

# RTS General Terms and Conditions for Services and Delivery

(RTS Enhanced Version V2 — Counter-Proposal, for PRC Counsel Review)

Version: 2026.05.V2 | Drafted by: [RTS Connect (Zhuhai) Co., Ltd. — Full Chinese registered name to be confirmed and inserted by PRC legal counsel]

## 1. Scope of Application

1.1 These General **Terms** and Conditions for Business and Delivery (hereinafter referred to as **“these Terms”**) are formulated by [RTS Connect Zhuhai Full Chinese Registered Name] (hereinafter referred to as **“RTS”**) and apply to all current and future business collaborations between RTS and its clients (including purchasers and counterparties, hereinafter collectively referred to as **“Clients”**).

1.2 These Terms constitute the foundational contractual terms for the business cooperation between the parties. Any terms in a Client’s purchase order, general terms of purchase, or other unilateral documents that conflict with these Terms shall not be binding on RTS. **For the avoidance of doubt, order confirmations issued by RTS shall state that “This order is subject to RTS’s General Terms and Conditions for Business and Delivery” and shall expressly reject any conflicting terms in the Client’s unilateral documents;** any deviation from or supplement to these Terms shall be valid only upon written confirmation by an authorized representative of RTS.

1.3 These Terms and Conditions shall also apply to future business dealings between the parties, even if not specifically set forth in a particular transaction.

1.4 RTS reserves the right to amend these Terms and Conditions in response to changes in laws and regulations, market conditions, or operational needs. RTS will notify the Customer of such amendments in writing (including via email, fax, or EDI system) and post them on its official website. Amendments shall take effect as follows:

(a) **General amendments** (not involving core provisions such as Article 10 (Retention of Title), Article 13 (Limitation of Liability), Article 15 (Prohibited Applications and Compliance), and Article 24 (Dispute Resolution)): shall take effect for the

Customer as of the date the Customer places its first order or accepts delivery following receipt of the notice;

(b) **Substantive amendments** (affecting the aforementioned core provisions): **shall take effect for the Customer only upon the Customer's written confirmation.** If the Customer fails to provide written confirmation within 30 days of receiving the notice, RTS shall have the right to choose: (i) to continue transacting under the original terms; or (ii) to terminate future business relations with the Customer (orders already confirmed in writing by RTS shall continue to be fulfilled under the original terms until completion).

If the Customer objects to the amendments, it shall notify RTS in writing within 30 days of receiving the notice to negotiate a resolution.

**1.5 Language:** The Chinese version of these Terms shall prevail. Any English or other language versions are for reference only; in the event of any discrepancy, the Chinese version shall prevail.

## **2. Formation and Performance of the Contract**

2.1 Quotation documents, product catalogs, technical data, and marketing materials issued by RTS are **invitations to treat** and are not binding on RTS unless the documents are expressly marked as "Binding Offer."

2.2 The Customer's order shall be deemed an offer to RTS and **shall remain valid for 14 calendar days.** RTS reserves the right to decide whether to accept the order within 14 calendar days from the date of receipt; failure to issue a written Order Confirmation within this period shall be deemed a rejection of the order by RTS.

2.3 The written Order Confirmation issued by RTS is the sole binding contractual document. **Any verbal commitments, email estimates, or informal responses from sales personnel do not constitute a contractual offer or commitment and are not binding on RTS.**

2.4 **Rolling Forecasts and Freeze Periods:** For rolling orders (Forecast/Release) under the Framework Agreement, forecasts submitted by the Customer shall serve solely as a reference for RTS's production planning. Unless otherwise specified in the Framework Agreement, **the following rules shall apply by default:** (a) Weeks 1 -

4 following the forecast ( “Hard Freeze Period” ): 100% frozen, non-adjustable; (b) Weeks 5 - 12 ( “Soft Freeze Period” ): Adjustments permitted within  $\pm 20\%$ ; (c) Week 13 and beyond: Free adjustment. **For cancellations or reductions during the Hard Freeze Period, the Customer shall bear all costs incurred by RTS for materials, work-in-progress, and processing, and shall fulfill the obligation to repurchase the relevant inventory; for reductions exceeding  $\pm 20\%$  during the Soft Freeze Period, the excess portion shall be handled in accordance with the foregoing.**

### **3. Contract Terms**

**3.1 Model Changes:** If the contract involves products requiring ongoing technical updates, RTS reserves the right to deliver the latest model or an alternative product of equivalent performance, provided that such changes do not materially impair the product’ s functionality. If the customer absolutely does not permit model changes, the customer must explicitly notify RTS in writing at the time of placing the order and obtain RTS’ s written confirmation.

