans for the purposes of the Executive's stock options granted under the Company Plans shall be extended so as to expire two (2) years from the date of Involuntary Termination or the remaining term of the relevant equity award, whichever is the lesser. All unvested Shares under any such grants or other equity awards shall lapse and no longer be exercisable as of the date of Involuntary Termination.

4.4 Indemnification. In the event of the Executive's Involuntary Termination, (a) the Company shall continue to indemnify the Executive against all claims related to actions arising prior to the Termination Date to the fullest extent permitted by law, and (b) if the Executive was covered by the D&O Insurance Policy immediately prior to the Termination Date, the Company shall continue to provide coverage under a D&O Insurance Policy for not less than twenty-four (24) months following the Executive's Involuntary Termination on substantially the same terms of the D&O Insurance Policy in effect immediately prior to the Termination Date.

5. FEDERAL EXCISE TAX UNDER SECTION 280G

5.1 Excise Tax. If (a) any amounts payable to the Executive under this Agreement or otherwise are characterized as excess parachute payments pursuant to Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), and (b) the Executive thereby would be subject to any United States federal excise tax due to that characterization, then such amounts will either be (i) delivered in full, or (ii) delivered to such lesser extent which would result in no portion of such amounts being subject to excise tax pursuant to Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Code Section 4999, results in Executive's receipt on an after-tax basis, of the greatest amounts, notwithstanding that all or some portion of such amounts may be taxable under Code Section 4999. If a reduction in the amounts constituting "parachute payments" is necessary so that no portion of such amounts are subject to the excise tax under Code Section 4999, the reduction will occur in the following order: (i) reduction of the cash severance payments, which will occur in reverse chronological order such that the cash payment owed on the latest date following the occurrence of the event triggering such excise tax will be the first cash payment to be reduced; (ii) cancellation of accelerated vesting of equity awards which will occur in the reverse order of the date of grant for such stock awards (i.e., the vesting of the most recently granted stock awards will be reduced first); and (iii) reduction of continued employee benefits, which will occur in reverse chronological order such that the benefit owed on the latest date following the occurrence of the event triggering such excise tax will be the first benefit to be reduced. If two or more equity awards are granted on the same date, each award will be reduced on a pro-rata basis. Notwithstanding the foregoing, no such reduction or elimination shall apply to any non-qualified deferred compensation amounts (within the meaning of Section 409A of the Code) to the extent such reduction or elimination would accelerate or defer the timing of such payment in a manner that does not comply with Section 409A of the Code.

5.2 Calculation by Independent Public Accountants. Unless the Company and the Executive otherwise agree in writing, any calculation of the amount of any excess parachute payments payable by the Executive shall be made in writing by the Company's independent public accountants (the "**Accountants**") whose conclusion shall be final and binding on the parties. For purposes of making such calculations, the Accountants may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Executive shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make the required calculations. The Company shall bear all fees and expenses the Accountants may charge in connection with these services, but the engagement of the Accountants for this purpose shall be pursuant to an agreement between the Executive and the Accountants.

6. DEFINITIONS

6.1 Capitalized Terms Defined. Capitalized terms used in this Agreement shall have the meanings set forth in this Section 4, unless the context clearly requires a different meaning.

6.2 "**Base Salary**" means the greater of (a) if applicable, the monthly salary of the Executive in effect immediately prior to the Change of Control, or (b) the monthly salary of the Executive in effect immediately prior to the Termination Date.

6.3 "**Cause**" means:

- (a) the Executive willfully failed to follow the lawful written directions of the Board of Directors of the Company (the "**Board**") or Executive's immediate superior; provided that no termination for such Cause shall occur unless the Executive: (i) has been provided with notice, specifying such willful failure in reasonable detail, of the Company's intention to terminate the Executive for Cause; and (ii) has failed to cure or correct such willful failure within thirty (30) days of receiving such notice;
- (b) the Executive engaged in gross misconduct, or gross incompetence which is materially detrimental to the Company; provided that no termination for such Cause shall occur unless the Executive: (i) has been provided with notice, specifying such gross misconduct or gross incompetence in reasonable detail, of the Company's intention to terminate the Executive for Cause; and (ii) has failed to cure or correct such gross misconduct within thirty (30) days of receiving such notice;
- (c) the Executive willfully failed to comply in any material respect with the Employee Invention Assignment & Confidentiality Agreement, the Company's share dealing code, the Executive's non-competition agreement, or any other reasonable policies of the Company where non-compliance would be materially detrimental to the Company; provided that no termination for such Cause shall occur unless the Executive: (i) has been provided with notice of the Company's intention to terminate the Executive for such Cause, and (ii) has failed to cure or correct such willful failure within thirty (30) days of receiving such notice, provided that such notice and cure period requirements shall not apply in the event that such non-compliance is of a nature that it is unable to be remedied; or

- (d) The Executive is convicted of a felony or crime involving moral turpitude (excluding drunk driving unless combined with other aggravating circumstances or offenses) or commission of a fraud that the Company reasonably believes would have a material adverse effect on the Company.

6.4 “**Change of Control**” means:

- (a) any “person” (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) becomes the “beneficial owner” (as defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company representing fifty (50%) percent or more of (i) the outstanding shares of common stock of the Company, or (ii) the combined voting power of the Company’s outstanding securities;
- (b) the Company is party to a merger or consolidation, or series of related transactions, which results in the voting securities of the Company outstanding immediately prior thereto failing to continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), directly or indirectly, at least fifty (50%) percent of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation;
- (c) the sale or disposition of all or substantially all of the Company’s assets, or consummation of any transaction, or series of related transactions, having similar effect (other than to a subsidiary of the Company);
- (d) a change in the composition of the Board within any consecutive two-year period, as a result of which fewer than a majority of the directors are Incumbent Directors. “Incumbent Directors” shall mean directors who either (i) were directors of the Company as of the effective date of this Agreement, or (ii) are elected, or nominated for election, to the Board with the affirmative votes of a least a majority of those directors whose election or nomination was not in connection with an actual or threatened proxy contest related to the election of directors to the Company; or
- (e) the dissolution or liquidation of the Company.

6.5 “**Company**” shall mean IPSIDY INC. and, following a Change of Control, any Successor.

6.6 “**Company Plans**” shall mean the Company’s 2017 Incentive Stock Plan and any employee equity plan that replaces or supplements such plan, as well as any grant of stock options, restricted stock, stock appreciation rights, stock award, or stock purchase offer, which may be made to Executive outside of any such plan.

6.7 “**Involuntary Termination**” means:

- (a) any termination without Cause of the employment of the Executive by the Company; or
- (b) any resignation by Executive for Good Reason where such resignation occurs within one hundred twenty (120) days following the occurrence of such Good Reason.

Notwithstanding the foregoing, the term “Involuntary Termination” shall not include any termination of the employment of the Executive: (1) by the Company for Cause; (2) by the Company as a result of the Permanent Disability of the Executive; (3) as a result of the death of the Executive; (4) as a result of the voluntary termination of employment by the Executive for any reason other than Good Reason, or (5) that would qualify as a Termination Upon Change of Control hereunder.

6.8 “**Good Reason**” means the occurrence of any of the following conditions, without the Executive’s written consent:

- (a) Any act, set of facts or omissions with respect to the Executive that would, as a matter of applicable law, constitute a constructive termination of the Executive.
- (b) The assignment to the Executive of a title, position, responsibilities or duties that is not a “Substantive Functional Equivalent” to the title, position, responsibilities or duties which the Executive had immediately prior to such assignment (including, as relevant, immediately prior to the public announcement of the Change of Control).
- (c) A material reduction in the Executive’s Base Salary or, if applicable, target bonus opportunity (subject to applicable performance requirements with respect to the actual amount of bonus compensation earned similar to the applicable performance requirements currently in effect), and in the event of a Change of Control, as compared to Executive’s Base Salary and target bonus opportunity in effect immediately prior to the public announcement of the Change of Control; provided, however, that this clause (c) shall not apply in the event of a reduction in the Executive’s Base Salary or, if applicable, target bonus opportunity as part of a Company-wide or executive team-wide cost-cutting measure or Company-wide or executive team-wide cutback as a result of overall Company performance.
- (d) The failure of the Company (i) to continue to provide the Executive an opportunity to participate in any benefit or compensation plans provided to employees who hold positions with the Company comparable to the Executive’s position, (ii) to provide the Executive all other fringe benefits (or the equivalent) in effect for the benefit of any employee group which includes any employee who hold a position with the Company comparable to the Executive’s position, where in the event of a Change of Control, such comparison shall be made relative to the time immediately prior to the public announcement of such Change of Control); or (iii) continue to provide director’s and officers’ insurance.
- (e) A material breach of this Agreement by the Company, including, in the event of a Change of Control, failure of the Company to obtain the consent of a Successor to perform all of the obligations of the Company under this Agreement.

The Executive must first give the Company an opportunity to cure any of the foregoing within thirty (30) days following delivery to the Company of a written explanation specifying the specific basis for Executive's belief that Executive is entitled to terminate employment for Good Reason, and Executive terminates employment with the Company not later than (30) days following the Company's failure to cure.

6.9 "**Permanent Disability**" means that:

- (a) the Executive has been incapacitated by bodily injury, illness or disease so as to be prevented thereby from engaging in the performance of the Executive's duties;
- (b) such total incapacity shall have continued for a period of six consecutive months; and
- (c) such incapacity will, in the opinion of a qualified physician, be permanent and continuous during the remainder of the Executive's life.

6.10 "**Substantive Functional Equivalent**" means that the Executive's position must:

- (a) be in a substantive area of the Executive's competence (e.g., finance or executive management) and not materially different from the position occupied immediately prior;
- (b) allow the Executive to serve in a role and perform duties functionally equivalent to those performed immediately prior; and
- (c) not otherwise constitute a material, adverse change in authority, title, status, responsibilities or duties from those of the Executive immediately prior, causing the Executive to be of materially lesser rank or responsibility, including requiring the Executive to report to a person other than the Board.

