

SE IDENTIFICATION SOLUTIONS LTD - TERMS AND CONDITIONS OF PURCHASE**1. GENERAL**

- a. These terms and conditions of purchase ("Conditions") together with terms and special conditions appearing on a purchase order ("Purchase Order"), concerning the supply of goods and/or services (the "Deliverables") between the Parties, are the only conditions on which **SEI Identification Solutions Limited** ("Purchaser") shall procure the Deliverables from the seller ("Seller"). These Conditions shall apply in place of, prevail over and supersede any terms and conditions (i) which are contained or referred to in the Seller's acceptance forms, brochures or catalogues, in correspondence or otherwise or elsewhere which the Seller seeks to impose or (ii) which are implied by trade, custom, practice or course of dealing, unless specifically agreed to in writing on behalf of the Purchaser. Any purported provisions to the contrary are hereby excluded or extinguished and the purchase of Deliverables shall not constitute acceptance of any other terms and conditions. Notwithstanding the generality of the foregoing, the Purchaser agrees that any acceptance of an order by the Seller and/or the commencement of delivery of Deliverables or other performance of a Purchase Order by the Seller constitutes the acceptance by the Seller of these Conditions.
- b. The Purchaser shall not be liable to the Seller for any order unless given on the Purchaser's Purchase Order.
- c. In the event of conflict or inconsistency between these Conditions and others appearing on the face of this Purchase Order or attached hereto, the latter shall take precedence.
- d. The Purchaser and the Seller are referred to individually as a "Party" and together as the "Parties".

2. ACCEPTANCE

- a. The Purchaser may cancel its order if not accepted by the Seller in writing within seven (7) days of the date shown on the Purchase Order.
- b. Time, place, quantity and manner of delivery of Deliverables or other performance are of the essence of the Purchase Order.
- c. In addition to and without prejudice to other rights, the Purchaser reserves the right to cancel, vary or suspend all or any part of the Purchase Order and/or to the award of damages for any consequential loss or expenses incurred, if the Purchase Order is not fulfilled at the time or place or in the quantity or manner specified.
- d. This Purchase Order expressly limits acceptance to the terms and conditions included in this Purchase Order.
- e. The delivery, even partial, of the Deliverables, including the delivery of one single piece or part of a service, will be considered as the acceptance of the Purchase Order, including all its terms and conditions, by the Seller.

3. QUALITY AND WARRANTY

- a. The Seller expressly recognises that he has full knowledge of the intended use of the goods, material, equipment and parts, and/or services to be delivered in accordance with this Purchase Order. The Seller warrants the Deliverables will conform to any description, specification, drawings and instructions relating thereto, for a period of twelve (12) months from the date of the Deliverables being received by the Purchaser, or within two (2) months of any Deliverables first being put into operation, whichever is the longer.
- b. The Seller shall deliver the Deliverables which are fit for their specific purpose. The Seller warrants that the goods will be free from any defect, will be delivered in accordance with the delivery dates specified.
- c. For those Deliverables that are services, these will be performed with reasonable skill, care and diligence and will conform to any service description and/or requirement service levels and/or KPIs specified in a Purchase Order.
- d. If the Deliverables do not conform to the requirements, and without prejudice to the Purchaser's rights and remedies, the Seller shall, at the Purchaser's option and at no cost to the Purchaser, (i) repair, (ii) replace, (iii) refund to the Purchaser the purchase price of, or (iv) allow the Purchaser to reject the payment of the purchase price of, the Deliverables not meeting the warranties. The Purchaser may, without prejudice to its other rights and remedies, (i) choose to accept the non-conformance and the Purchaser will be entitled to reasonably adjust the Purchase Order price; or (ii) rectify or arrange to have rectified such non-conformance; or (iii) procure Deliverables from alternate sources in order to meet customer requirements.
- e. Where the Deliverables are goods and are rejected by the Purchaser, they will at the option of the Purchaser, either be held by the Purchaser at the Seller's risk pending collection or be returned to the Seller at the latter's expense and risk.
- f. The Seller shall be solely responsible for and will further defend and indemnify the Purchaser, upon demand, from and against all claims, actions, liabilities, losses and expenses (including investigation expenses and legal fees incurred in litigation or because of the threat of litigation), arising or alleged to arise from acts or omissions of the Seller or from defects or alleged defects, whether latent or patent, in the goods or workmanship on the goods or defective design of the goods purchased by the Purchaser from the Seller.
- g. Any warranty expressly contained in this Purchase Order will not limit the application of any implied warranties, conditions or of any other legal warranties, and the Purchaser may exercise any remedies available hereunder or at law or equity without prejudice or prejudicing the same or any other rights or remedies.
- h. The Seller agrees that the Purchaser or their designated agent will have the right to enter the Seller's facilities at reasonable times to inspect the facility, Deliverables, materials and any other property of the Purchaser. Such inspection will not constitute or imply acceptance of any Deliverables.