**3.2 Product Information:** Product information provided by RTS in catalogs, brochures, data sheets, specifications, Certificates of Conformity (COC), and other technical or marketing documents **is intended solely as a general overview of the product scope and does not constitute part of the contract, unless explicitly agreed upon as contractual quality standards in the Order Confirmation.** The specific technical parameters, performance metrics, and quality requirements for the products ordered by the Customer shall be governed by the terms set forth in the Order Confirmation and the accompanying technical specifications. **The Customer is responsible for independently assessing whether the products are suitable for its specific applications.**

**3.3 Tolerances and Over-Deliveries:** To facilitate reasonable production planning, RTS reserves the right to deliver quantities within  $\pm 10\%$  of the order quantity (for scheduled orders) and  $\pm 5\%$  (for unscheduled orders). The Customer shall pay based on the actual quantity delivered. **Deliveries within these tolerance ranges do not constitute a breach of contract.** The aforementioned tolerance ranges are expressly agreed upon by both parties as reasonable margins of error for product delivery.

**3.4 Technical Change Notifications (PCN/EOL):** Should RTS initiate major technical changes to the products or discontinue production, it shall provide written notice to the Customer at least 90 days in advance. The Customer shall respond in writing within 30 days of receiving such notice or submit a “Last Time Buy” request. **For non-substantive changes that do not affect the product’s form, fit, or function (Form/Fit/Function), failure to respond within the specified timeframe shall be deemed acceptance; for substantive changes (changes affecting product specifications, performance, reliability, or compliance), implementation shall be subject to the Customer’s written confirmation.**

#### **4. Purchase Orders**

4.1 Unless otherwise agreed in writing, the Customer shall issue a formal purchase order no later than 8 weeks prior to the expected delivery date.

4.2 The Customer shall issue a notice of pickup for all goods within 12 months from the date of order confirmation. If the Customer fails to fulfill its pickup obligation after RTS has issued a written demand and a reasonable grace period has expired, **RTS shall have the right to exercise its rights by selecting any one of the following methods (without asserting multiple overlapping remedies simultaneously):**

(a) Require the Customer to pay a liquidated damages amount equivalent to 20% of the price of the undelivered portion **(as a minimum agreed estimate of RTS’s losses; if RTS’s actual losses exceed this amount, RTS may separately claim the excess);**

(b) Deem the Customer to have unilaterally terminated the order and hold the Customer liable for breach of contract based on actual losses;

(c) Compel delivery and issue an invoice, with the corresponding amount becoming immediately due and payable;

(d) Resell the undelivered goods to a third party at fair market value, with the Customer bearing any resulting loss;

**4.3 Order Cancellation Restrictions:** Once an order is confirmed in writing by RTS, **the Customer has no right to unilaterally cancel or modify it.** If the Customer requests cancellation and RTS agrees in writing, the Customer shall bear all

materials, processing, mold amortization, and other direct costs already incurred by RTS, **plus a cancellation fee of no less than 15% of the remaining order value.**

## **5. Pricing**

5.1 **The prices** listed in the Order Confirmation are final and **are Ex Works (EXW, RTS-designated warehouse)**, excluding packaging, freight, insurance, and customs duties. Value-Added Tax (VAT) shall be calculated separately in accordance with national regulations and borne by the Customer.

5.2 **Processing Surcharges:** If RTS performs additional processing on the goods to be delivered at the Customer's request (such as bending, cutting connectors, unbundling, rewinding, labeling, custom packaging, etc.), RTS will charge a one-time setup fee and a volume-based processing surcharge at reasonable industry rates.

5.3 **Price Adjustments — Justified Change of Circumstances:** The parties hereby expressly confirm that the following circumstances constitute a “change of circumstances” as described in Article 533 of the Civil Code of the People's Republic of China, where “continued performance at the original price would be manifestly unfair.” If any of the following circumstances occur between the time the Customer places an order and the time RTS fulfills the order, RTS shall have the right to notify the Customer in writing to adjust the price. **The adjustment amount shall be limited to the actual change in costs and shall not include any additional profit:**

(a) Market prices for major raw materials (as referenced by the LME, SHFE, or equivalent public indices) fluctuate by more than **10%** compared to the order date;

(b) Changes in applicable tariffs, taxes, or export control costs result in a unit cost variation exceeding **5%**;

(c) Exchange rate fluctuations for cross-border procurement of components exceeding **5%** compared to the order date;

(d) Cost increases resulting from force majeure or government-mandated measures.

5.4 If the price adjustment exceeds 10% of the original contract price, the Customer shall have the right to notify RTS in writing within 7 business days of receiving the adjustment notice to cancel the affected undelivered portion of the order

without incurring liability for breach of contract. **If the adjustment does not exceed 10%, the Customer's failure to respond in writing within the aforementioned 7 business days shall be deemed acceptance of the adjusted price.**

## **6. Payment Terms and Collection**

6.1 Unless otherwise agreed, payment shall be made in full to RTS's designated account within 30 days from the date RTS issues the VAT invoice. **Except as expressly permitted under Section 7 of these Terms and Conditions,** the Customer shall not withhold or set off any amounts due on the grounds of quality objections, transportation disputes, or any other reason; if the Customer raises a quality objection, it shall do so in accordance with the procedures set forth in Section 11 of these Terms and Conditions and provide a valid expert appraisal report.