6.11 "**Successor**" means any successor in interest to, or assignee of, substantially all of the business and assets of the Company.

6.12 "**Termination Date**" means the date of the termination of the Executive's employment with the Company.

6.13 "**Termination Upon Change of Control**" means:

- (a) any termination of the employment of the Executive by the Company without Cause during the period commencing on or after the date that the Company first publicly announces a definitive agreement that results in a Change of Control (even though still subject to approval by the Company's stockholders and other conditions and contingencies, but provided that the Change of Control actually occurs) and ending on the date which is twelve (12) months following the Change of Control; or
- (b) any resignation by Executive for Good Reason where (i) such Good Reason occurs during the period commencing on or after the date that the Company first publicly announces a definitive agreement that results in a Change of Control (even though still subject to approval by the Company's stockholders and other conditions and contingencies, but provided that the Change of Control actually occurs) and ending on the date which is twelve (12) months following the Change of Control, and (ii) such resignation occurs at or after such Change in Control and in any event within twelve (12) months following the expiration of any Company cure period.

Notwithstanding the foregoing, the term "Termination Upon Change of Control" shall not include any termination of the employment of the Executive: (1) by the Company for Cause; (2) by the Company as a result of the Permanent Disability of the Executive; (3) as a result of the death of the Executive; or (4) as a result of the voluntary termination of employment by the Executive for any reason other than Good Reason.

7. EXCLUSIVE REMEDY

7.1 No Other Benefits Payable. The Executive shall be entitled to no other termination, severance or change of control compensation, benefits, or other payments from the Company as a result of any termination with respect to which the payments and benefits described in Section 2 have been provided to the Executive, except as expressly set forth in this Agreement.

7.2 No Limitation of Regular Benefit Plans. Except as may be provided elsewhere in this Agreement, this Agreement is not intended to and shall not affect, limit or terminate any plans, programs or arrangements of the Company that are regularly made available to a significant number of employees or officers of the Company, including, without limitation, the Company's stock option plans.

7.3 Release of Claims. The payment of the benefits described in Sections 3 and 4 of this Agreement is conditioned upon the delivery by the Executive to the Company of a signed and effective general release of claims as provided by the Company in the form attached hereto as Exhibit 1; provided, however, that the Executive shall not be required to release any rights the Executive may have to be indemnified by the Company or as otherwise provided under this Agreement.

7.4 Noncumulation of Benefits. The Executive may not cumulate cash severance payments, stock option vesting and exercisability and restricted stock vesting under this Agreement, any other written agreement with the Company and/or another plan or policy of the Company. If the Executive has any other binding written agreement with the Company which provides that, upon a Change of Control or Termination Upon a Change of Control or Involuntary Termination, the Executive shall receive termination, severance or similar benefits, then no benefits shall be received by Executive under this Agreement unless, prior to payment or receipt of benefits under this Agreement, the Executive waives Executive's rights to all such other benefits, in which case this Agreement shall supersede any such written agreement with respect to such other benefits.

8. ARBITRATION

8.1 Disputes Subject to Arbitration. Any claim, dispute or controversy arising out of this Agreement (other than claims relating to misuse or misappropriation of the intellectual property of the Company), the interpretation, validity or enforceability of this Agreement or the alleged breach thereof shall be submitted by the parties to binding arbitration by a sole arbitrator under the rules of the American Arbitration Association; provided, however, that (a) the arbitrator shall have no authority to make any ruling or judgment that would confer any rights with respect to the trade secrets, confidential and proprietary information or other intellectual property of the Company upon the Executive or any third party; and (b) this arbitration provision shall not preclude the Company from seeking legal and equitable relief from any court having jurisdiction with respect to any disputes or claims relating to or arising out of the misuse or misappropriation of the Company's intellectual property. Judgment may be entered on the award of the arbitrator in any court having jurisdiction.

8.2 Costs of Arbitration. All costs of arbitration, including reasonable attorney's fees of the Executive, will be borne by the Company, except that if the Executive initiates arbitration and the arbitrator finds the Executive's claims to be frivolous the Executive shall be responsible for his own costs and attorneys' fees.

8.3 Site of Arbitration. The site of the arbitration proceeding shall be in Denver, Colorado.

9. NOTICES

For purposes of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when delivered or five (5) business days after being mailed, return receipt requested, as follows: (a) if to the Company, attention: General Counsel, at the Company's offices at 670 Long Beach Boulevard, Long Beach, New York 11561 USA or legal@ipsidy.com and, (b) if to the Executive, at the address indicated below or such other address specified by the Executive in writing to the Company. Either party may provide the other with notices of change of address, which shall be effective upon receipt.

12. MISCELLANEOUS PROVISIONS

12.1 Heirs and Representatives of the Executive; Successors and Assigns of the Company. This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the Executive's personal and legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the successors and assigns of the Company.

12.2 Amendment and Waiver. No provision of this Agreement shall be modified, amended, waived or discharged unless the modification, amendment, waiver or discharge is agreed to in writing, specifying such modification, amendment, waiver or discharge, and signed by the Executive and by an authorized officer of the Company (other than the Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

12.3 Withholding Taxes. All payments made under this Agreement shall be subject to deduction of all federal, state, local and other taxes required to be withheld by applicable law.

12.4 Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

12.5 Choice of Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Colorado, without regard to where the Executive has his residence or principal office or where he performs his duties hereunder.

12.6 No Duty to Mitigate. The Executive is not required to seek alternative employment following termination, and payments called for under this Agreement will not be reduced by earnings from any other source.

12.7. Section 409A of the Code. The intent of the parties is that payments and benefits under this Agreement comply with Section 409A of the Code and the Treasury Regulations and guidance promulgated thereunder (“**Section 409A**”), to the extent subject thereto, and accordingly, to the maximum extent permitted, this letter shall be interpreted and administered to be in compliance therewith. Notwithstanding anything contained herein to the contrary, Executive shall not be considered to have terminated employment with the Company for purposes of any provision in this Agreement providing for the payment of any amounts or benefits subject to Section 409A upon or following a termination of employment until Executive would be considered to have incurred a “separation from service” from the Company within the meaning of Section 409A and this Agreement shall be interpreted consistently therewith. Without limiting the foregoing, and notwithstanding anything to the contrary contained herein, to the extent (a) any payments or benefits to which Executive becomes entitled under this Agreement, or under any agreement or plan referenced herein, in connection with Executive’s termination of employment with the Company constitute deferred compensation subject to Section 409A of the Code and (b) Executive is deemed at the time of such termination of employment to be a “specified employee” under Section 409A of the Code, then such payments shall not be made or commence until the earliest of (i) the expiration of the six (6)-month period measured from the date of Executive’s “separation from service” (as such term is at the time defined in Treasury Regulations under Section 409A of the Code) from the Company; or (ii) the date of Executive’s death following such separation from service; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to Executive, including (without limitation) the additional twenty percent (20%) tax for which Executive would otherwise be liable under Section 409A(a)(1)(B) of the Code in the absence of such deferral. Upon the expiration of the applicable deferral period, any payments which would have otherwise been made during that period (whether in a single sum or in installments) in the absence of this paragraph shall be paid to Executive or Executive’s beneficiary in one lump sum (without interest). Any termination of Executive’s employment is intended to constitute a “separation from service” as such term is defined in Treasury Regulation Section 1.409A-1. It is intended that each installment of the payments provided hereunder constitute separate and distinct “payments” for purposes of Section 1.409A of the Code. It is further intended that payments hereunder satisfy, to the greatest extent possible, the exemption from the application of Code Section 409A (and any state law of similar effect) provided under Treasury Regulation Section 1.409A-1(b)(4) (as a “short-term deferral”). The Company makes no representation that any or all of the payments described or referenced in this letter will be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to any such payment, and Company’s only obligation is to comply with its obligations set forth herein.

12.8 Entire Agreement. This Agreement represents the entire agreement and understanding between the parties as to the subject matter herein (whether oral or written and whether express or implied). The Executive hereby acknowledges, represents and warrants that he has been individually represented by counsel in negotiating and signing this agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company, by its duly authorized officer, as of the day and year first above written.

EXECUTIVE

/s/ Cecil Smith

CECIL N. SMITH III

1420 S. Elizabeth Street
Denver, Colorado 80210

IPSIDY INC.

By: /s/ Phillip Kumnick

Phillip L. Kumnick, CEO



Phillip L. Kumnick
Chief Executive Officer
phillipkumnick@ipsidy.com

June 14, 2021

PRIVATE AND CONFIDENTIAL

Thomas Thimot
333 Johnson Ave,
Los Gatos, CA 95030

Re: Employment Offer

Dear Tom:

The management of Ipsidy Inc. (the "**Company**") takes pleasure in extending you this offer to join the Company as Chief Executive Officer reporting to the Board of Directors of the Company (the "**Board**"). As part of your responsibilities, you will be required to provide services to other subsidiaries and affiliates of the Company (together with the Company, collectively referred to as the ("**Group**").

Job Description

Your job responsibilities will comprise managing and overseeing all operations and matters of the Group, in order to establish a successful business and manage growth. In addition, you will undertake such functions as are customarily applicable to your position, as well as those that are reasonably assigned to you by the Board. Upon commencement of your employment with the Company, you will be appointed as a member of the Board and thereafter you will be nominated for election and re-election to the Board continuously during your employment as Chief Executive Officer of the Company, subject to any required stockholder approval.

Compensation

Your compensation package shall consist of the following:

- (a) Initial base salary of \$325,000 per annum, which will be payable semi-monthly in arrears, and subject to all applicable deductions required by law. Your salary will be reviewed by the Board from time to time and may thereafter be increased.
- (b) You will also be eligible for an annual target bonus equal to fifty percent (50%) of your base salary based on achievement of performance milestones, calculated and payable as follows:
 - (i) For the fiscal year 2021 subject to performance targets to be mutually agreed between you and the Compensation Committee of the Board (the "**Committee**"); and
 - (ii) For the fiscal year 2022, you and the Committee will mutually agree as to the performance targets to earn your annual bonus. The expectation is that the performance target will require the Company to have revenues for fiscal year 2022 of not less than 300% of the revenue achieved by the Company for the year 2021 as shown in the Company's Annual Reports on Form 10-K, but you and the Committee agree to consider in good-faith adjustments to the performance target based on the circumstances that exist at the time the performance targets are established.

