

Authorised Distributor Agreement

Between

ICP DAS Co., Ltd.
No.111, Guang-Fu N. Road,
HuKou Township, Hsin-chu county 30351, Taiwan, R.O.C.

And

LOKYS T&T LTD,
Omonoias 81, M&A House,
3rd floor, Office 32B-1, 3048, Limassol, Cyprus.

THIS AGREEMENT is effective as of January 1st, 2023 (hereinafter referred to as "Effective Date") by and between **ICP DAS Co., Ltd. 111, Guangfu N. Rd., Hukou Township, Hsinchu County, Taiwan 30351, R.O.C.** (hereinafter referred to as "**ICP DAS**") and **SOVIO LTD, Office 202, Kifisia str №9, Block B, 4003, Limassol, Cyprus** (hereinafter referred to as "**LOKYS T&T LTD**"), representing the interests of LOKYS Group (hereinafter referred to as "**LOKYS T&T LTD and it's partners**"), as defined herebelow.

WITNESSETH

WHEREAS, ICP DAS is engaged in the manufacture and sale of the Products as hereinafter defined,

WHEREAS, ICP DAS is desirous of developing its business in the Territories as hereinafter defined,

WHEREAS, LOKYS T&T LTD is engaged in the import and distribution of the Products in the Territories, and

WHEREAS, LOKYS T&T LTD is desirous of becoming a distributor of the Products in the Territories.

NOW THEREFORE, the parties hereto agree as follow:

ARTICLE I: DEFINITIONS

1. "Products" means the Industrial Products manufactured by ICP DAS, such as Win PAC, i PAC, μ PAC, I-7000, I-7188, I-8000, Plugged-in I/O Cards ,tDS, ET, PET Series, etc.
2. "Territories" means **Cyprus, Russian Federation, Belarus, Ukraine, Kazakhstan, Uzbekistan, Georgia, Azerbaijan.**
3. LOKYS Group comprises the following LOKYS T&T LTD and it's partners:

Cyprus

LOKYS T&T LTD

Address: Omonoias 81, M&A House, 3rd floor, Office 32B-1, 3048, Limassol, Cyprus.

Tel: +357 (25) 02 50 18

Russia

IPC2U LLC

Address: Ryazansky prospekt, 8A, office 200, 109428 Moscow, Russia

Tel: +7-495-232-0207

Fax: +7-495-232-0327

Ukraine

A-TEX LTD.

Address: Office 101, Polkovnika Shutova St. 9, 03113 Kyiv, Ukraine

Tel +380 44 456-65-66

Fax +380 44 456-62-17

INCOMTECH PROJECT LLC

Address: 17-25, Hertseny Str., office 9, 04050 Kyiv, Ukraine

Tel +380 44 230-01-81, 230-01-86

Fax +380 44 483-95-11, 486-25-13

Kazakhstan

IPC2U-KZ LLP

Address: Lobachevsky str., 78, office 205, 050050 Almaty, Kazakhstan
Tel: +7 (727) 296-89-88
Fax: +7 (727) 296-89-97

Uzbekistan

GLOBEL PRO LLC

Address: 100025, Uzbekistan, Tashkent Str. A. Kakhora, 9 passage, building 1
Tel: +998-97-7078666

Belarus

JSC IMC Computers

Address: Nezavisimosti ave 68, office 108, 220072 Minsk, Republic of Belarus
Tel: (+37517) 284-16-22, 284-22-93
Fax: (+37517) 285-79-16

Georgia

Digikern LTD

Address: Tornike Eristavi Str., 29, Tbilisi, Georgia
Tel: +00995 555 215121

Azerbaijan

AABACUS LLC

Address: AZ1006, Baku city, Narimanov district, N. Narimanov str, 5c, Azerbaijan
Tel: (+99412) 436-30-07

ARTICLE II: DISTRIBUTORSHIP

1. ICP DAS hereby appoints LOKYS T&T LTD as the ICP DAS authorized non-exclusive distributor for a period of twelve (12) months commencing from January 1st, 2023 and ending December 31st, 2023 with the right to distribute the Products in the Territories subject to the terms and conditions of this Agreement.
2. LOKYS T&T LTD shall sell the Products in the Territories for its own account and risk under the terms and conditions it considers proper. LOKYS T&T LTD has no authority to act or assume any obligation on behalf of ICP DAS.
3. Orders and payments from LOKYS T&T LTD to ICP DAS are processed through **SOVIO LTD, Omonoias 81, M&A House, 3rd floor, Office 32B-1, 3048, Limassol, Cyprus., and SOVIO LTD (Taiwan Branch), 39, Jing-Fu Str., Wen Shan District, Taipei, TAIWAN.**