6.2 **Late Payment Penalty:** If the Customer fails to make payment by the due date, the Customer shall pay a penalty of **0.05% of the outstanding amount per day** (approximately 18.25% annualized) from the date of default until full payment is made. RTS reserves the right to charge the Customer for collection costs (including communication fees, travel expenses, and external collection service fees) at reasonable rates.

6.3 **Right to Require Security:** If any of the circumstances described in Section 6.4 of these Terms occurs, or if RTS has reasonable grounds to believe, based on the Customer's payment history, credit reports, public credit records, industry information, or other factors, that the Customer's ability to perform has diminished, RTS shall have the right to require the Customer to provide any one of the following forms of security for undelivered orders: (a) advance payment; (b) an installment payment arrangement; (c) a bank performance bond; (d) a letter of credit; or (e) any other form of security approved by RTS. If the Customer fails to provide the aforementioned security within **10 business days from the date of RTS's written request,** RTS shall have the right to suspend delivery, demand immediate settlement of the order, or terminate the contract. **When requesting security, RTS shall provide a written explanation of the basis for such request.**

6.4 **Acceleration of Maturity and Suspension of Performance:** If any of the following events occurs, all of RTS's claims against the Customer (including claims not yet

due) shall become immediately due and payable, and RTS may suspend delivery of orders **related to the Customer' s overdue payments** without constituting a breach of contract:

- (a) The customer is more than 30 days past due on any payment;
- (b) The Customer' s business condition has severely deteriorated (e.g., being listed on the list of discredited persons subject to enforcement, being classified as having abnormal business operations by the industrial and commercial authorities, filing for bankruptcy or reorganization, or having key assets seized or frozen);
- (c) The customer engages in debt evasion activities such as asset transfer, capital withdrawal, or fraudulent transactions;
- (d) The customer undergoes a material change in control without prior written notice to RTS;
- (e) The Customer experiences other circumstances that RTS reasonably determines, based on objective evidence, to sufficiently indicate that the Customer will fail to fulfill its obligations (e.g., bank accounts frozen, major assets seized, large-scale litigation involving affiliated entities, or inclusion on a list of major entities with serious credit violations).

If the Customer fails to provide adequate security or restore its ability to perform within 10 business days of receiving RTS' s written notice of acceleration, RTS may demand immediate full repayment of all debts, as well as **a liquidated damages payment equal to 10% of the total value of outstanding orders**, and may terminate the contract. If RTS chooses not to terminate the contract, upon the Customer' s full repayment of all outstanding amounts, the delivery period shall be extended by the number of days the Customer was in default, and the price shall be recalculated based on new market prices.

**6.5 Three-Notice Rule:** After sending three consecutive written payment reminders, RTS shall have the right to suspend delivery of **goods or services related to the customer' s overdue payments** without constituting a breach of contract.

**6.6 Special VAT Invoices:** RTS shall issue special VAT invoices to the customer that comply with national tax regulations within a reasonable period after the

customer' s payment (typically within 30 days of receipt of payment). If the customer objects to the content of the invoice, they must notify RTS in writing within 15 days of receiving the invoice; failure to provide such notice within this period shall be deemed acceptance. **RTS shall be responsible for correcting any errors in the issued invoice; if a re-issuance is required due to incorrect billing information provided by the customer, the associated costs shall be borne by the customer.**

## **7. Set-off and Lien**

7.1 The Customer **may assert set-off against** RTS' s counterclaims **only under either of the following circumstances:** (a) where confirmed by an effective legal document; or (b) where acknowledged in writing by RTS and the amount is undisputed.

7.2 The Customer may assert a lien on goods delivered by RTS only if the counterclaim arises from **the same contractual relationship** and meets the conditions set forth in Section 7.1.

7.3 **Offset Rights Among Affiliates:** Provided that **a valid cross-guarantee or assignment of claims agreement has been executed among member companies within the RTS Connect Group**, RTS shall have the right to offset any due and payable debt owed by the Customer to RTS against any due and payable amount owed by such affiliates to the Customer. Such offset shall be subject to prior written notice to the Customer.

## **8. Delivery**

8.1 The scope of contract performance shall be governed by the terms set forth in RTS' s Order Confirmation. Any changes shall be valid only upon written confirmation by RTS.

8.2 **Delivery Time:** The delivery times stated in RTS' s quotation documents are not binding and are provided for reference only; the parties shall explicitly agree on the delivery time in the Order Confirmation Letter.

8.3 **Payment Prerequisite:** Delivery of the goods is contingent upon the Customer' s full payment to RTS of all amounts required under the order (including advance payments and milestone payments) in accordance with the agreement. If the Customer fails to make payment as agreed, RTS shall have the right to postpone the delivery

date accordingly, and such postponement shall not constitute a breach of contract.