(c) You will also be eligible for a Bonus in an amount equal to your annual base salary on the occurrence of a Change of Control (as defined in your Executive Retention Agreement).

(d) At the outset of your employment you will be provided with an initial grant of options to purchase 36,000,000 shares of Common Stock of \$0.0001 par value in the Company (“**Common Stock**”), vesting subject to achievement of performance and service conditions as set forth in the option grant attached hereto as Exhibit “A”. The exercise price of the options shall be equal to the closing price of the Common Stock on the date of grant, the Exercise Period shall be 10 years and the other terms of the options shall be as set forth in the aforementioned option grant. For the avoidance of doubt all references herein to shares of Common Stock are to the shares prior to the planned reverse stock split and the share figures and exercise price shall be adjusted after such split, in accordance with terms of the option grant agreement.

(e) You may be eligible for equity incentive grants and cash bonus awards, subject to your continued employment and satisfactory job performance, which may be made from time to time, by the Board or Committee. Terms and conditions of all your equity incentive grants, will be as determined by the Board or Committee and in accordance with the terms of the Company’s equity incentive plan in effect at the time of each such grant.

(f) An Executive Retention Agreement in the form attached hereto as Exhibit “B”.

(g) All payments made under your employment shall be subject to deduction of all federal, state, local and other taxes required to be withheld by applicable law.

With respect to additional terms of your employment, the following will apply:

1. **At Will Employment.** Your employment shall start on or about June 14, 2021, or such other date as we shall agree. While we look forward to a long and mutually beneficial relationship, your employment will be “at-will” and may be terminated at any time upon written notice and without prior warning. Further, your participation in any stock option or benefit program are not to be regarded as assuring you of continuing employment for any particular period of time. Any modification or change in your “at-will” employment status may only occur by way of a written employment agreement signed by you and authorized by the Board.
 2. **Location and Travel.** You will work at your home office in the California Bay Area, but as part of your duties you will be required to travel as necessary to perform your duties and responsibilities, including visiting Company’s offices in the locations where they may exist from time to time.
 3. **Working Hours.** You will be expected to devote your full time and attention to your employment, to the extent necessary to carry out your duties hereunder. Because of the nature of your position, and as an exempt employee you will be required to work outside of usual working hours, where the circumstances and business needs require it. You shall not engage or be involved in any other business activity without the approval of the Board; *provided*, you may make investments, perform services for non-profits and other charitable work, and serve on company board of directors, and perform advisory work for small businesses and individuals outside of your scheduled business times at the Company with initial exceptions listed in Exhibit C attached hereto, if such activities, in each case, (i) do not materially interfere with your performance of Company duties and responsibilities, including the non-competition provisions of Section 9 and (ii) have been disclosed in advance to and pre-approved by the Board.
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4. **Paid Time Off.** You will be entitled to Paid Time Off in accordance with the provisions of the Company's Employee Handbook, which will accrue on a pro-rata basis during the year, in addition to all public holidays when the office is closed. Vacation may be taken upon reasonable prior notice to the Chairman of the Board. The Company's Employee Handbook contains further provisions relating to your entitlement and the taking of Paid Time Off, including the circumstances under which unused days may be carried over from one year to the next.
 5. **Sick & Personal Days.** Paid Time Off may be used for sick or personal days. The Company's Employee Handbook contains further provisions relating to the taking of sick or personal days, including the circumstances under which unused days may be carried over from one year to the next.
 6. **Benefits.** You will be eligible to participate in all employee benefit plans established by the Company for its employees from time to time. The Company currently offers the benefits that are detailed in the Employee Handbook.
 7. **Expense Reimbursement.** In accordance with Company policies from time to time, we will reimburse you for all reasonable and proper travel and business expenses incurred by you in the performance of your duties.
 8. **Confidentiality and Assignment of Inventions.** As an employee and executive of the Company, you will have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, you will need to sign the Company's standard "Employee Invention Assignment and Confidentiality Agreement" in the form attached hereto as Exhibit "D" as a condition of your employment.
 9. **Covenant Not to Compete.** While you are employed by the Company, you agree that you shall not directly or indirectly:
 - (a) be employed, or engaged as an independent contractor, consultant, or in any position where your responsibilities would require you to directly or indirectly support/work on services and/or products that are in competition with the Group's businesses as they exist during your employment -- the Group's businesses currently consist of its biometric identity verification products and solutions;
 - (b) whether as an employee, independent contractor, consultant, advisor, or principal, enter into any agreement which is for the provision of services in competition with any of the Group's businesses, as they exist during your employment with any entity, which is or was a customer of the Group, nor cause or assist any such customer to enter into any such agreement for competitive services with any third party.
-

- (c) whether on your own behalf or on behalf of any other person or entity directly or indirectly solicit or encourage any employee of the Group to discontinue such employment relationship with the Group (excluding termination of such employee's employment in the best interests of the Company).

You acknowledge that the restrictions set forth in this paragraph are reasonable and necessary for the protection of the Group's legitimate interests, in particular having regard to the sensitive position which you will hold and the high level of confidential and proprietary information regarding the Group's business operations, systems and customers to which you will have access, during the performance of your duties hereunder.

10. **No Restrictions.** To the extent that you are subject to confidentiality obligations to a former employer or any third party, you acknowledge and agree that it is your responsibility to ensure that you comply with such obligations on a continuing basis. You acknowledge that the Company is relying upon your warranty, representation and acknowledgement in this paragraph in making this offer to you.
11. **Governing Law & Jurisdiction.** This offer and your employment shall be governed by and construed in accordance with the laws of the State of California. You and the Company agree to submit to the exclusive personal jurisdiction of the federal and state courts located in Santa Clara County, California, in connection with any dispute or proceedings arising out of or relating to this offer and your employment, and each of us hereby submits to the exclusive jurisdiction of such courts.
12. **Amendment.** No amendment or waiver of any of the provisions hereof shall be effective, unless in writing and signed by each party.
13. **Other Documents.** Your employment is subject to the Employment Handbook and terms and conditions (including benefits) applicable generally to employees of the Group, from time to time in force, which are subject to change, amendment, or deletion in the Company's sole discretion. As a condition of your employment you will also be required to enter into certain standard undertakings and consents regarding security, confidentiality and use of the Group's facilities and property. As part of our objective of continuous improvement and in order to comply with certain customer and audit requirements, you will also be required to undergo training at least annually on various matters including data security. In accordance with our standard policy this employment offer is subject to our receiving satisfactory references and civil and criminal background checks, and by signing this letter you hereby consent to our undertaking such reference and background checks.
14. **Authorization to Work.** Please note that because of employer regulations adopted in the Immigration Reform and Control Act of 1986, within three (3) business days of starting your new position you will need to present documentation demonstrating that you have authorization to work in the United States.
15. **Severability.** If any provision of this letter or the application thereof is held invalid by a court, arbitrator or government agency of competent jurisdiction, you agree that such a determination of invalidity shall not affect other provisions or applications of the letter which can be given effect without the invalid provisions and thus shall remain in full force and effect or application.

If the terms and the conditions of this letter are acceptable to you, please sign, date and return an original of this letter to us.



We look forward to a long and mutually beneficial relationship.

Sincerely,

IPSIDY INC.

By: /s/ Phillip Kumnick
Phillip L. Kumnick, CEO

AGREED & ACCEPTED:

/s/ Tom Thimot
THOMAS THIMOT

Dated: June 14, 2021

EXHIBIT C

Permitted Activities

1. Lead Independent Director of Quintech Inc. – Rova Software

[END]

EXHIBIT D

EMPLOYEE INVENTION ASSIGNMENT AND CONFIDENTIALITY AGREEMENT

THIS EMPLOYEE INVENTION ASSIGNMENT AND CONFIDENTIALITY AGREEMENT is entered into as of the 14th day of June, 2021 between I the undersigned **THOMAS THIMOT** residing at 333 Johnson Ave, Los Gatos, CA 95030, and **IPSIDY INC.**, a Delaware corporation with a place of business at 670 Long Beach Boulevard, Long Beach, New York 11561 USA, (the "**Company**").

WHEREAS, I have agreed to be an employee of the Company or one of its affiliated entities (collectively referred to herein as the "**Company**").

IN CONSIDERATION OF, and as a condition of my employment with the Company (the receipt and sufficiency of which I hereby acknowledge) I hereby represent to, and agree with the Company as follows:

1. Purpose of Agreement. I understand that it is critical for the Company to preserve and protect its rights in "**Inventions**" (as defined in Section 2 below), its "**Confidential Information**" (as defined in Section 7 below) and in all related intellectual property rights. Accordingly, I am entering into this Employee Invention Assignment and Confidentiality Agreement (this "**Agreement**") as a condition of my employment with the Company.

2. Disclosure of Inventions. I will promptly disclose in confidence to the Company all inventions, improvements, designs, original works of authorship, formulas, processes, compositions of matter, computer software programs, databases, mask works and trade secrets (the "**Inventions**") that I make or conceive or first reduce to practice or create, either alone or jointly with others, during the period of my employment, whether or not in the course of my employment, and whether or not such Inventions are patentable, copyrightable or protectable as trade secrets.

3. Work for Hire. I acknowledge and agree that any copyrightable works prepared by me within the scope of my employment, including for the avoidance of doubt any such works prepared prior to the date hereof are "works made for hire" under the Copyright Law of the United States and that the Company will be considered the author and owner of such copyrightable works.

4. Assignment of Inventions. I agree that all Inventions that (i) have been or are developed using equipment, supplies, facilities, Confidential Information, or trade secrets of the Company, (ii) result from work performed by me for the Company, or (iii) relate to the Company's business or current or anticipated research and development (the "**Assigned Inventions**"), will be the sole and exclusive property of the Company and are hereby irrevocably assigned by me to the Company.