ARTICLE III: PRICE AND PAYMENT

1. ICP DAS shall sell products to LOKYS T&T LTD for authorised distribution prices.
2. ICP DAS shall have the right to revise the authorised distributor prices so set forth during the term of this Agreement. In the event of any such revision, ICP DAS shall send written notification thereof to LOKYS T&T LTD at least thirty (30) days prior to the effective date of such change. Any sales contract made between the parties before the effective date of such change shall be at the price in effect before the change.
3. Upon the acceptance of the purchase order by ICP DAS and considering LOKYS T&T LTD sincerity in long-term business activities, ICP DAS agrees to offer following special policies to LOKYS T&T LTD:
 - 3.1. Open account shipments with a credit limit up to USD 400,000.00, payment terms are net 30 days from date of shipment. The payment shall be remitted by LOKYS T&T LTD and SOVIO LTD (Taiwan Branch) and by telegraphic transfer (T/T).
 - 3.2. ICP DAS issues invoices to LOKYS T&T LTD (without VAT) and SOVIO LTD (Taiwan Branch) (with VAT). Original currencies of all invoices are USD. In case of SOVIO LTD (Taiwan Branch), the invoices from ICP DAS should represent the original amount net of VAT, VAT thereon and exchange rate effective at the date of this invoice. The parties agreed to use the middle exchange rate of the Central bank of the Republic of China (Taiwan). Payments of those invoices are executed as follows: (a) by LOKYS T&T LTD in USD; (b) by SOVIO LTD (Taiwan Branch) in NT dollars.
 - 3.3. The local transportation expenses in Taiwan will be covered by ICP DAS.
 - 3.4. Terms of shipment of LOKYS T&T LTD and SOVIO LTD (Taiwan Branch):
 - (a) Orders equal or above USD\$3,000 – FOB; (b) Orders below USD\$3,000 – Ex Works.

3.5. Any balance beyond the due date may cause LOKYS T&T LTD to pay T/T in advance for any subsequent order. LOKYS T&T LTD should notify ICP DAS and obtain ICP DAS' consent to extend a reasonable time for settling the balance if LOKYS T&T LTD has any difficulty to repay the balance on the due date. Failure to do so, ICP DAS shall have the right to reduce SOVIO LTD credit limit and stop supplying products until all outstanding balances are settled. ICP DAS shall not be responsible for any delay of shipment under the situations mentioned in this paragraph.

ARTICLE IV: WARRANTY

1. ICP DAS warrants that the Products sold under this Agreement will be free from defects and workmanship for a period of eighteen (18) months from the dates of shipment. However, this warranty does not cover the damages caused by improper usage or operation or storage of the Products.
2. In the event that any Products or parts of the Products are found not to meet the specifications after arrival thereof at the port of destination and if such failure to meet the specifications is of such nature as would not be discoverable, LOKYS T&T LTD may submit claims for such Products or parts of the Products to ICP DAS with full particulars within 30 days after the arrival of the Products at the port of destination.
In case any of those claims is found justifiable due to faulty materials or workmanship, ICP DAS shall replace the defective products or parts with other Products or parts meeting with the specifications.
3. ICP DAS shall not be liable for any defects of Products or any part thereof caused by any failure of LOKYS T&T LTD or any purchaser to follow normal handling procedures specified in the specifications.
4. RMA Policy for defective Products:
 - 4.1. The defective products are either to be returned to ICP DAS for repair, or LOKYS T&T LTD will assign technicians to do the repair. Depend on the situation, ICP DAS shall appoint one or two technical engineer(s) for supporting LOKYS T&T LTD.
 - 4.2. In the warranty period, SOVIO LTD will accumulate the defective parts which LOKYS T&T LTD is unable to repair, and send the defective parts to ICP DAS for repair or replacement.
5. Except as expressly set forth herein, ICP DAS makes no warranties, express or implied, with respect to products and services listed. The company expressly excludes and disclaims all other warranties, express or implied, including without limitation, the implied warranty of merchantability and fitness for a particular purpose, application, or use. Under no circumstances will ICP DAS be liable for special, incidental or consequential damages, whether such damages are sought in contract, in tort, or otherwise.

ARTICLE V: SALES FORECAST

1. LOKYS T&T LTD shall use its best efforts to develop the market for and promote the sale of the products within the Territories. In this connection, LOKYS T&T LTD shall conduct an advertising and promotion program adequate to develop the market for the products in the Territories.
2. LOKYS T&T LTD shall purchase the products from ICP DAS in the minimum amount specified below:
 - 2.1. It is mutually agreed that LOKYS T&T LTD shall undertake the sales of the Products for not less than U. S. Dollars < 100,000.00 > each month and U. S. Dollars < 1,800,000.00 > in the year of 2023 period starting from the Effective Date.
 - 2.2. The purchase amount is broken down into each quarter as bellow:

Purchase Amount by Quarter (USD)

Quarter	2023/Q1	2023/Q2	2023/Q3	2023/Q4	2023 Turnover
Amount	750,000	800,000	1,250,000	800,000	3,600,000

3. The purchase achievement will be reviewed quarterly.

4. ICP DAS would settle account to the purchase amount of LOKYS T&T LTD quarterly. As LOKYS T&T LTD reaches the aboved purchase quantities prerequisites, and **ICP DAS receives the full amount of the payment**, ICP DAS agrees to return a certain ratio of the shipment amount according to the following regulations:

- 4.1. LOKYS T&T LTD shipment amount reaches **100% of quarter target**, ICP DAS would turn back 1.5% of the ordering volume actually;
- 4.2. LOKYS T&T LTD shipment amount **aboves 115% of quarter target**, ICP DAS would turn back 2% of the ordering volume actually.