**8.4 Partial Deliveries:** RTS reserves the right to make partial deliveries in accordance with its production schedule; each batch shall constitute a separately performable portion.

**8.5 Upstream Supply Chain Disruptions—Exemption from Liability in Specific Circumstances:** If **any of the** following **specific circumstances** occur with RTS' s key upstream suppliers, resulting in RTS' s inability to timely obtain the raw materials, components, or semi-finished products required for this order:

(a) The supplier' s facility is affected by a force majeure event (fire, natural disaster, government-mandated production suspension);

(b) The supplier' s bankruptcy, judicial reorganization, or revocation of its business license;

(c) War, armed conflict, riots, or major public health incidents occur in the supplier' s location;

(d) Upstream products are added to an export control list or are subject to trade sanctions.

RTS shall notify the Customer in writing within a reasonable time (no later than 10 business days after discovering such circumstances) and provide supporting documentation. The Customer and RTS shall negotiate alternative solutions, delivery extensions, or order adjustments; if negotiations fail, RTS shall have the right to extend the delivery period to a reasonable period after the resumption of upstream supply, or to terminate the affected portion of the order without liability for breach of contract, provided that RTS shall refund the corresponding amounts already paid by the Customer.

For the avoidance of doubt, **general commercial breaches by upstream suppliers (including but not limited to price disputes, insufficient production capacity, technical disputes, and contractual disputes) do not constitute the circumstances described in this Article; RTS shall still bear corresponding liability for breach of contract in accordance with Article 13 of these Terms and Conditions.**

8.6 In the event of a delay in delivery by RTS, the Customer' s right to claim

damages may only be asserted within the scope specified in Article 13 of these Terms and Conditions.

## **9. Transfer of Risk and Transportation**

9.1 The Customer shall bear the costs of transporting the Goods. This provision also applies to the return shipment when the Customer exercises its right of return (provided RTS agrees to accept the return).

9.2 **Transfer of Risk:** The risk of accidental loss or damage to the goods (**unrelated to liability for product quality defects or product liability**) shall pass to the Customer upon delivery to the Customer, the carrier, or a third party designated by the Customer at the delivery warehouse designated by RTS. This provision shall apply even in the event of partial delivery or where RTS provides additional services such as transportation or installation at the Customer' s request.

9.3 **Delays Caused by the Customer:** If shipment is delayed due to reasons attributable to the customer (such as failure to pay the advance payment on time, failure to designate a carrier, failure to provide necessary import permit documents, or a change in delivery address requiring RTS to temporarily store the goods), **the risk shall pass to the customer as of the date RTS notifies the customer in writing that the goods are ready for shipment.** Furthermore, RTS shall be entitled to charge the customer for storage fees, insurance premiums, and interest on capital tied up, at market rates.

9.4 Upon the Customer' s written request and at the Customer' s expense, RTS may arrange transportation insurance on the Customer' s behalf (covering theft, damage, loss in transit, fire, and water damage). RTS has no obligation to arrange such insurance on its own initiative.

## **10. Retention of Title**

10.1 **Basic Retention:** RTS retains title to the delivered goods ( “**Goods Subject to Retention of Title**” ) until the Customer has settled **all due and undue claims** of RTS arising from this order and the current business relationship (including payment for goods, processing fees, late payment charges, liquidated damages, taxes, and other amounts due).

10.2 **Registration:** RTS has the right to register this retention of title arrangement at any time with **the Unified Registration and Publicity System for Movable Property Financing** (Unified Registration and Publicity System for Movable Property and Rights Security) **of the Credit Information Center of the People's Bank of China** to be effective against third parties. **The Customer hereby expressly consents to RTS unilaterally conducting such registration** and shall cooperate by providing the Unified Social Credit Code, a copy of the business license, signatures, and seals required for registration.

10.3 **Customer's Custodial Obligations:** The Customer shall properly safeguard the goods subject to retention of title, store them separately from its own goods, and clearly label them. The Customer shall not pledge, mortgage, assign as security, or otherwise dispose of the goods subject to retention of title in any manner that may prejudice RTS' s ownership rights.

10.4 **Third-Party Infringement:** If the goods subject to retention of title are seized, impounded, detained, or subject to a claim by a third party, the Customer shall immediately (no later than 24 hours) notify RTS in writing, explain RTS' s ownership to the third party, and provide all information and assistance necessary for RTS to assert its rights. **The Customer shall bear all reasonable costs incurred as a result (including attorneys' fees, preservation costs, and litigation costs), regardless of whether such costs are ultimately recoverable from the third party.**

10.5 **Disposal in the Course of Ordinary Business:** The Customer may resell or process the goods subject to retention of title only in the course of ordinary business. Before reselling the goods to a third party, the Customer shall inform the third party in writing of RTS' s retention of title.