5. Assignment of Other Rights; Moral Rights. In addition to the foregoing assignment of Assigned Inventions to the Company, I hereby irrevocably transfer and assign to the Company: (i) all worldwide patents, patent applications, copyrights, mask works, trade secrets and other intellectual property rights, including but not limited to rights in databases, in any Assigned Inventions, along with any registrations of or applications to register such rights; and (ii) any and all "Moral Rights" (as defined below) that I may have in or with respect to any Assigned Inventions. I also hereby forever waive and agree never to assert any and all Moral Rights I may have in or with respect to any Assigned Inventions, even after termination of my work on behalf of the Company. "**Moral Rights**" mean any rights to claim authorship of or credit on an Assigned Invention, to object to or prevent the modification or destruction of any Assigned Inventions, or to withdraw from circulation or control the publication or distribution of any Assigned Inventions, and any similar right, existing under judicial or statutory law of any country or subdivision thereof in the world, or under any treaty, regardless of whether or not such right is denominated or generally referred to as a "moral right."

6. Assistance. I agree to assist the Company in every proper way, at the Company's cost, to obtain for the Company and enforce patents, copyrights, mask work rights, trade secret rights and other legal protections for the Company's Assigned Inventions in any and all countries. I will execute any documents that the Company may reasonably request for use in obtaining or enforcing such patents, copyrights, mask work rights, trade secrets and other legal protections. My obligations under this paragraph will continue beyond the termination of my employment with the Company, provided that the Company will compensate me at a reasonable rate after such termination for time or expenses actually spent by me at the Company's request on such assistance. I appoint the Secretary of the Company as my attorney-in-fact to execute documents on my behalf for this purpose.

7. Confidential Information. I understand that my employment by the Company creates a relationship of confidence and trust with respect to any information that may be disclosed to me by the Company and its officers, employees, shareholders or agents, whether orally, in writing, by computer or other medium, by demonstration, by supply of samples and parts or in any other manner, or which is otherwise accessible to me, that relates to the business of the Company or to the business of any parent, subsidiary, affiliate, customer or supplier of the Company including all information received by the Company from third parties, which is subject to an obligation of confidentiality (the "**Confidential Information**"). Such Confidential Information includes, but is not limited to, Assigned Inventions, computer programming and software, Company products and services, systems, functionality, designs, hardware, parts, concepts, specifications, features, techniques, plans, marketing, sales, performance, cost, pricing, supplier and customer information, data, tables, schedules, contracts and other information concerning the Company and its customers. I hereby acknowledge that all such Confidential Information belongs to the Company (or the respective customer, supplier or third party, which supplied it to the Company.)

8. Confidentiality. At all times, both during my employment and after its termination (without limitation in point of time), I will keep and hold all such Confidential Information in strict confidence and trust. I will not use or disclose any Confidential Information without the prior written consent of the Company, except as may be necessary to perform my duties as an employee of the Company for the benefit of the Company. Upon termination of my employment with the Company, I will promptly deliver to the Company all documents and materials of any nature pertaining to my work with the Company. I will not take with me or retain any documents or materials or copies thereof containing any Confidential Information. I agree that I shall at all times comply with the Company's Information Security Policy and Procedures from time to time in force. **I acknowledge that breach of this policy or any other provision of this Agreement may be grounds for immediate dismissal.**

9. No Breach of Agreement or Infringement. I represent that my acceptance of the Company's offer of employment, performance of all the terms of this Agreement and my duties as an employee of the Company will not so far as I am aware breach any invention assignment, proprietary information, confidentiality or similar agreement with any other party, nor infringe the rights of any third party. I represent that I will not bring with me to the Company or use in the performance of my duties for the Company any documents or materials or intangibles of a former employer or third party that are not generally available to the public or have not been legally transferred to the Company. I acknowledge that the Company is relying upon my warranty, representation and acknowledgement in this paragraph in offering me employment.

10. Notification. I hereby authorize the Company to notify my actual or future employers of the terms of this Agreement and my responsibilities hereunder.

11. Injunctive Relief. I understand that in the event of a breach or threatened breach of this Agreement by me the Company may suffer irreparable harm and will therefore be entitled to injunctive relief to enforce this Agreement.

12. Governing Law; Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State of California, without giving effect to that body of laws pertaining to conflict of laws. I hereby submit to the jurisdiction of and consent to suit in the courts, Federal and State located in the State of New York with respect to any matter or dispute arising out of this Agreement.

13. Severability. If any provision of this Agreement is determined by any court or arbitrator of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such provision will be enforced to the maximum extent possible given the intent of the parties hereto. If such clause or provision cannot be so enforced, such provision shall be stricken from this Agreement and the remainder of this Agreement shall be enforced as if such invalid, illegal or unenforceable clause or provision had (to the extent not enforceable) never been contained in this Agreement.

14. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement.

15. Entire Agreement. This Agreement and the documents referred to herein constitute the entire agreement and understanding of the parties with respect to the subject matter of this Agreement, and supersede all prior understandings and agreements, whether oral or written, between or among the parties hereto with respect to the specific subject matter hereof.

16. Amendment and Waivers. This Agreement may be amended only by a written agreement executed by each of the parties hereto. No amendment of or waiver of, or modification of any obligation under this Agreement will be enforceable unless set forth in a writing signed by the party against which enforcement is sought. Any amendment effected in accordance with this section will be binding upon all parties hereto and each of their respective successors and assigns. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. No waiver granted under this Agreement as to any one provision herein shall constitute a subsequent waiver of such provision or of any other provision herein, nor shall it constitute the waiver of any performance other than the actual performance specifically waived.

17. Successors and Assigns; Assignment. Except as otherwise provided in this Agreement, this Agreement, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company may assign any of its rights and obligations under this Agreement to any entity which is my employer. No other party to this Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Agreement, except with the prior written consent of the Company.

18. Further Assurances. The parties agree to execute such further documents and instruments and to take such further actions as may be reasonably necessary to carry out the purposes and intent of this Agreement.

SIGNED AS OF THIS 14th DAY OF JUNE 2021

THOMAS THIMOT

/S/ Tom Thimot

June 14, 2021

PRIVATE AND CONFIDENTIAL

Cecil N. Smith III
1420 S. Elizabeth Street
Denver, Colorado 80210

Re: Employment Offer

Dear Tripp:

The management of Ipsidy Inc. (the “**Company**”) takes pleasure in extending you this offer to join the Company as President and Chief Technology Officer reporting to the Chief Executive Officer (“**CEO**”) of the Company. As part of your responsibilities, you will be required to provide services to other subsidiaries and affiliates of the Company (together with the Company, collectively referred to as the “**Group**”).

Job Description

Your job responsibilities will comprise:

- Design, development and delivery of all of the Group’s software and artificial intelligence solutions. This includes the selection and use of agile methodologies to ensure the highest possible accuracy and efficiency of the software we provide our customers.
- Working closely with the Group’s sales and marketing teams to best articulate the benefits of the software and remediate any defects and ensure that the software delivered meets the overall product strategy set by the Chief Product Officer.
- Assisting the Finance and HR functions in managing the costs associated with all aspects of design, development and delivery of the Group’s software and artificial intelligence solutions.
- Advice to the CEO on how to maximize shareholder value in all decisions made relative to the software and artificial intelligence solutions we bring to market.
- Such other responsibilities and tasks and functions as are reasonably assigned to you from time to time by the CEO or the Board of directors of the Company (the “**Board**”), or are customarily applicable to your position.

Compensation

Your compensation package shall consist of the following:

- (a) Initial base salary of \$275,000 per annum, which will be payable semi-monthly in arrears, and subject to all applicable deductions required by law. Your salary will be reviewed by the Compensation Committee of the Board (the “**Committee**”) from time to time and may thereafter be increased.
 - (b) A one-time signing bonus of \$50,000, which will be payable after you have worked for ninety days from the start date of your employment.
-

(c) You will also be eligible for an annual target bonus equal to fifty percent (50%) of your base salary based on achievement of performance milestones, calculated and payable as follows:

- (i) For the fiscal year 2021 subject to performance targets to be mutually agreed between you and the Committee; and
- (ii) For the fiscal year 2022, you and the Committee will mutually agree as to the performance targets to earn your annual bonus. The expectation is that the performance target will require the Company to have revenues for fiscal year 2022 of not less than 300% of the revenue achieved by the Company for the year 2021 as shown in the Company's Annual Reports on Form 10-K, but you and the Committee agree to consider in good-faith adjustments to the performance target based on the circumstances that exist at the time the performance targets are established.

(d) You will also be eligible for a bonus in an amount equal to six (6) months of your annual base salary on the occurrence of a Change of Control (as defined in your Executive Retention Agreement).

(e) At the outset of your employment you will be provided with an initial grant of options to purchase 18,000,000 shares of Common Stock of \$0.0001 par value in the Company ("**Common Stock**"), vesting subject to achievement of performance and service conditions as set forth in the option grant attached hereto as Exhibit "A". The exercise price of the options shall be equal to the closing price of the Common Stock on the date of grant, the Exercise Period shall be 10 years and the other terms of the options shall be as set forth in the aforementioned option grant. For the avoidance of doubt all references herein to shares of Common Stock are to the shares prior to the planned reverse stock split and the share figures and exercise price shall be adjusted after such split, in accordance with terms of the option grant agreement.

(f) You may be eligible for equity incentive grants and cash bonus awards, subject to your continued employment and satisfactory job performance, which may be made from time to time, by the Committee. Terms and conditions of all your equity incentive grants, will be as determined by the Committee and in accordance with the terms of the Company's equity incentive plan in effect at the time of each such grant.

(g) An Executive Retention Agreement in the form attached hereto as Exhibit "B".

(h) All payments made under this Agreement shall be subject to deduction of all federal, state, local and other taxes required to be withheld by applicable law.