For the purpose of this Article, the Products are considered shipped by ICP DAS for the orders purchase from SOVIO (TAIWAN BRANCH) and Export Taiwan for the orders purchase from LOKYS T&T LTD

ARTICLE VI: MARKETING SUPPORT

1. ICP DAS:

Marketing Materials: ICP DAS grants LOKYS T&T LTD access to relevant materials necessary for LOKYS T&T LTD marketing and campaigns. This includes technical data specifications, user manuals and photographs of the distributed models.

Costs of Sales Promotions: ICP DAS shall grant a co-op budget to support the sales promotion of LOKYS T&T LTD. Supporting amount from ICP DAS shall be limited up to 1.5% of total purchase amount by LOKYS T&T LTD and shall be cleared by three-month bases. LOKYS T&T LTD shall provide ICP DAS with promotion evidences as well as invoices where LOKYS T&T LTD claims the support.

2. LOKYS T&T LTD:

Sales Promotions: For marketing promotion, LOKYS T&T LTD shall advertise ICP DAS's products in following forms:

- Suitable magazines;
- Internet resources;
- Direct mailing of ICP DAS literature to develop potential customers in the Territories;
- Holding seminars;
- Participation in appropriate exhibitions.

Other appropriate forms for business development at Territories assigned might be applied.

ARTICLE VII: EFFECTIVE DATE AND TERM

The term of this Agreement shall be a period of twelve (12) months from Effective Date, subject to the further extension for twelve (12) months upon a mutual agreement of the parties in writing.

This Agreement may be terminated only:

1. By either party in case of a substantial breach of any material provision of this Agreement by the other, provided due notice has been given to the other party of the alleged breach and such other party has not cured the breach within thirty (30) days thereof; or
2. By ICP DAS, if there is an unacceptable change in the control or management of LOKYS T&T LTD; if LOKYS T&T LTD ceases to function as a going concern or makes an assignment for the benefit of creditors; if a petition in bankruptcy is filed by or against LOKYS T&T LTD, resulting in an adjudication of bankruptcy; or, if LOKYS T&T LTD fails to pay its debts as they become due and provided due notice has been given by ICP DAS to LOKYS T&T LTD and LOKYS T&T LTD has not cured such breach within thirty (30) days thereof.

ARTICLE VIII: SECRECY

During the term of this Agreement and thereafter, LOKYS T&T LTD shall not disclose to any third party any information it may acquire respecting the business of ICP DAS or the Products, except such information as ICP DAS may have authorised LOKYS T&T LTD in writing to communicate for the purpose of performance of this Agreement.

ARTICLE IX: FORCE MAJEURE

Neither party of this Agreement shall be liable in any manner for failure or delay upon fulfillment of all or part of this Agreement, directly or indirectly owing to any causes or circumstances beyond its control, including Acts of God, Governmental orders or restriction, war, warlike conditions, revolutions, strike, lockout, fire and flood.

ARTICLE X: ASSIGNMENT

1. This Agreement shall not be assigned partly or wholly to a third party without the prior written consent of both parties.
2. Both parties came to agreement on the fact that LOKYS T&T LTD and its partners, as listed and defined in **ARTICLE I: DEFENITIONS, SECTION 3.**, shall represent the interests of ICP DAS in the relevant territories of Non-Exclusive Authorized Distribution when executing declaration and certification of conformity to the specified requirements of the Products and making formulation and registration in the coordinating body of their country of notification for obtaining the conclusion (permission) to the import/export of the Products to their territories. LOKYS T&T LTD and its partners fulfill the functions of the foreign manufacturer ICP DAS during the declaration of conformity to the specified requirements of the Products, certification of conformity to the specified requirements of the Products and notification. ICP DAS authorizes LOKYS T&T LTD and its partners to execute the declaration of conformity to the specified requirements of the Products and notification to provide conformity of the supplied Products to the specified technical regulations and to assume liability for the nonconformity of the supplied Products to the requirements of technical regulations, and to make checking and confirmation of the quality of the Products.

ARTICLE XI: GOVERNING LAW

This Contract shall be governed exclusively by the law of Republic of China. All disputes, controversies, differences or claims arising out of, relating to or connecting with this Contract, or the breach, termination or invalidity thereof, shall be finally settled by arbitration referred to the Arbitration Association of the Republic of China in accordance with the Arbitration law of the Republic of China and the Arbitration Rules of Chinese Arbitration Association, Taipei. The place of arbitration shall be in Taipei. The award rendered by Arbitrators shall be final and binding upon both parties concerned.

ARTICLE XII: AMENDMENT

Only a written instrument signed by duly authorised representatives of both parties may amend this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by duly authorised representatives of both parties.

ICP DAS CO., LTD.

Mr. Frank Cheng

Date: 2023-01-01

LOKYS T&T LTD

Mr. Sotiris Christoforou

Date: 2023-01-01