10.6 **Advance Assignment of Claims:** **The Customer hereby irrevocably assigns to RTS all claims for payment (including principal and ancillary rights) against third parties arising from the resale of goods subject to retention of title, as security for RTS' s claims against the Customer.** RTS hereby accepts such assignment. Provided the Customer has not defaulted, RTS authorizes the Customer to collect such claims in its own name; however, **should the Customer be in default of payment to RTS or otherwise breach this Agreement, RTS shall have the right to revoke such**

**authorization in writing at any time**, notify the third-party debtors directly, and collect the resale proceeds directly.

To support the enforcement of this clause, the Customer shall provide RTS with a quarterly report on the resale of the goods subject to retention of title, specifying: the name of the resale recipient, Unified Social Credit Code, contact information, resale amount, payment terms, and estimated time of receipt of payment. The Customer shall cooperate by providing information on third-party debtors, copies of contracts, and reconciliation records, and shall issue notices of assignment of claims to the third-party debtors. If the Customer refuses to cooperate, the Customer hereby irrevocably authorizes RTS to issue notices of assignment of claims to the third-party debtors in the Customer' s name.

**10.7 Processing, Mixing, and Combination:** If the Customer processes, mixes, or combines the goods subject to retention of title with other items in the course of normal business operations, such actions shall be deemed to be processing commissioned by RTS in its capacity as the manufacturer, and RTS shall acquire ownership of the finished product ( "New Product" ). If the processing involves combination with goods not belonging to RTS, RTS shall hold co-ownership of the New Product in proportion to the invoice value. The Customer shall, as a professional merchant, properly safeguard the New Product and deliver it upon RTS' s request.

**10.8 Release of Excess Collateral:** RTS undertakes that, if the value of the collateral held by RTS exceeds the value of the secured claim by more than 20%, RTS may, upon the Customer' s written request, decide to release the excess portion of the collateral. The value of the collateral shall be determined in accordance with the following rules: (a) monetary claims shall be valued at their actual recoverable amount; in the event of a dispute, RTS shall commission a third-party appraisal agency to conduct the valuation, with the costs borne by the Customer; (b) goods shall be valued at the lower of the supplier' s invoice amount or fair market value.

**10.9 Right of Repossession—Negotiated Return and Judicial Remedies:** If the Customer is in default of payment or an event of acceleration under Section 6.4 of these Terms occurs, RTS shall have the right to demand in writing that the Customer immediately return the goods subject to retention of title, and to agree with the

Customer on the time and place for the return and handover to be conducted jointly by both parties. If the Customer refuses to return the goods, refuses to cooperate with the handover, or cannot be located, RTS shall have the right to apply to the competent People's Court for a judgment ordering the return of the goods in kind, or for a preservation order regarding conduct or property; from the date RTS files such an application with the court, the Customer's possession of such goods shall be deemed unlawful, and the Customer shall bear all reasonable costs incurred as a result (including transportation, labor, storage, attorney's fees, and litigation costs). RTS will not enter the customer's premises to retrieve the goods on its own without the customer's consent or judicial authorization. Such retrieval does not automatically constitute termination of the contract unless RTS expressly notifies the customer in writing of such termination.

## **11. Notice of Defects and Warranty**

### **11.1 Inspection Period and Notice Period:**

(a) The Customer shall complete the incoming inspection **within 7 business days after** the goods arrive at the agreed delivery location;

(b) **Obvious defects** (identifiable through reasonable inspection): The Customer shall notify RTS in writing (including email with a written record) **within 7 business days of arrival**; failure to provide such notice within this period shall be deemed acceptance of the goods by the Customer;

(c) **Hidden defects** (those detectable only after installation, commissioning, use, or professional testing): The Customer shall notify RTS in writing **within 30 days of the date of discovery** or the date on which the defect should have been discovered, provided that such notice is given no later than 12 months from the date of delivery;

(d) The notice must specify the exact nature of the defect, the batch/serial number, quantity, impact, and the remedy sought by the customer. **Notices that do not meet the above requirements shall be deemed invalid.**

**11.2 Warranty Period: 12 months from the date** of delivery of the goods. Where mandatory laws prescribe a longer warranty period, such provisions shall prevail. During the warranty period, RTS shall assume warranty liability for defects

resulting from deviations in product specifications, visible parameters, or testable parameters as stipulated in the contract; however, failures caused by transportation (after the transfer of risk), improper storage, incorrect installation, operating environments exceeding the specifications, or modifications by the customer or a third party **are not covered by the warranty.**

**11.3 Negotiation of Warranty Remedies:** For valid claims meeting warranty conditions, RTS shall propose a written remedy to the Customer within 5 business days of receiving the Customer's written notice. Remedy options may include: (a) repair; (b) replacement; (c) pro rata price reduction; or (d) partial or full refund. The Customer shall respond in writing within 5 business days of receiving the proposal. **If the parties fail to reach an agreement, the Customer shall have the right, pursuant to Article 582 of the Civil Code of the People's Republic of China, to choose to claim a price reduction, terminate the affected order, or seek compensation for losses** (the amount of compensation subject to the limitations set forth in Article 13 of these Terms).