With respect to additional terms of your employment, the following will apply:

1. **At Will Employment.** Your employment shall start on or about June 14, 2021, or such other date as we shall agree. While we look forward to a long and mutually beneficial relationship, your employment will be "at-will" and may be terminated at any time upon written notice and without prior warning. Further, your participation in any stock option or benefit program are not to be regarded as assuring you of continuing employment for any particular period of time. Any modification or change in your "at-will" employment status may only occur by way of a written employment agreement signed by you and authorized by the Board.
2. **Location and Travel.** You will initially work at your home office, but it is intended that you will work from the Company's office in Denver, Colorado, to be established in due course. As part of your duties you will be required to travel as necessary to perform your duties and responsibilities, including visiting Group's offices in the locations where they may exist from time to time.

3. **Working Hours.** You will be expected to devote your full time and attention to your employment, to the extent necessary to carry out your duties hereunder. Because of the nature of your position, and as an exempt employee you will be required to work outside of usual working hours, where the circumstances and business needs require it. You shall not engage or be involved in any other business activity without the approval of the CEO with initial exceptions listed in Exhibit "C" attached hereto, if such activities, in each case, (i) do not materially interfere with your performance of Company duties and responsibilities, including the non-competition provisions of Section 9 and (ii) have been disclosed in advance to and pre-approved by the CEO.
4. **Paid Time Off.** You will be entitled to Paid Time Off in accordance with the provisions of the Company's Employee Handbook, which will accrue on a pro-rata basis during the year, in addition to all public holidays when the office is closed. Vacation may be taken upon reasonable prior notice to the CEO. The Company's Employee Handbook contains further provisions relating to your entitlement and the taking of Paid Time Off, including the circumstances under which unused days may be carried over from one year to the next.
5. **Sick & Personal Days.** Paid Time Off may be used for sick or personal days. The Company's Employee Handbook contains further provisions relating to the taking of sick or personal days, including the circumstances under which unused days may be carried over from one year to the next.
6. **Benefits.** You will be eligible to participate in all employee benefit plans established by the Company for its employees from time to time. The Company currently offers the benefits that are detailed in the Employee Handbook.
7. **Expense Reimbursement.** In accordance with Company policies from time to time, we will reimburse you for all reasonable and proper travel and business expenses incurred by you in the performance of your duties.
8. **Confidentiality and Assignment of Inventions.** As an employee and executive of the Company, you will have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, you will need to sign the Company's standard "Employee Invention Assignment and Confidentiality Agreement" in the form attached hereto as Exhibit "D" as a condition of your employment.
9. **Covenant Not to Compete.** While you are employed by the Company, you agree that you shall not directly or indirectly:
 - (a) be employed, or engaged as an independent contractor, consultant, or in any position where your responsibilities would require you to directly or indirectly support/work on services and/or products that are in competition with the Group's businesses as they exist during your employment -- the Group's businesses currently consist of its biometric identity verification products and solutions;
 - (b) whether as an employee, independent contractor, consultant, advisor, or principal, enter into any agreement which is for the provision of services in competition with any of the Group's businesses, as they exist during your employment with any entity, which is or was a customer of the Group, nor cause or assist any such customer to enter into any such agreement for competitive services with any third party.
 - (c) whether on your own behalf or on behalf of any other person or entity directly or indirectly solicit or encourage any employee of the Group to discontinue such employment relationship with the Group (excluding termination of such employee's employment in the best interests of the Company).

You acknowledge that the restrictions set forth in this paragraph are reasonable and necessary for the protection of the Group's legitimate interests, in particular having regard to the sensitive position which you will hold and the high level of confidential and proprietary information regarding the Group's business operations, systems and customers to which you will have access, during the performance of your duties hereunder.

10. **No Restrictions.** To the extent that you are subject to confidentiality obligations to a former employer or any third party, you acknowledge and agree that it is your responsibility to ensure that you comply with such obligations on a continuing basis. You acknowledge that the Company is relying upon your warranty, representation and acknowledgement in this paragraph in making this offer to you.
11. **Governing Law & Jurisdiction.** This offer and your employment shall be governed by and construed in accordance with the laws of the State of Colorado. You and the Company agree to submit to the exclusive personal jurisdiction of the federal and state courts located in Colorado, in connection with any dispute or proceedings arising out of or relating to this offer and your employment, and each of us hereby submits to the exclusive jurisdiction of such courts.
12. **Amendment.** No amendment or waiver of any of the provisions hereof shall be effective, unless in writing and signed by each party.
13. **Other Documents.** Your employment is subject to the Employment Handbook and terms and conditions (including benefits) applicable generally to employees of the Group, from time to time in force, which are subject to change, amendment, or deletion in the Company's sole discretion. As a condition of your employment you will also be required to enter into certain standard undertakings and consents regarding security, confidentiality and use of the Group's facilities and property. As part of our objective of continuous improvement and in order to comply with certain customer and audit requirements, you will also be required to undergo training at least annually on various matters including data security. In accordance with our standard policy this employment offer is subject to our receiving satisfactory references and civil and criminal background checks, and by signing this letter you hereby consent to our undertaking such reference and background checks.
14. **Authorization to Work.** Please note that because of employer regulations adopted in the Immigration Reform and Control Act of 1986, within three (3) business days of starting your new position you will need to present documentation demonstrating that you have authorization to work in the United States.
15. **Severability.** If any provision of this letter or the application thereof is held invalid by a court, arbitrator or government agency of competent jurisdiction, you agree that such a determination of invalidity shall not affect other provisions or applications of the letter which can be given effect without the invalid provisions and thus shall remain in full force and effect or application.

If the terms and the conditions of this letter are acceptable to you, please sign, date and return an original of this letter to us.

We look forward to a long and mutually beneficial relationship.

Sincerely,

IPSIDY INC.

By: /s/ Phillip Kumnick
Phillip L. Kumnick, CEO

AGREED & ACCEPTED:

/s/ Cecil Smith
CECIL N. SMITH III

Dated: June 14, 2021

EXHIBIT D

EMPLOYEE INVENTION ASSIGNMENT AND CONFIDENTIALITY AGREEMENT

THIS EMPLOYEE INVENTION ASSIGNMENT AND CONFIDENTIALITY AGREEMENT is entered into as of the 14th day of June, 2021 between I the undersigned **CECIL N. SMITH III** residing at 1420 S. Elizabeth Street Denver, Colorado 80210, and **IPSIDY INC.**, a Delaware corporation with a place of business at 670 Long Beach Boulevard, Long Beach, New York 11561 USA, (the “**Company**”).

WHEREAS, I have agreed to be an employee of the Company or one of its affiliated entities (collectively referred to herein as the “**Company**”).

IN CONSIDERATION OF, and as a condition of my employment with the Company (the receipt and sufficiency of which I hereby acknowledge) I hereby represent to, and agree with the Company as follows:

1. Purpose of Agreement. I understand that it is critical for the Company to preserve and protect its rights in “**Inventions**” (as defined in Section 2 below), its “**Confidential Information**” (as defined in Section 7 below) and in all related intellectual property rights. Accordingly, I am entering into this Employee Invention Assignment and Confidentiality Agreement (this “**Agreement**”) as a condition of my employment with the Company.

2. Disclosure of Inventions. I will promptly disclose in confidence to the Company all inventions, improvements, designs, original works of authorship, formulas, processes, compositions of matter, computer software programs, databases, mask works and trade secrets (the “**Inventions**”) that I make or conceive or first reduce to practice or create, either alone or jointly with others, during the period of my employment, whether or not in the course of my employment, and whether or not such Inventions are patentable, copyrightable or protectable as trade secrets.

3. Work for Hire. I acknowledge and agree that any copyrightable works prepared by me within the scope of my employment, including for the avoidance of doubt any such works prepared prior to the date hereof are “works made for hire” under the Copyright Law of the United States and that the Company will be considered the author and owner of such copyrightable works.

4. Assignment of Inventions. I agree that all Inventions that (i) have been or are developed using equipment, supplies, facilities, Confidential Information, or trade secrets of the Company, (ii) result from work performed by me for the Company, or (iii) relate to the Company’s business or current or anticipated research and development (the “**Assigned Inventions**”), will be the sole and exclusive property of the Company and are hereby irrevocably assigned by me to the Company.

5. Assignment of Other Rights; Moral Rights. In addition to the foregoing assignment of Assigned Inventions to the Company, I hereby irrevocably transfer and assign to the Company: (i) all worldwide patents, patent applications, copyrights, mask works, trade secrets and other intellectual property rights, including but not limited to rights in databases, in any Assigned Inventions, along with any registrations of or applications to register such rights; and (ii) any and all “Moral Rights” (as defined below) that I may have in or with respect to any Assigned Inventions. I also hereby forever waive and agree never to assert any and all Moral Rights I may have in or with respect to any Assigned Inventions, even after termination of my work on behalf of the Company. “**Moral Rights**” mean any rights to claim authorship of or credit on an Assigned Invention, to object to or prevent the modification or destruction of any Assigned Inventions, or to withdraw from circulation or control the publication or distribution of any Assigned Inventions, and any similar right, existing under judicial or statutory law of any country or subdivision thereof in the world, or under any treaty, regardless of whether or not such right is denominated or generally referred to as a “moral right.”

6. Assistance. I agree to assist the Company in every proper way, at the Company's cost, to obtain for the Company and enforce patents, copyrights, mask work rights, trade secret rights and other legal protections for the Company's Assigned Inventions in any and all countries. I will execute any documents that the Company may reasonably request for use in obtaining or enforcing such patents, copyrights, mask work rights, trade secrets and other legal protections. My obligations under this paragraph will continue beyond the termination of my employment with the Company, provided that the Company will compensate me at a reasonable rate after such termination for time or expenses actually spent by me at the Company's request on such assistance. I appoint the Secretary of the Company as my attorney-in-fact to execute documents on my behalf for this purpose.