4. PACKAGING AND DELIVERY

- a. The Deliverables which are goods must be suitably packed to ensure safety in transportation. All packages and packing material shall be at the cost of the Seller, unless otherwise agreed in writing between the Parties. In the latter event, appropriate endorsements shall be marked on the Purchase Order, and on the Deliverable. The goods shall be delivered carriage free and shall be at the risk of the Seller, until so delivered to the Purchaser's site or such other place as set out in this Purchase Order or agreed in writing between the Parties.
- b. Timely delivery is a material condition of these Conditions. Unless otherwise provided for in an Agreement, Deliverables will be delivered to the Purchaser's site DDP (INCOTERMS 2010). If the delivery times as set out in the Purchase Order cannot be met or at any time at the Purchaser's request, the Seller will provide prompt information to the Purchaser as to the causes and the mitigation action it proposes to take. The Purchaser may, at its sole discretion, require the Seller to suspend all performance under a Purchase Order for a period of up to six months. In the event of any suspension of the Seller's performance under this clause, the Purchaser's obligation to pay for such Deliverables will be suspended for the same period of time.
- c. The Purchaser shall not be obligated to accept any quantity other than that shown on the order, at the delivery date specified therein. Furthermore, the Purchaser reserves the right to reject any delivery made in advance of the delivery date shown on the order.

5. PRICE

- a. The price stated on a Purchase Order is inclusive of all duties, levies and taxes in the country of origin of the Deliverables excluding value added tax or equivalent tax.
- b. Where the Conditions require the Seller to submit an invoice, the Seller will submit invoices in the same language as the relevant Purchase Order to the Purchaser's Accounts Department on the day on which Deliverables are despatched or completed. The invoice will include the Purchase Order number, and any other information requested and notified by the Purchaser.
- c. Unless otherwise stated on the Purchase Order, the Purchaser will electronically transfer payment to the Seller within thirty (30) days after the date on which the relevant goods have been received or services completed, provided that the Seller has supplied such goods or services in accordance with these Conditions and, where the Seller is required to submit an invoice, such invoice is accurate and was received by the Purchaser's Accounts Department within thirty (30) days of delivery or completion of goods or services. If such day is not a normal banking day in England, then electronic transfer of payment will be on the next banking day. Where the Purchaser collects goods from the Seller, "received" means formal receipt by the Purchaser's nominated courier or where the goods are delivered to the Purchaser's premises, "received" means formal receipt by the Purchaser's goods received area. Without prejudice to the Purchaser's other rights and remedies, the Purchaser may deduct from any payments due to the Seller under these Conditions the amount of any bona fide contra accounts or other claims that the Purchaser may have against the Seller in connection with the Conditions.
- d. Unless by prior written agreement, invoices not received by the 7th of month following delivery will be dated forward to the following month.
- e. Unless by prior written agreement, the Deliverables received on or after the 27th of month will be automatically entered into the Purchaser's following month's accounts.

6. THE PURCHASER'S PROPERTY

Any Deliverables which are goods and are held by the Seller which the Purchaser has paid for in full or which the Purchaser may have loaned, bailed, consigned or supplied to the Seller for the execution of a Purchase Order will be at the Seller's risk until delivered to the Purchaser. The Seller will be fully liable for any damage caused to such Deliverables whilst in its possession. The Seller will retain such Deliverables in good condition during performance and after completion of a Purchase Order and will not dispose of such Deliverables except in accordance with the Purchaser's written instructions nor will such Deliverables be used other than for the purpose of such Purchase Order without the Purchaser's prior written consent. The Seller will ensure that such Deliverables are at all times identified as the property of the Purchaser and do not become the subject of any encumbrance whatsoever.

7. TITLE AND RISK OF LOSS

Title to the Deliverables that are goods will pass to the Purchaser upon receipt at the Purchaser's designated facility or as otherwise stated in a Purchase Order. Such passing of title shall not prejudice the Purchaser's rights of rejection under Clause 4 hereof. Risk of loss shall pass upon acceptance.