**11.4 Failure of Subsequent Performance:** If RTS fails to complete the first supplementary performance **within 30 business days of receiving written notice from the Customer (in cases where the Customer has discontinued production or faces urgent mass production scheduling, the parties may agree to a shorter remedial period in the Order Confirmation Letter)**, or if both instances of supplementary performance fail to meet the contractual quality standards, the Customer shall have the right, pursuant to Article 582 of the Civil Code of the People's Republic of China, to choose to claim a reduction in price, terminate the affected portion of the order, or seek compensation for losses (the amount of compensation is subject to the limitations set forth in Article 13 of these Terms).

**11.5 Warranty Exclusions:** The following circumstances are excluded from RTS's warranty liability:

(a) Modification, alteration, or misuse of the products by the Customer or a third party;

(b) Use of the product beyond the scope of application specified in the Order Confirmation or Specifications;

- (c) Failures resulting from use in combination with components not supplied by RTS;
- (d) Normal wear and tear or routine replacement of consumable parts;
- (e) Defects in drawings, specifications, or requirements provided by the customer;
- (f) Damage caused by force majeure or third-party causes.

**11.6 Original Manufacturer' s Warranty:** If the product is resold by RTS and the original manufacturer provides warranty terms, the original manufacturer' s warranty terms shall continue to apply. RTS assumes no liability beyond the scope of the original manufacturer' s warranty.

## **12. Product Quality**

12.1 Products supplied by RTS shall comply with the quality standards specified in the Order Confirmation, relevant national mandatory standards (GB standards), and environmental protection regulations. **If the Customer requires products to comply with specific industry standards (e.g., IATF 16949, IPC, UL) or Customer-specific specifications (SOR/SQR), such requirements must be explicitly stipulated in the order and may incur additional charges.**

12.2 RTS **assumes no warranty or liability for the accuracy or completeness of information** contained in RTS business documents that is based on data provided by upstream manufacturers. The Customer shall independently confirm critical parameters in writing with the manufacturer or RTS.

12.3 The Customer shall not modify the products. **The Customer shall bear full responsibility for any losses, damages, or third-party claims resulting from improper use, modification, or application beyond the specified parameters.**

12.4 **PPAP / APQP:** If the Customer requires RTS to submit product approval documentation in accordance with the automotive industry' s PPAP process, the relevant costs, PPAP approval timeline, and change management procedures shall be separately agreed upon in the order confirmation letter. **Prior to the Customer' s PPAP approval, RTS shall deliver products in accordance with the provisional quality standards agreed upon by both parties, and such delivery shall not constitute a breach of contract.**

### **13. Limitation of Liability**

#### **13.1 Liquidated Damages and Limitation of Liability:**

(a) **RTS Late Delivery:** A liquidated damages of 0.5% of the value of the late delivery portion for each week of delay, with **the cumulative total not exceeding 5% of the value of the late delivery portion;**

(b) **Damages for a Single Defect or Breach:** **Limited to the contract amount of the specific purchase order (PO) in which the defect or breach occurred (i.e., the total price of that PO as stated in RTS' s Order Confirmation);**

(c) **12-Month Cumulative Liability Cap:** RTS' s cumulative liability to a single customer during any consecutive 12-month period **shall not exceed the total amount actually paid by such customer to RTS during that period.**

**13.2 Exclusion of Indirect Losses:** Except as provided in Section 13.3 below and as otherwise provided in Section 14 of these Terms and Conditions, under no circumstances shall RTS be liable for the following losses: indirect losses, incidental losses, punitive damages, loss of profits, loss of business, loss of goodwill, loss of data, claims by the Customer' s downstream customers (except as required by law), or recall costs.

**13.3 Exceptions:** If RTS, its legal representatives, or agents **act with intent or gross negligence** resulting in property damage or personal injury, the limitations and exclusions set forth in Sections 13.1 and 13.2 of this Article shall not apply; however, RTS' s liability shall still be subject to the limitations of reasonableness prescribed by applicable law.

**13.4 Duty to Mitigate Losses:** The Customer shall take reasonable measures to mitigate losses. If the Customer fails to take reasonable measures and this results in an increase in losses, the Customer shall bear the costs of the increased portion.

**13.5 RTS Product Liability Insurance:** RTS undertakes to maintain, throughout the term of the contract, product liability insurance (Product Liability Insurance) commensurate with the scale of its business and industry practice. **Upon reasonable prior written request by the Customer, RTS may provide the Customer with a copy of the insurance certificate.** This provision does not constitute an expansion or

modification of the liability limits set forth in Sections 13.1 through 13.3 of these Terms and Conditions.

## **14. Product Recall**

**14.1 Recall Consultation Mechanism:** For any recall involving RTS products, the parties shall prioritize consultation to jointly determine the scope, method, timeline, and public disclosure guidelines of the recall. If a competent administrative authority issues a mandatory recall order, the relevant parties shall fulfill their obligations within the statutory timeframe; in such cases, the relevant parties shall notify the other party in writing prior to (if time permits) or immediately after (within 24 hours) implementing recall measures and shall coordinate their implementation jointly. The Customer shall not unilaterally announce a recall involving RTS products to the public without objective evidence of quality issues.