7. Confidential Information. I understand that my employment by the Company creates a relationship of confidence and trust with respect to any information that may be disclosed to me by the Company and its officers, employees, shareholders or agents, whether orally, in writing, by computer or other medium, by demonstration, by supply of samples and parts or in any other manner, or which is otherwise accessible to me, that relates to the business of the Company or to the business of any parent, subsidiary, affiliate, customer or supplier of the Company including all information received by the Company from third parties, which is subject to an obligation of confidentiality (the "**Confidential Information**"). Such Confidential Information includes, but is not limited to, Assigned Inventions, computer programming and software, Company products and services, systems, functionality, designs, hardware, parts, concepts, specifications, features, techniques, plans, marketing, sales, performance, cost, pricing, supplier and customer information, data, tables, schedules, contracts and other information concerning the Company and its customers. I hereby acknowledge that all such Confidential Information belongs to the Company (or the respective customer, supplier or third party, which supplied it to the Company.)

8. Confidentiality. At all times, both during my employment and after its termination (without limitation in point of time), I will keep and hold all such Confidential Information in strict confidence and trust. I will not use or disclose any Confidential Information without the prior written consent of the Company, except as may be necessary to perform my duties as an employee of the Company for the benefit of the Company. Upon termination of my employment with the Company, I will promptly deliver to the Company all documents and materials of any nature pertaining to my work with the Company. I will not take with me or retain any documents or materials or copies thereof containing any Confidential Information. I agree that I shall at all times comply with the Company's Information Security Policy and Procedures from time to time in force. **I acknowledge that breach of this policy or any other provision of this Agreement may be grounds for immediate dismissal.**

9. No Breach of Agreement or Infringement. I represent that my acceptance of the Company's offer of employment, performance of all the terms of this Agreement and my duties as an employee of the Company will not so far as I am aware breach any invention assignment, proprietary information, confidentiality or similar agreement with any other party, nor infringe the rights of any third party. I represent that I will not bring with me to the Company or use in the performance of my duties for the Company any documents or materials or intangibles of a former employer or third party that are not generally available to the public or have not been legally transferred to the Company. I acknowledge that the Company is relying upon my warranty, representation and acknowledgement in this paragraph in offering me employment.

10. Notification. I hereby authorize the Company to notify my actual or future employers of the terms of this Agreement and my responsibilities hereunder.

11. Injunctive Relief. I understand that in the event of a breach or threatened breach of this Agreement by me the Company may suffer irreparable harm and will therefore be entitled to injunctive relief to enforce this Agreement.

12. Governing Law; Jurisdiction. This Agreement will be governed by and construed in accordance with the laws of the State of Colorado, without giving effect to that body of laws pertaining to conflict of laws. I hereby submit to the jurisdiction of and consent to suit in the courts, Federal and State located in the State of New York with respect to any matter or dispute arising out of this Agreement.

13. Severability. If any provision of this Agreement is determined by any court or arbitrator of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such provision will be enforced to the maximum extent possible given the intent of the parties hereto. If such clause or provision cannot be so enforced, such provision shall be stricken from this Agreement and the remainder of this Agreement shall be enforced as if such invalid, illegal or unenforceable clause or provision had (to the extent not enforceable) never been contained in this Agreement.

14. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement.

15. Entire Agreement. This Agreement and the documents referred to herein constitute the entire agreement and understanding of the parties with respect to the subject matter of this Agreement, and supersede all prior understandings and agreements, whether oral or written, between or among the parties hereto with respect to the specific subject matter hereof.

16. Amendment and Waivers. This Agreement may be amended only by a written agreement executed by each of the parties hereto. No amendment of or waiver of, or modification of any obligation under this Agreement will be enforceable unless set forth in a writing signed by the party against which enforcement is sought. Any amendment effected in accordance with this section will be binding upon all parties hereto and each of their respective successors and assigns. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. No waiver granted under this Agreement as to any one provision herein shall constitute a subsequent waiver of such provision or of any other provision herein, nor shall it constitute the waiver of any performance other than the actual performance specifically waived.

17. Successors and Assigns; Assignment. Except as otherwise provided in this Agreement, this Agreement, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company may assign any of its rights and obligations under this Agreement to any entity which is my employer. No other party to this Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Agreement, except with the prior written consent of the Company.

18. Further Assurances. The parties agree to execute such further documents and instruments and to take such further actions as may be reasonably necessary to carry out the purposes and intent of this Agreement.

SIGNED AS OF THIS 14th DAY OF _____ 2021

CECIL N. SMITH III

/s/ Cecil Smith

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "**Agreement**"), dated as of _____, 2021 is made by and between IPSIDY INC., a Delaware corporation (the "**Company**"), and _____, a director or employee officer of the Company (the "**Indemnitee**").

RECITALS

A. The Company is aware that competent and experienced persons are increasingly reluctant to serve as directors or officers of corporations unless they are protected by comprehensive liability insurance and/or indemnification, due to increased exposure to litigation costs and risks resulting from their service to such corporations, and because the exposure frequently bears no reasonable relationship to the compensation of such directors and officers;

B. Based on their experience as business managers, the Board of Directors of the Company (the "**Board**") has concluded that, to retain and attract talented and experienced individuals to serve as officers and directors of the Company, and to encourage such individuals to take the business risks necessary for the success of the Company, it is necessary for the Company contractually to indemnify officers and directors and to assume for itself maximum liability for expenses and damages in connection with claims against such officers and directors in connection with their service to the Company;

C. Section 145 of the Delaware General Corporation Law, under which the Company is organized (the "**Law**"), empowers the Company to indemnify by agreement its officers, directors, employees and agents, and persons who serve, at the request of the Company, as directors, officers, employees or agents of other corporations or enterprises, and expressly provides that the indemnification provided by the Law is not exclusive; and

D. The Company desires and has requested the Indemnitee to serve or continue to serve as a director or officer of the Company free from undue concern for claims for damages arising out of or related to such services to the Company.

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions.

1.1. **Agent.** For the purposes of this Agreement, "**agent**" of the Company means any person who is or was a director or officer of the Company or a subsidiary of the Company; or is or was serving at the request of, for the convenience of, or to represent the interest of the Company or a subsidiary of the Company as a director or officer of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise or an affiliate of the Company; or was a director or officer of a foreign or domestic corporation which was a predecessor corporation of the Company, or was a director or officer of another enterprise or affiliate of the Company at the request of, for the convenience of, or to represent the interests of such predecessor corporation. The term "**enterprise**" includes any employee benefit plan of the Company, its subsidiaries, affiliates and predecessor corporations.

1.2. **Expenses.** For purposes of this Agreement, "expenses" includes all direct and indirect costs of any type or nature whatsoever (including, without limitation, all attorneys' fees and related disbursements and other out-of-pocket costs) actually and reasonably incurred by the Indemnitee in connection with the investigation, defense or appeal of a proceeding or establishing or enforcing a right to indemnification or advancement of expenses under this Agreement, the Law or otherwise.

1.3 **Proceeding.** For the purposes of this Agreement, “proceeding” means any threatened, pending or completed action, suit or other proceeding, whether civil, criminal, administrative, investigative or any other type whatsoever.

1.4 **Subsidiary.** For purposes of this Agreement, “subsidiary” means any corporation of which more than 50% of the outstanding voting securities is owned directly or indirectly by the Company, by the Company and one or more of its subsidiaries or by one or more of the Company’s subsidiaries.

2. **Agreement to Serve.** The Indemnitee agrees to serve and/or continue to serve as an agent of the Company, at the will of the Company (or under separate agreement, if such agreement exists), in the capacity the Indemnitee currently serves as an agent of the Company, faithfully and to the best of Indemnitee’s ability, so long as Indemnitee is duly appointed or elected and qualified in accordance with the applicable provisions of the charter documents of the Company or any subsidiary of the Company; provided, however, that the Indemnitee may at any time and for any reason resign from such position (subject to any contractual obligation that the Indemnitee may have assumed apart from this Agreement), and the Company or any subsidiary shall have no obligation under this Agreement to continue to indemnify the Indemnitee for any actions taken or not taken by Indemnitee after the date of resignation or termination of such position, unless such actions are taken or not taken at the request of the Company or any subsidiary or any agent of the Company or subsidiary. For the avoidance of doubt and notwithstanding anything to the contrary in this Agreement, Company’s obligation to indemnify the Indemnitee in accordance with the terms of this Agreement for all actions taken or not taken by Indemnitee prior to the date of resignation or termination of such position shall survive the resignation or termination of Indemnitee’s position.

3. **Directors’ and Officers’ Insurance.** The Company shall, to the extent that the Board determines it to be economically reasonable, maintain a policy of directors’ and officers’ liability insurance (“**D&O Insurance**”), on such terms and conditions as may be approved by the Board. The Company shall continue to provide coverage to the Indemnitee for not less than twenty-four (24) months following Indemnitee’s date of termination on substantially the same terms of the policy in effect immediately prior to the termination date.

4. **Mandatory Indemnification.** Subject to Section 9 below, the Company shall indemnify the Indemnitee:

4.1 **Third Party Actions.** If the Indemnitee is a person who was or is a party or is threatened to be made a party to any proceeding (other than an action by or in the right of the Company) by reason of the fact that Indemnitee is or was an agent of the Company, or by reason of anything done or not done by Indemnitee in any such capacity, against any and all expenses and liabilities of any type whatsoever (including, but not limited to, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) actually and reasonably incurred by Indemnitee in connection with the investigation, defense, settlement or appeal of such proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe Indemnitee’s conduct was unlawful; and

4.2 **Derivative Actions.** If the Indemnitee is a person who was or is a party or is threatened to be made a party to any proceeding by or in the right of the Company to procure a judgment in its favor by reason of the fact that Indemnitee is or was an agent of the Company, or by reason of anything done or not done by Indemnitee in any such capacity, against any amounts paid in settlement of any such proceeding and all expenses actually and reasonably incurred by Indemnitee in connection with the investigation, defense, settlement or appeal of such proceeding if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Company; except that no indemnification under this subsection shall be made in respect of any claim, issue or matter as to which such person shall have been finally adjudged to be liable to the Company by a court of competent jurisdiction due to willful misconduct of a culpable nature in the performance of Indemnitee's duty to the Company, unless and only to the extent that the Court of Chancery or the court in which such proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such amounts which the Court of Chancery or such other court shall deem proper; and

4.3 **Exception for Amounts Covered by Insurance.** Notwithstanding the foregoing, the Company shall not be obligated to indemnify the Indemnitee for expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) to the extent such have been paid directly to the Indemnitee by D&O Insurance.