8. INTELLECTUAL PROPERTY

- a. "Intellectual Property" or "IP" includes any and all inventions whether or not patentable, patents, utility models, trademarks, component designs or manufacturing processes and any improvements or enhancements thereto, copyrights and moral rights, design rights, database rights, trade secrets know-how, goodwill, and methods, in each case whether registered or unregistered, and also including identified technical and non-technical or business-related information such as specifications, computer programs, IP addresses drawings or blueprints. "Foreground IP" means any IP that arises or is obtained or developed by a Party, or by a contractor on behalf of a Party, specifically in the course of or in connection with the performance of a Purchase Order. "Background IP" means IP which is owned by or licensed to a Party before the date of issue of the Purchase Order, or later developed or otherwise acquired by a Party other than through participation in the Purchase Order. Nothing in these Conditions shall transfer ownership of Background IP from or to any Party. No rights or licenses in IP are granted save as expressly set out in the Conditions.
- b. Subject to the Seller's compliance with the Conditions, the Purchaser grants to the Seller for the period of time needed to fulfil the Purchase Order, a non-exclusive, non-transferable, royalty-free, personal license to use the Purchaser's IP to the extent necessary for fulfilling Seller's obligations under the Conditions. The Seller may not sub-license this licence without the express consent of the Purchaser in writing. The Seller hereby grants to the Purchaser the worldwide, perpetual, irrevocable, paid-up, sub-licensable right to use the Seller's IP (i) to fulfil its obligations under the Conditions; and (ii) to use and benefit from any IP owned by the Purchaser in accordance with the Conditions for any purpose whatsoever.
- c. The Seller will own any Foreground IP created through industry standard manufacturing engineering and which is not (a) specific to the Purchaser's products or services; or (b) the result of research or development work paid for by the Purchaser. To the extent permitted by law, the Seller hereby assigns (by way of present assignment of future rights) and procures the assignment to the Purchaser, absolutely and with full title guarantee, all rights in and to such the Purchaser owned Foreground IP, created by the Seller, its employees, Affiliates and sub-contractors together with the right to sue for damages and other remedies for any infringement of any of such rights which occurred prior to and after the date of the assignment for the full period of such rights, including all renewals, revivals, re-issues, divisions, continuations or extensions. The Seller will furthermore assist and co-operate, with the Purchaser in filing and presenting patent applications in relation to any invention conceived or made by it, its Affiliates, sub-contractors or agents in respect of the Deliverables during and after the provision of the Deliverables and will do, and procure the doing of, all such acts and things (including the waiver of moral rights by its employees) as the Purchaser deems necessary in connection with such assistance.
- d. If any allegation is made or any claim asserted against the Purchaser, or any person claiming title from or through the Purchaser, that any act done or proposed to be done in relation to Deliverables constitutes a violation or infringement of any patent, copyright, registered design or other Confidential right held by a third party, the Seller will indemnify the Purchaser and hold the Purchaser harmless for and against any loss or damage (including, without limitation, all costs and expenses) arising directly or indirectly out of such allegation or claim however caused

unless the allegation or claim is the direct result of the Seller following a design or process required by the Purchaser, and the Seller will procure, at its cost for the Purchaser a worldwide, non-exclusive, royalty-free, irrevocable license to manufacture, use and sell the Deliverables or have such replaced with substantially equivalent non-infringing Deliverables.

9. MATERIALS PROVIDED BY THE PURCHASER

- a. The Seller shall be fully responsible for any loss or damage to any materials, drawings, designs, patterns, tools, jigs and other equipment provided by the Purchaser and in the custody of the Seller for the performance of order by the Seller.
- b. Such materials, drawings, designs, patterns, tools, jigs and other equipment shall be insured by the Seller in the full replacement value thereof against fire, theft, damage and other usual risks whilst in the custody of the Seller and until returned and accepted by the Purchaser.

10. MATERIALS PREPARED BY THE SELLER

Any materials, drawings, designs, patterns, tools, jigs and other equipment that are required for the execution of, and made specially for, the order become the property of the Purchaser on completion of the order, unless specifically agreed otherwise by the Purchaser in writing.

11. DEVELOPMENT WORK

The Seller shall not sell to anyone other than the Purchaser the Deliverables developed solely for the benefit of and under direction of the Purchaser unless a separate marketing agreement is formally concluded with the Purchaser.

12. INSURANCE

The Seller shall obtain, at its expense, comprehensive general liability insurance, including contractual liability and products liability covering the Seller's premises and operations, such policies shall be issued by a company or companies satisfactory to the Purchaser. The Seller shall furnish the Purchaser with a certificate of insurance certifying the existence of the aforementioned insurance upon request.