**14.2 Allocation of Recall Costs:** If a qualified third-party testing agency determines that the cause of the recall is indeed a quality issue with RTS products, RTS' s liability for recall costs shall be capped at 100% of the value of the affected orders and shall be limited solely to direct costs for testing, repair, replacement, and transportation; it shall not include indirect losses incurred by the Customer or downstream customers, losses resulting from production line shutdowns, or reputational damage.

**14.3 Mixed Causes:** If the cause of the recall involves multiple parties, costs shall be shared according to each party' s proportion of fault, as determined by an independent third-party assessment.

**14.4 Notice of a recall or a potential recall event** must be delivered in writing to RTS **within 72 hours** of the customer' s discovery, accompanied by preliminary evidence.

## **15. Prohibited Applications, Force Majeure, and Compliance**

**15.1 Prohibited Uses:** Under no circumstances shall products supplied by RTS be used for:

- (a) War-related purposes, weapons (particularly biological, chemical, or nuclear

weapons, rockets, and military applications);

(b) Spacecraft, aircraft, and aerospace applications (unless specifically agreed upon in the Order Confirmation and the relevant certifications have been obtained);

(c) Life-support or life-sustaining equipment or systems, human implant surgery, or surgical implant devices;

(d) Any application where product failure or malfunction could result in personal injury, death, significant property damage, environmental damage, or catastrophic consequences.

If the Customer violates the foregoing provisions, RTS shall not be liable for any resulting losses or liabilities. **If RTS suffers third-party claims or administrative penalties due to the Customer's violation of this Section, RTS shall have the right to seek legal recourse against the Customer (including reasonable losses such as attorneys' fees, expert witness fees, and fines).**

**15.2 Force Majeure:** A Party's delay in or failure to perform its obligations under this Contract due to force majeure or other events beyond its control—including fire, natural disasters, war, armed conflict, riots, strikes or work stoppages, exceptionally severe weather, epidemics, government requisition/embargo/export controls, or major failures of transportation infrastructure—shall not constitute a breach of contract. **General commercial breaches by upstream suppliers shall not constitute force majeure as described in this clause** (specific circumstances thereof shall be handled separately in accordance with Clause 8.5 of these Terms and Conditions). The affected party shall notify the other party in writing within 10 business days of the occurrence of the event and shall provide certification issued by an authoritative body within 10 business days after the event has concluded. If the force majeure event continues for more than 60 days, either party shall have the right to terminate the affected portion of the order.

**15.3 Export Control and Sanctions Compliance:** The Customer warrants compliance with all applicable export control and sanctions regulations (including, but not limited to: China's Export Control Law, Foreign Trade Law, U.S. EAR/OFAC, and the EU Dual-Use List). The Customer shall not, directly or indirectly, transship or resell RTS products to sanctioned countries, regions, or individuals/organizations

on the sanctions list. In the event of a violation by the Customer, the Customer shall indemnify RTS for all losses.

**15.4 Anti-Commercial Bribery:** Both parties shall comply with the provisions regarding commercial bribery in the Anti-Unfair Competition Law of the People's Republic of China, the Criminal Law, and international anti-bribery conventions. If either party violates these provisions, the other party shall have the right to immediately terminate the contractual relationship and seek compensation.

**15.5 Commitment to Compliance and Sustainable Development:** In their cooperation, both parties shall comply with the following: (a) refrain from using any form of forced labor, child labor, or human trafficking; (b) comply with applicable environmental protection laws and regulations; (c) comply with applicable anti-money laundering and sanctions laws and regulations. **Extraterritorial compliance requirements, such as the German Supply Chain Act (LkSG) and the EU Corporate Sustainability Due Diligence Directive (CSDDD), shall be handled in accordance with a separate compliance agreement signed by both parties; if the client's imposition of such extraterritorial compliance requirements places an unreasonable burden on RTS, the related additional costs shall be borne by the client.**

## **16. Molds and Customer-Supplied Items**

**16.1 Ownership of Molds/Tooling:** Unless otherwise agreed in writing in the Order Confirmation, the ownership of molds, tooling, and inspection fixtures manufactured or procured by RTS for the Customer's specific products shall be determined by the party bearing the mold costs:

(a) If the Customer bears the full cost of the molds, ownership of the molds shall vest in the Customer, but the physical molds shall remain at RTS or at a subcontracting facility designated by RTS, and RTS shall be responsible for their daily maintenance and use in production;

(b) If the mold costs are borne entirely by RTS, or shared with the Customer but the Customer's share is less than 50%, ownership of the molds shall vest in RTS.