5. Partial Indemnification and Contribution.

5.1 **Partial Indemnification.** If the Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any expenses or liabilities of any type whatsoever (including, but not limited to, judgments, fines, BRISA excise taxes or penalties and amounts paid in settlement) incurred by Indemnitee in the investigation, defense, settlement or appeal of a proceeding but is not entitled, however, to indemnification for all of the total amount thereof, then the Company shall nevertheless indemnify the Indemnitee for such total amount except as to the portion thereof to which the Indemnitee is not entitled to indemnification.

5.2 **Contribution.** If the Indemnitee is not entitled to the indemnification provided in Section 4 for any reason other than the statutory limitations set forth in the Law, then in respect of any threatened, pending or completed proceeding in which the Company is jointly liable with the Indemnitee (or would be if joined in such proceeding), the Company shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by the Indemnitee in such proportion as is appropriate to reflect (i) the relative benefits received by the Company on the one hand and the Indemnitee on the other hand from the transaction from which such proceeding arose and (ii) the relative fault of the Company on the one hand and of the Indemnitee on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of the Company on the one hand and of the Indemnitee on the other hand shall be determined by reference to, among other things, the parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. The Company agrees that it would not be just and equitable if contribution pursuant to this Section 5 were determined by pro rata allocation or any other method of allocation that does not take account of the foregoing equitable considerations.

6. Mandatory Advancement of Expenses.

6.1 **Advancement.** Subject to Section 9 below and except as prohibited by law, the Company shall advance all expenses incurred by the Indemnitee in connection with the investigation, defense, settlement or appeal of any proceeding to which the Indemnitee is a party or is threatened to be made a party by reason of the fact that the Indemnitee is or was an agent of the Company or by reason of anything done or not done by Indemnitee in any such capacity. The Indemnitee hereby undertakes to promptly repay such amounts advanced only if, and to the extent that, it shall ultimately be determined that the Indemnitee is not entitled to be indemnified by the Company under the provisions of this Agreement, the Certificate of Incorporation or Bylaws of the Company, the Law or otherwise. The advances to be made hereunder shall be paid by the Company to the Indemnitee within 15 days following delivery of a written request therefor by the Indemnitee to the Company.

6.2 **Exception.** Notwithstanding the foregoing provisions of this Section 6, the Company shall not be obligated to advance any expenses to the Indemnitee arising from a lawsuit filed directly by the Company against the Indemnitee if an absolute majority of the members of the Board reasonably determines in good faith, within 30 days of the Indemnitee's request to be advanced expenses, that the facts known to them at the time such determination is made demonstrate clearly and convincingly that the Indemnitee acted in bad faith. If such a determination is made, the Indemnitee may have such decision reviewed by another forum, in the manner set forth in Sections 8.3, 8.4 and 8.5 hereof, with all references therein to "indemnification" being deemed to refer to "advancement of expenses," and the burden of proof shall be on the Company to demonstrate clearly and convincingly that, based on the facts known at the time, the Indemnitee acted in bad faith. The Company may not avail itself of this Section 6.2 as to a given lawsuit if, at any time after the occurrence of the activities or omissions that are the primary focus of the lawsuit, the Company has undergone a change in control. For this purpose, a change in control shall mean a given person or group of affiliated persons or groups increasing their beneficial ownership interest in the Company by at least twenty (20) percentage points without advance Board approval.

7. Notice and Other Indemnification Procedures.

7.1 Promptly after receipt by the Indemnitee of notice of the commencement of or the threat of commencement of any proceeding, the Indemnitee shall, if the Indemnitee believes that indemnification with respect thereto may be sought from the Company under this Agreement, notify the Company of the commencement or threat of commencement thereof.

7.2 If, at the time of the receipt of a notice of the commencement of a proceeding pursuant to Section 7. 1 hereof, the Company has D&O Insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable because of such proceeding in accordance with the terms of such D&O Insurance policies.

7.3 In the event the Company shall be obligated to advance the expenses for any proceeding against the Indemnitee, the Company, if appropriate, shall be entitled to assume the defense of such proceeding, with counsel approved by the Indemnitee (which approval shall not be unreasonably withheld), upon the delivery to the Indemnitee of written notice of its election to do so. After delivery of such notice, approval of such counsel by the Indemnitee and the retention of such counsel by the Company, the Company will not be liable to the Indemnitee under this Agreement for any fees of counsel subsequently incurred by the Indemnitee with respect to the same proceeding, provided that: (a) the Indemnitee shall have the right to employ Indemnitee's own counsel in any such proceeding at the Indemnitee's expense; (b) the Indemnitee shall have the right to employ Indemnitee's own counsel in connection with any such proceeding, at the expense of the Company, if such counsel serves in a review, observer, advice and counseling capacity and does not otherwise materially control or participate in the defense of such proceeding; and (c) if (i) the employment of counsel by the Indemnitee has been previously authorized by the Company, (ii) the Indemnitee shall have reasonably concluded that there may be a conflict of interest between the Company and the Indemnitee in the conduct of any such defense or (iii) the Company shall not, in fact, have employed counsel to assume the defense of such proceeding, then the fees and expenses of the Indemnitee's counsel shall be at the expense of the Company.

8. **Determination of Right to Indemnification.**

8.1 To the extent the Indemnitee has been successful on the merits or otherwise in defense of any proceeding referred to in Section 4.1 or 4.2 of this Agreement or in the defense of any claim, issue or matter described therein, the Company shall indemnify the Indemnitee against expenses actually and reasonably incurred by Indemnitee in connection with the investigation, defense or appeal of such proceeding, or such claim, issue or matter, as the case may be.

8.2 In the event that Section 8.1 is inapplicable, or does not apply to the entire proceeding, the Company shall nonetheless indemnify the Indemnitee unless the Company shall prove by clear and convincing evidence to a forum listed in Section 8.3 below that the Indemnitee has not met the applicable standard of conduct required to entitle the Indemnitee to such indemnification.

8.3 The Indemnitee shall be entitled to select the forum in which the validity of the Company's claim under Section 8.2 hereof that the Indemnitee is not entitled to indemnification will be heard from among the following, except that the Indemnitee can select a forum consisting of the stockholders of the Company only with the approval of the Company:

(a) A quorum of the Board consisting of directors who are not parties to the proceeding for which indemnification is being sought;

(b) The stockholders of the Company;

(c) Legal counsel mutually agreed upon by the Indemnitee and the Board, which counsel shall make such determination in a written opinion;

(d) A panel of three arbitrators, one of whom is selected by the Company, another of whom is selected by the Indemnitee and the last of whom is selected by the first two arbitrators so selected; or

(e) The Court of Chancery of Delaware.

8.4 As soon as practicable, and in no event later than 30 days after the forum has been selected pursuant to Section 8.3 above, the Company shall, at its own expense, submit to the selected forum its claim that the Indemnitee is not entitled to indemnification, and the Company shall act in the utmost good faith to assure the Indemnitee a complete opportunity to defend against such claim.

8.5 If the forum selected in accordance with Section 8.3 hereof is not a court, then after the final decision of such forum is rendered, the Company or the Indemnitee shall have the right to apply to the Court of Chancery of Delaware, for the purpose of appealing the decision of such forum, provided that such right is executed within 60 days after the final decision of such forum is rendered. If the forum selected in accordance with Section 8.3 hereof is a court, then the rights of the Company or the Indemnitee to appeal any decision of such court shall be governed by the applicable laws and rules governing appeals of the decision of such court.

8.6 Notwithstanding any other provision in this Agreement to the contrary, the Company shall indemnify the Indemnitee against all expenses incurred by the Indemnitee in connection with any hearing or proceeding under this Section 8 involving the Indemnitee and against all expenses incurred by the Indemnitee in connection with any other proceeding between the Company and the Indemnitee involving the interpretation or enforcement of the rights of the Indemnitee under this Agreement unless a court of competent jurisdiction finds that each of the material claims and/or defenses of the Indemnitee in any such proceeding was frivolous or not made in good faith.

9. **Exceptions.** Any other provision herein to the contrary notwithstanding, the Company shall not be obligated pursuant to the terms of this Agreement:

9.1 **Claims Initiated by Indemnitee.** To indemnify or advance expenses to the Indemnitee with respect to proceedings or claims initiated or brought voluntarily by the Indemnitee and not by way of defense, except with respect to proceedings or claims (a) specifically authorized by the Board; (b) brought as a counterclaim or compulsory claim; or (c) brought to establish or enforce a right to indemnification and/or advancement of expenses arising under this Agreement, the charter documents of the Company or any subsidiary or any statute or law or otherwise, but such indemnification or advancement of expenses may be provided by the Company in specific cases if the Board finds it to be appropriate; or

9.2 **Unauthorized Settlements.** To indemnify the Indemnitee hereunder for any amounts paid in settlement of a proceeding unless the Company consents in advance in writing to such settlement, which consent shall not be unreasonably withheld; or

9.3 **Securities Law Actions.** To indemnify the Indemnitee on account of any suit in which judgment is rendered against the Indemnitee for an accounting of profits made from the purchase or sale by the Indemnitee of securities of the Company pursuant to the provisions of Section 16(b) of the Securities Exchange Act of 1934 and amendments thereto or similar provisions of any federal, state or local statutory law; or

9.4 **Unlawful Indemnification.** To indemnify the Indemnitee if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful. In this respect, the Company and the Indemnitee have been advised that the Securities and Exchange Commission takes the position that indemnification for liabilities arising under the federal securities laws is against public policy and is, therefore, unenforceable and that claims for indemnification should be submitted to appropriate courts for adjudication.