13. CONFIDENTIALITY

- a. "Confidential Information" means all commercial, financial, technical or operational information, and any intellectual property not publicly known or available, which by its nature is confidential, and such information that has been or may be disclosed or otherwise made available in whole or in part to a receiving Party or any Representative in any form or medium. "Representative" means any one or more directors, officers, temporarily contracted personnel or Affiliates of a Party. "Affiliates" means any entity that controls, is controlled by, or is under common control with either Party. The Parties agree to exchange and disclose to each other certain of their Confidential Information. Documents containing Confidential Information should be marked as "Confidential", however the Parties agree that such information will be considered Confidential Information, even if it is inadvertently not marked as such. Confidential Information will be disclosed only as necessary and only for the purpose of fulfilling the Purchase Order. Title to any Confidential Information will not be affected by any such exchange or disclosure.
- b. The receiving Party may only disclose Confidential Information to its representatives and permitted subcontractors on a need-to-know basis in connection with these Conditions. The receiving Party will, at its sole cost and expense, ensure that the nondisclosure obligations of these Conditions are known, understood by and complied with by its representatives. The receiving Party will be liable for any and all breach of confidence by its representatives. These provisions do not apply to Confidential Information that (i) is in the public domain at the time of receipt by the receiving Party through no fault of the receiving Party; (ii) is lawfully received by the receiving Party from a third party who is without an obligation of nondisclosure; (iii) is developed by the receiving Party independently of the Confidential Information, as established by extrinsic evidence; or (iv) is known by the receiving Party at the time of receipt.
- c. Upon expiry or termination of a Purchase Order, the Seller will destroy, or return upon request, any Confidential Information, including all copies belonging to the Purchaser disclosed in relation to that Purchase Order. The Seller acknowledges that it has no rights of use in or to such Confidential Information after the return date or date of destruction.
- d. The Seller will indemnify and hold the Purchaser harmless in the event of any breach of this Clause 13. Furthermore, the Seller will notify the Purchaser immediately upon becoming aware of a breach or a potential breach and will inform the Purchaser of what actions it is taking to prevent or remedy such breach or potential breach to ensure risks to the Purchaser are mitigated. The Purchaser reserves the right to take its own action against any such third party that misuses or that might reasonably misuse its Confidential Information and to direct the Seller to take certain actions.

14. COMPLIANCE WITH LAWS

- a. The Seller agrees to fully observe and comply with all applicable laws, rules, regulations and orders pertaining to the production and sale of the Deliverables.
- b. Without prejudice to the generality of the foregoing, the Seller agrees to furnish only the Deliverables (and package thereof) which comply with all laws, rules, regulations and orders pertaining to safety and health standards and to environmental compliance, including, but not limited to, chemical, biological and radioactive substances or matters.
- c. The Seller and its suppliers shall respect the fundamental human rights of all individuals and endeavour to make their workplace safe, sound and energetic. The use of forced labour or child labour, inhumane treatment or discrimination of workers or legal employment of workers is not allowed. The employment conditions including wage and work environment as well as occupational health and safety standards must be compliant with laws and regulations in the countries and regions where the Seller and its suppliers are doing business.
- d. The Seller, by acceptance hereof, certifies that the Deliverables, that are goods required under this Purchase Order is based and covered by existing export or import licences from the applicable government. Where information essential for the satisfactory completion of the Purchase Order is under the control of any government, such that an export or import licence or other instrument is required for shipment to occur, the Seller shall, within a period of sixty (60) days from the date of Purchase Order award, expedite the necessary licence or approval from the relevant government, and confirm to the Purchaser that such licence has been granted. If the licence or approval is not form ally in place within the sixty-day period, the Purchaser reserves the right to terminate the Purchase Order at no cost to the Purchaser in accordance with the Conditions herein.
- e. The Seller warrants and undertakes that it will not use or permit the use of, export or transfer (by any means, electronic means or otherwise), any information or Deliverables which are subject to export control laws and regulations without complying in all respects with the applicable export control laws and regulations including, without limitation, all codes of conduct, relevant export licence(s), guidelines, notices and instructions in relation to any use, export or transfer of information or Deliverables. The Seller agrees to promptly notify the Purchaser if any Deliverable under this Purchase Order is restricted by export control laws or regulations.
- f. In the event the Seller breaches any of the provisions of this Clause 14 the Seller shall indemnify the Purchaser with respect to all losses, damages, claims, compensation, awards, expenses (including without limitation legal fees), fines and judgments incurred by the Purchaser as a result or as a consequence of such breach.

