

Dated the 19th day of October 2022

MASTER SUPPLY AGREEMENT

DATATRONICS ROMOLAND, INC.
(as the “Customer”)

And

DATRONIX HOLDINGS LIMITED
AND ITS SUBSIDIARIES (as the “Group”)

THIS AGREEMENT is made on the 19th October 2022

BETWEEN:-

- (1) Datatronics Romoland, Inc., a company incorporated in the State of California of the United States of America, whose registered office is situate at 28151 US Highway 74, Menifee, California 92585, the United States of America (the “Customer”); and
- (2) Datronix Holdings Limited, a company incorporated in Bermuda, whose principal place of business is situate at 19/F1, North Point Industrial Building, 499 King’s Road, Hong Kong (the “Company”) together with its subsidiaries (collectively and each of them, the “Group”).

WHEREAS:-

- (A) The Group is engaged in the business of manufacturing and selling of electronic components.
- (B) The Customer carries on the business of manufacturing and trading of high performance magnetics for its customers in high reliability product industries in the United States of America.
- (C) The Customer agrees to secure the supply of the Products from the Group and the Company agrees to procure from the Group the supply of the Products to the Customer on the terms set out in this Agreement.

NOW IT IS AGREED as follows:-

1. INTERPRETATION

1.1 In this Agreement, unless the context otherwise requires:

“Business day”	means a day on which commercial banks are open for business in Hong Kong;
“Group”	means the Company and its subsidiaries or, where the context admits, the Company or any of its subsidiaries for and on behalf of the Group;
“Force Majeure”	means, in relation to either party, any circumstances or Act of God beyond the control of that party (including without limitation, any strike, lock-out or other industrial action) and not attributable directly or indirectly to any act or default of that party;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“PRC”	means the People’s Republic of China, which for the purpose of this Agreement, excludes Hong Kong, Taiwan, and Macau;

“Product(s)”	means magnetic components for supply to its customers to be manufactured or sourced by the Group as per the Specifications to be agreed between the Customer and the Group in accordance with the provisions of Clause 2.1;
“Quarter”	means the period of 3 months commencing on 1 st January 2023, each consecutive period of 3 months thereafter, and any shorter period commencing on a day following the end of a Quarter and ending on the termination of this Agreement; and “Quarterly” shall have a corresponding meaning;
“Sales Price(s)”	means in relation to any Product to be supplied to the Customer by the Group, the price for the supply of such Product payable by the Customer to the Group which shall be agreed between the Customer and the Group in accordance with the provisions of Clauses 2.1 and 2.3;
“Specifications”	means in relation to any Product, the specifications to be agreed in accordance with the provisions of Clause 2.1; and
“Year”	means the period of 12 months from the date of this Agreement and each consecutive period of this Agreement.

1.2 Any reference in this Agreement to ‘writing’, or cognate expressions, includes a reference to any communication effect by telex, cable, facsimile or any comparable means.

1.3 References to this Agreement shall include the Schedule hereto which shall form part hereof and shall have the same force and effect as if expressly set out in the body of this Agreement.

1.4 The headings in this Agreement are for convenience only and shall not affect its interpretation.

1.5 Unless the context otherwise requires, words importing the singular number shall include the plural number and words importing the masculine gender shall include the feminine or neuter gender and vice versa, and references to persons include companies and bodies, corporate or unincorporated.

2. SPECIFICATION AND PRICING OF THE PRODUCTS

2.1 The Customer shall from time to time give to the Group full details of the Specifications of each Product which the Customer requires to be supplied by the Group pursuant to this Agreement, and shall agree with the Group the Specifications, Sales Price and delivery date of such Product and any subsequent variations thereto. In respect of any order which the Specification, Sales

Price and delivery date of the Products cannot be agreed between the Group and the Customer, that particular order shall be regarded as null and void.

- 2.2 All Products sold by the Group to the Customer pursuant to this Agreement shall conform in all respects to the Specifications; and, subject to the provisions of Clauses 7.1 and 7.3, the Customer shall be entitled to reject any Products supplied which are not in accordance with the agreed Specifications.
- 2.3 The Sales Price(s) of the Products are to be agreed between the Group and the Customer. The Group will determine the Sales Prices according to its pricing policy of obtaining reasonable profit margins for its sales in accordance with the prevailing market conditions, on normal commercial terms and at arm's length basis. For the avoidance of doubt, the Sales Price for Products shall be exclusive of:-
 - 2.3.1 any costs of carriage and insurance of Products; and
 - 2.3.2 any value added tax or other applicable sales tax or duty
- 2.4 The Group shall invoice the Customer at the day of delivery of Products for the Sales Price in respect of all deliveries of Products made under this Agreement, and the Customer shall deposit the sums shown to be due in cleared funds in the account(s) designated by the Group (or the Company on its behalf) within 30 days from the date on which each invoice is submitted by the Group.