10. **Non-Exclusivity.** The provisions for indemnification and advancement of expenses set forth in this Agreement shall not be deemed exclusive of any other rights which the Indemnitee may have under any provision of law, the Company's Certificate of Incorporation or Bylaws, the vote of the Company's stockholders or disinterested directors, other agreements or otherwise, both as to action in the Indemnitee's official capacity and to action in another capacity while occupying Indemnitee's position as an agent of the Company, and the Indemnitee's rights hereunder shall continue after the Indemnitee has ceased acting as an agent of the Company and shall inure to the benefit of the heirs, executors and administrators of the Indemnitee.

11. **General Provisions.**

11.1 **Interpretation of Agreement.** It is understood that the parties hereto intend this Agreement to be interpreted and enforced so as to provide indemnification and advancement of expenses to the Indemnitee to the fullest extent now or hereafter permitted by law, except as expressly limited herein.

11.2 **Severability.** If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever, then: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable that are not themselves invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Agreement (including, without limitation, all portions of any paragraphs of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that are not themselves invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable and to give effect to Section 11.1 hereof.

11.3 **Modification and Waiver.** No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by both parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver.

11.4 **Subrogation.** In the event of full payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of the Indemnatee, who shall execute all documents required and shall do all acts that may be necessary or desirable to secure such rights and to enable the Company effectively to bring suit to enforce such rights.

11.5 **Counterparts.** This Agreement may be executed in one or more counterparts, which shall together constitute one agreement.

11.6 **Successors and Assigns.** The terms of this Agreement shall bind, and shall inure to the benefit of, the successors and assigns of the parties hereto.

11.7 **Notices.** All notices to be provided pursuant to this Agreement (and any consents permitted by the terms of this Agreement) shall be in writing and delivered by hand, or sent by e-mail transmission, or other electronic means, or international courier to the Company at 670 Long Beach Boulevard, Long Beach, New York 11561 USA, Attn: General Counsel, E-mail: legal@ipsidy.com, or to Indemnatee at the address and e-mail address set forth on the signature page hereto. All such notices delivered by hand or by courier shall be deemed served upon receipt or refusal of receipt by the addressee. All notices given electronically shall be deemed served upon the next business day after transmission, provided no error message was received. Either party may serve notice in accordance with this Section changing their respective addresses for service.

11.8 **Governing Law.** This Agreement shall be governed exclusively by and construed according to the laws of the State of Delaware, without giving effect to that body of laws pertaining to conflict of laws.

11.9 **Consent to Jurisdiction.** The Company and the Indemnatee each hereby irrevocably consent to the jurisdiction of the courts of the State of Delaware for all purposes in connection with any action or proceeding that arises out of or relates to this Agreement.

11.10 **Attorneys' Fees.** In the event Indemnatee is required to bring any action to enforce rights under this Agreement (including, without limitation, the expenses of any Proceeding described in Section 1.3) the Indemnatee shall be entitled to all reasonable fees and expenses in bringing and pursuing such action, unless a court of competent jurisdiction finds each of the material claims of the Indemnatee in any such action was frivolous and not made in good faith.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have entered into this Indemnification Agreement effective as of the date first written above.

THE COMPANY:

BY: _____

Name: Phillip L. Kumnick

Title: CEO

THE INDEMNITEE:

Address:

E-mail:



Phillip L. Kumnick
Chief Executive Officer
phillipkumnick@ipsidy.com

_____, 2021

Re: Appointment as Non-Executive Director

Dear _____:

I am pleased to be writing to you at the direction of the Board of Directors (“Board”) of Ipsidy Inc. (the “Company”) to confirm the terms of your appointment as a non-executive director. This letter shall take effect upon the passing of a Board Resolution formally approving your appointment.

The term of your directorship will extend until the first Annual Meeting of the Company’s Stockholders following your appointment, when you will be eligible for re-election by the stockholders, if nominated by the Board or until your earlier resignation.

1. Role and duties

Non-executive directors have the same general legal responsibilities to the Company as any other director. The Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising the Company’s affairs, with a particular focus on strategy, performance and risk. We would also expect you to be an ambassador for the Company and to promote its interests, when appropriate in your daily business activities.

You will be required to discharge the following specific functions and duties:

- (a) Attend quarterly Board meetings and special Board meetings at the Company’s head office in New York, or such other place, or by conference call on dates to be notified to you in advance;
- (b) Attendance at Board and Committee meetings by conference call will be generally available, but it is anticipated that the Board will have two full “in person” meetings per year with all directors present;
- (c) Attend the Company’s annual meeting of stockholders and any special meetings of stockholders, which may be called from time to time;
- (d) Carry out such other functions and duties as may reasonably be required of you from time to time.

670 Long Beach Boulevard, • Long Beach, New York 11561 • Tel +1 516 274 8700 • www.ipsidy.com



As a director of a Company, which is a reporting Company in accordance with Securities & Exchange Commission (“SEC”) rules, you will be required to file reports of your interests in any securities of the Company and any acquisitions or disposals thereof, as well as various disclosures regarding your position in, agreements with and relations with the Company. The Company and our counsel will work with you to ensure all required reports and disclosures are filed in compliance with SEC rules.

We will need to establish a filing reference (or CIK) for you with the SEC, as a director a public reporting company and we will send you the applicable form in due course. Once that has been obtained our Edgar filing agent can make all necessary filings on your behalf, with your approval.

As you are aware the Company is intending to undertake a registered public offering of its common stock and in connection therewith you will be required to sign the Company’s Registration Statement on Form S-1, which will be filed with the SEC.

2. Time commitment

By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the reasonable expectations of your role, including appropriate preparation time ahead of Board (and, if applicable, committee) meetings.

3. Conflicts

It is accepted and acknowledged that you have business interests other than those of the Company and have declared any current conflicts of interest. In the event that you become aware of any potential or actual conflicts of interest these should be disclosed to the Chairman and Corporate Secretary as soon as possible.

4. Compensation and Reimbursement of Expenses

In consideration for the performance of the duties outlined above, you will be entitled to compensation in accordance with the Company’s Compensation Policy for Non-Employee Directors, from time to time in force, including awards under the Company’s 2017 Incentive Stock Plan (the “Plan”). At the present time this comprises (a) an initial equity award having a Black Scholes value on the date of grant of \$270,000, subject to annual vesting over three years; and (b) commencing following the first annual meeting at which you are re-elected to office, an annual equity award having a Black Scholes value on the date of grant of \$90,000, subject to vesting over twelve months.

All equity awards are issued subject to the terms of their respective grant and the terms and conditions of the Plan.

This is a contract for services and not a contract of employment, and as an independent contractor you will be paid your fees on a gross basis. You will be responsible for payment of all applicable Federal, State and local taxes on compensation received and all compensation shall be subject to reporting by the Company on an annual basis on Form 1099, as required by law.

In addition to your fees, you are entitled to be reimbursed any reasonable expenses incurred in attending meetings of the Board or of any committee of the Board, or of stockholder meetings, or otherwise on the business of the Company. The Company may require written evidence of such expenses to be provided and in certain cases prior approval. All expenses are subject to the Company's expense policy.

5. Termination

You are entitled to resign your membership on the Board or on any committee of the Board at any time. In addition, you agree to resign your directorship in the circumstances set forth in Section 6 below. Written notice of any such resignation should be given to the Chairman of the Board.

This Agreement will automatically terminate, without requirement of notice, upon the date of your resignation from the Board (including any resignation pursuant to Section 6 below), if you are removed from office by a resolution of the stockholders in accordance with the Company's Bylaws and Delaware law, or if you are not re-nominated or re-elected to the Board, and you will not be entitled to any further compensation following the termination date in any of these events.

6. Immediate vacation of office

You agree to resign your office as a director on the Board and on each committee of the Board immediately in the event of any of the following circumstances:

- (a) if you become prohibited by law from acting as a director;
- (b) if you are convicted of a felony or crime involving moral turpitude (excluding driving offences unless combined with other aggravating circumstances or offenses) or fraud;
- (c) if you engage in gross misconduct which is materially detrimental to the reputation or business of the Company; provided that you shall first be entitled to receive notice from the Board specifying such gross misconduct in reasonable detail, and shall have failed to cure or correct such gross misconduct within thirty (30) days of receiving such notice (unless such misconduct is of a nature that it is unable to be cured or corrected); or



(d) if you willfully fail to comply in any material respect with the Company's Confidentiality Agreement, Insider Trading Policy, Code of Ethics, Sexual Harassment Prevention Policy or any other reasonable policies of the Company where non-compliance would be materially detrimental to the Company; provided that you shall first be entitled to receive notice from the Board specifying such noncompliance in reasonable detail, and shall have failed to cure or correct such gross misconduct within thirty (30) days of receiving such notice (unless such non-compliance is of a nature that it is unable to be cured or corrected). I will have our General Counsel provide you with all relevant policies.

7. Confidentiality

You acknowledge your duties of confidentiality and loyalty to the Company as a director of a Delaware corporation, and you agree to uphold such duties. In addition, you will be asked to execute a standard Confidentiality Agreement.

8. Indemnification & Insurance

You shall be entitled to indemnification by the Company with respect to your services as a director, to the fullest extent permitted by law and under the Company's Certificate of Incorporation and Bylaws. In addition, upon your appointment the Company will enter into a standard indemnification agreement with you.

You shall be covered under the Company's directors' and officers' insurance policy, for so long as you remain a member of the Board. The Company shall continue to provide coverage to you under such policy for not less than twenty-four (24) months following your termination date on substantially the same terms of the policy in effect immediately prior to the termination date.

9. Miscellaneous

This letter shall be governed by and construed in accordance with the law of the State of New York law and the courts, Federal and State, located in the State of New York shall have non-exclusive jurisdiction for all matters arising under it.

If this letter reflects the terms that we have agreed, please sign and return a copy of this letter to me.

Sincerely,

Ipsidy Inc.

By: Phillip L. Kumnick, Chairman and CEO



I hereby agree to act as a non-executive director of Ipsidy Inc. upon the terms contained in the letter of which this is a copy.

Date: _____, 2021

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