15. TERMINATION

- a. Without prejudice to any rights and remedies, the Purchaser may immediately terminate a Purchase Order in whole or in part by giving the Seller written notice, identified as a "Notice of Termination", whereupon all work on that Purchase Order will cease. The Purchaser will pay the Seller in full and final satisfaction of all claims arising out of such termination: the price of all Deliverables which the Seller has justifiably produced and completed in accordance with such terminated Purchase Order or part of the Purchase Order and which the Purchaser has not paid for, and the cost to the Seller of any justified work in progress in respect of such Purchase Order.
- b. The amount payable to the Seller under Clause a above will not exceed the total amount that would have been payable to the Seller for the Deliverables and payment is subject to the Seller submitting its notice of claim within two (2) calendar months of the termination date. Any finished Deliverables and any work in progress paid for by the Purchaser under Clause a above will be delivered to the Purchaser or be held by the Seller as the Purchaser's property in accordance with Clause 6 above.
- c. If the Purchaser has reasonable grounds for believing the Seller will be unable to substantially fulfil its obligations under the Conditions, the Purchaser may require the Seller to provide reasonable written evidence that the Seller will fulfil its obligations. If the Seller fails to provide such evidence within thirty (30) days of the Purchaser's request, the Purchaser may treat that failure as a material breach and terminate the relevant Purchase Order or any agreement relating to the Deliverables in whole or part without any liability. For the avoidance of doubt, the material breaches of the Seller herein shall include but not be limited to the circumstances as stipulated in Clause 3 of these Conditions.
- d. Either Party has the right, without prejudice to its other rights and remedies, to terminate any Purchase Order or any Agreement without liability if the other Party commits any material breach of any of its obligations under the Conditions which, if the breach is remediable, it fails to rectify within thirty (30) days of written notice of that breach (no notice period will apply for a breach of Purchaser's delivery terms) or makes a general arrangement with its creditors; or ceases or threatens to cease to carry on its business or a substantial part of it or is unable to pay its debts within the meaning of the applicable law as defined below; enters into liquidation whether compulsory or voluntary, except as a solvent company for the purposes of amalgamation or reconstruction; or has an administrator or administrative receiver of the whole or part of its assets appointed.
- e. Except for Clause a where termination is effective immediately on giving the Notice of Termination, termination will be effected thirty (30) days from the terminating Party issuing a notice of termination to the other Party.

16. ASSIGNMENT

No Party will assign or otherwise transfer any of its rights or obligations to any third party. However, the Purchaser may, upon prior written notice to the Seller, transfer any or all of its rights or obligations under these Conditions to any of its Affiliates. Nothing in these Conditions will be construed as creating any rights in respect of any third parties (including, without limitation, any employee, officer, agent, representative or sub-contractor of any Party) under, as a result of, or in connection with the Conditions.

17. FORCE MAJEURE

Any delay or failure of either Party to perform its obligations hereunder will be excused if, and to the extent that it is caused by an event or occurrence not reasonably foreseeable and beyond the reasonable control of the affected Party and without its fault or negligence, and which cannot be reasonably avoided or overcome by the affected Party despite using all reasonable endeavours to do so, such as, by way of example and not by way of limitation fire, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, embargo, insurrection, requisition, extensive military mobilization, restriction in the use of power, or court injunction or order, provided that written notice of such delay (including the anticipated duration of the delay) will be given by the affected Party to the other Party as soon as possible but in any event not later than five (5) days. During the period of such delay or failure to perform by Seller and after prompt notice from Seller to the Purchaser of the occurrence of such an event, the Purchaser, at its option, may purchase Deliverables from other sources and reduce its requirement to Seller by such quantities, without liability to Seller, or have Seller provide the Deliverables from other sources in quantities and at times requested by the Purchaser and at the price set forth in the Order. If requested by the Purchaser, the Seller will, within ten (10) days of such request, provide adequate assurances that the delay will not exceed thirty (30) days. If the delay lasts more than thirty (30) days, the Purchaser may immediately cancel a Purchase Order without liability. The Seller will in any event, make all reasonable endeavours to mitigate the effects of any delay. For the avoidance of doubt, strikes, lockouts or other industrial action or disputes specific to the Seller and/or its subcontractors or agents shall not be considered a force majeure event.

18. AMENDMENTS

The Conditions will not be amended other than by an agreement in writing signed by an authorised signatory of the Parties, which is expressly stated to amend the Conditions.

19. SEVERABILITY

If any provision of the Conditions becomes illegal, invalid or unenforceable in any jurisdiction in relation to any Party, that provision will not invalidate the remaining provisions or affect the legality, validity or enforceability of that or any other provision in any other jurisdiction.

20. APPLICABLE LAW

The contract comprising the order (and all questions affecting its existence and validity) shall be governed and interpreted in accordance with English law.

Any dispute arising hereunder shall be subject to the exclusive jurisdiction of the courts of England and Wales.