3. ORDERING OF PRODUCTS

- 3.1 The Customer shall specify the type of quantity of Product and the required shipment destination and date of delivery under each of its orders placed. Order shall be given by the Customer to the Group in writing or, if given orally, shall be confirmed by the Customer in writing to the Group not more than 3 business days after the date on which the order was orally made by the Customer. The Customer may amend any order made within 14 business days of the date of the order.
- 3.2 The Customer shall from time to time notify the Group in writing of:-
 - 3.2.1 its estimated orders for Products in respect of each Year, within 3 months prior to that Year, and
 - 3.2.2 its estimated orders for Products in respect of each Quarter, within 6 weeks prior to that Quarter;and shall notify the Group forthwith of any revisions to such estimates.

4. ACCEPTANCE OF ORDER

- 4.1 Within 10 business days (or such longer period as may be agreed from time to time) of receipt of any order made (written or oral) or amended order, the Group shall give to the Customer written

confirmation of acceptance of such order, specifying the agreed date of delivery and Sales Price for Products ordered.

- 4.2 The Group shall have no liability for any order placed by the Customer unless and until such order shall have been accepted by the Group in accordance with the provisions of Clause 4.1.

5. RIGHT OF FIRST REFUSAL

The Customer hereby grants a right of first refusal to the Group in respect of any order intended to be placed by the Customer, such that in the event the Customer requires subcontracting the manufacturing of the Products or sourcing the supply of the Products, the Customer shall first subcontract to or source the same from the Group. The Customer undertakes not to subcontract the manufacturing of the Products to nor to source supply of the Products from any third-party supplier unless the Group does not accept the order placed by the Customer in accordance with the provisions of Clause 4.1 above or reject the offer/order of the Customer and in which event the Customer shall not offer to third-party supplier(s) on terms which are more favourable than those offered to the Group in subcontracting the manufacturing or sourcing the supply of the Products in question.

6. DELIVERY, TITLE AND RISK

- 6.1 The Group shall use all reasonable endeavours to deliver each other the Customer's orders for Products on the agreed date of delivery as specified in the written confirmation of acceptance.
- 6.2 Title to and risk in Products ordered by the Customer shall be passed to the Customer upon such Products being load into containers ex facility.

7. DEFECTS

- 7.1 The Customer shall within, 25 business days of receipt of each delivery of Products, notify the Group in writing of any defect of Products delivered or Products delivered which do not comply with the relevant Specifications.
- 7.2 Upon receipt of a notice of any defective Products delivered or Products delivered which do not comply with the relevant Specifications, the Group shall deliver replacement Products complying with the relevant Specifications within 75 days of the date of receipt of such notice which replacement (if free from defects) shall be in full and final settlement of all claims the Customer may have in respect of the relevant defective Products first delivered.

- 7.3 If no notice is given pursuant to Clause 7.1 and except in respect of any defect which is not apparent upon reasonable inspection, the Customer shall be deemed to have accepted delivery of Products in question.
- 7.4 If the Customer fails to pay on the due date any amount which is payable to the Group under this Agreement then, without prejudice to Clause 8.2:-
- 7.4.1 that amount shall bear interest from the due date until payment is made in full at the prevailing Hong Kong dollars prime lending rate as stipulated by the Hongkong and Shanghai Banking Corporation Limited from time to time; and
- 7.4.2 the Group shall be entitled to suspend production and delivery of Products until the outstanding amount has been received by the Group from the Customer.

8. FORCE MAJEURE

- 8.1 If either party is affected by Force Majeure it shall promptly notify the other party of the nature and extent of the circumstances in question.
- 8.2 Notwithstanding any other provision of this Agreement, neither party shall be deemed to be in breach of this Agreement, or otherwise be liable to the other, for any delay in performance or the non-performance of any of its obligations under this Agreement, to the extent that the delay or non-performance is due to any Force Majeure of which it has notified the other party, and the time for performance of that obligation shall be extended accordingly.
- 8.3 If at any time the Group claims Force Majeure in respect of its obligations under this Agreement with regard to the supply of Products, the Customer shall be entitled to obtain from any other person such quantity of Products as the Group is unable to supply.
- 8.4 Force Majeure in question prevails for a continuous period in excess of 6 months, the parties shall enter into bona fide discussions with a view to alleviating the effect of Force Majeure, or to agreeing upon such alternative arrangements as may be fair and reasonable.

9. DURATION AND TERMINATION

- 9.1 This Agreement shall be deemed to be effective on 1st January 2022 for a fixed term of three (3) years unless or until terminated by either party giving to the other party at any time not less than three (3) months' written notice to expire on or at any time after the end of that period.
- 9.2 Either party shall be entitled forthwith to terminate this Agreement by written notice to the other if: -
- 9.2.1 that the other party commits any continuing or material breach of any of the provisions of this Agreement and, in the case of such breach which is capable of remedy, fails to

remedy the same within 30 days after receipt of a written notice giving full particulars of the breach and requiring it to be remedied;

- 9.2.2 an encumbrancer takes possession or a receiver is appointed over any of the property or assets of that other party;
 - 9.2.3 that other party makes any voluntary arrangement with its creditors; or
 - 9.2.4 that other party goes into liquidation.
- 9.3 For the purpose of Clause 9.2.1, a breach shall be deemed capable of remedy if the party in breach can comply with the provision in question in all respects other than as to the time of performance (provided that time of performance is not of the essence).
- 9.4 Any waiver by either party of a breach of any provision of this Agreement shall not be considered as a waiver of any subsequent breach of the same or any other provision.
- 9.5 The rights to terminate this Agreement given by this clause shall not prejudice any other right or remedy of either party in respect of the breach concerned (if any) or any other breach.
- 9.6 Upon the termination of this Agreement for any reason, subject as otherwise provided in this Agreement and to any rights or obligations which have accrued prior to termination, neither party shall have any further obligation to the other under this Agreement.

10. NOTICES AND SERVICE

- 10.1 Each notice, demand or other communication given or made under this Agreement shall be in writing and delivered or sent to the relevant party at its address, fax number or electronic mail set out below (or such other address, fax number or electronic mail as the addressee has by seven (7) business days' prior written notice specified to the other parties):

To the Customer:

Address: 28151 US Highway 74, Menifee, California 92585, the United States of America

Attention: General Manager

Fax Number: 1-951-928-7701

Email: drisales@datatronics.com

To the Group:

Address: 19/F1, North Point Industrial Building, 499 King's Road, Hong Kong

Attention: Mr. Paul Y. Siu

Fax Number: 852-2565-7214

Email: datronix@datronixhldgs.com.hk

10.2 Any notice, demand or other communication so addressed to the relevant party shall be deemed to have made or given when delivered (in the case of a notice or communication delivered by hand), on the appropriate answerback being received (in case of a notice or communication made by fax) or fourteen (14) days after posting (in a case of a notice or communication made by post from one party to another). Evidence that a notice or communication was properly addressed, stamped and put in the post shall be conclusive evidence of posting.

11. MISCELLANEOUS

11.1 The Company and/or the Group shall be entitled to carry out their obligations under this Agreement through any agents or suppliers appointed or to be appointed by the Company and/or the Group in their absolute discretion for that purpose.

11.2 Except as provided in Clause 11.1, this Agreement is personal to the parties, and neither of them may, without the written consent of the other, assign, mortgage, charge (otherwise than by floating charge) or dispose of any of its rights hereunder.

11.3 Nothing in this Agreement shall create, or be deemed to create, a partnership, a joint venture or an agency between the parties.

11.4 This Agreement contains the entire agreement between the parties with respect to its subject matter, and supersedes all previous agreements and understandings between the parties.

11.5 Each party acknowledges that, in entering into this Agreement, it does not do so on the basis of or rely on any representation, warranty or other provision except as expressly provided in this Agreement, and accordingly all conditions, warranties or other terms implied by statute or common law are hereby excluded to the fullest extent permitted by law.

11.6 If any provision of this Agreement is held by any court or other competent authority to be void or unenforceable in whole, or part, the other provisions of this Agreement and the remainder of the affected provisions shall continue to be valid.

11.7 The Contracts (Rights of Third Parties) Ordinance, Chapter 623 of the Laws of Hong Kong, shall not be applicable to this Agreement, and any person or third party who is not a party hereto shall have no right to enforce or enjoy the benefit of any term of this Agreement.

12. GOVERNING LAW

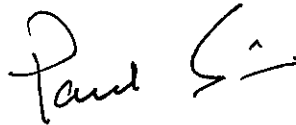
12.1 This Agreement shall be governed by and constructed in all respects in accordance with the laws of Hong Kong, and the Customer agrees to submit to the non-exclusive jurisdiction of the courts of Hong Kong.

12.2 The Customer hereby irrevocably appoints Mr. Siu, Paul Y of 19/F1, North Point Industrial Building, 499 King's Road, Hong Kong as its agent to receive and acknowledge on its behalf

service of any writ, summons, order, judgment or other notice of legal process in Hong Kong. If for any reason, Mr. Siu, Paul Y (or his successor(s)) no longer serves as agent of the Customer for this purpose, the Customer shall promptly appoint a successor agent and notify the Group thereof provided that until the Group receives such notification, it shall be entitled to treat the Mr. Siu, Paul Y. (or his successor(s)) as the agent of the Customer for the purposes of this Clauses 12.2. The Customer agrees that any such legal process shall be sufficiently served on it if delivered to its agent for service at the agent's address for the time being in Hong Kong whether or not such agent gives notice thereof to the Customer.

AS WITNESS whereof this Agreement has been duly executed on the date first above written

SIGNED by Siu, Paul Y., Director,)
for and on behalf of)
DATATRONICS ROMOLAND INC.)
)



SIGNED by Siu, Paul Y., Director,)
DATRONIX HOLDINGS LIMITED)
for and on behalf of the Group)
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