**16.2 Mold Maintenance and Service Life:** RTS is responsible for the routine maintenance of the molds. The design service life of the molds shall be as agreed

in writing by both parties; if not agreed upon, the standard shall be **a maximum of 300,000 mold cycles or 36 months (whichever comes first)**. Costs for replacement, modification, or major repairs of molds after the service life has expired shall be borne by the Customer (even if ownership belongs to RTS).

**16.3 RTS' s Lien on Customer-Owned Molds and Relocation Arrangements:** RTS shall have a lien on all customer-owned molds stored at its premises (or at its designated partner factories). The scope of the lien shall be limited to the customer' s total outstanding payments to RTS and reasonable mold maintenance costs. Upon the customer' s settlement of the aforementioned amounts, RTS shall cooperate with the customer' s relocation within a reasonable period (not exceeding 30 days). During relocation, both parties shall comply with the following conditions:

(a) The Customer shall pay reasonable mold maintenance fees, technical documentation organization fees, and relocation cooperation fees;

(b) The Customer shall sign a commitment regarding the protection of intellectual property and technical know-how, pledging not to use RTS' s process know-how for purposes that compete with RTS;

(c) The Customer shall confirm in writing that, following the relocation, RTS is not required to continue manufacturing the relevant products for the Customer.

The Customer' s ownership of the molds shall not be affected by RTS' s exercise of the aforementioned lien; however, prior to the release of the lien, any disposition of the molds by the Customer shall require RTS' s written consent.

**16.4 Customer-Supplied Materials/Drawings:** Where the Customer provides RTS with raw materials, semi-finished products, drawings, specifications, or tooling, the Customer warrants its lawful ownership of such materials and that they are free from any third-party encumbrances. **The Customer shall bear full responsibility for any quality, IP infringement, or compliance issues arising from the materials provided by the Customer.**

## **17. Intellectual Property**

17.1 Products provided by RTS may contain third-party intellectual property (patents, trade secrets, trademarks, copyrights, etc.). The IP rights acquired by

the Customer through the purchase of the products **are limited to the use or resale of the products in the ordinary course of business**; the Customer does not obtain any other IP licenses or ownership rights.

17.2 The Customer shall independently familiarize itself with relevant licenses, terms of use, and any applicable third-party licensing fees. If the Customer's use of RTS products involves third-party IP, the Customer shall bear the corresponding licensing fees and compliance obligations.

17.3 **Customer Indemnification for IP:** If the Customer provides drawings, specifications, know-how, or trademarks to RTS, the Customer warrants that it holds valid rights thereto and authorizes RTS to use them for the performance of this Agreement. **If RTS faces third-party IP infringement claims arising from the manufacture of products based on drawings or specifications provided by the Customer, the Customer shall fully indemnify RTS for all reasonable losses (including attorneys' fees, expert witness fees, preservation costs, litigation costs, settlement amounts, court-awarded damages, and loss of goodwill).**

17.4 Each party shall retain ownership of its respective background intellectual property arising from the cooperation. Unless expressly agreed in this Contract, this Contract shall not constitute a transfer or license of either party's IP.

## **18. Confidentiality**

18.1 Both parties shall maintain confidentiality regarding the other party's confidential information obtained during the course of their cooperation (including, but not limited to: technical information, operational data, customer lists, pricing information, trade secrets, know-how, and undisclosed financial information).

18.2 **Term of Confidentiality:** This confidentiality obligation shall remain in effect **for five (5) years** following the termination of this Agreement. With respect to trade secrets (as defined in Article 9 of the Anti-Unfair Competition Law), **the confidentiality obligation shall continue indefinitely until such information lawfully enters the public domain.**

18.3 **Confidentiality of Subordinates:** The Client shall **ensure that its employees, consultants, agents, and other persons who may have access to RTS's confidential**

information assume the same confidentiality obligations under this clause by entering into confidentiality agreements or including confidentiality clauses in employment contracts. The Client shall exercise reasonable supervision and management over such persons; if the Client fails to fulfill its duty of reasonable supervision and management, resulting in a breach of confidentiality obligations by such persons and causing losses to RTS, the Client shall bear corresponding liability for compensation.

18.4 **Exceptions:** The following information shall not be deemed Confidential Information: (a) information that has lawfully entered the public domain; (b) information lawfully held by the receiving party prior to disclosure; (c) information lawfully obtained from a third party who is not subject to any confidentiality obligations; (d) information independently developed without reliance on the disclosing party's information; (e) information required to be disclosed by law or by a court order (the disclosing party shall notify the other party in advance and provide the other party with an opportunity to seek a protective order).

## **19. Personal Information Protection**

19.1 Where the cooperation between the Parties involves the processing of personal information, the Parties shall comply with the Personal Information Protection Law of the People's Republic of China (PIPL), the Data Security Law, and relevant regulations. Where the cross-border transfer of personal information is involved, the Parties shall enter into a separate personal information processing agreement or standard contract in accordance with legal and regulatory requirements.

19.2 If either party causes the other party to suffer losses or face administrative penalties due to a violation of personal information protection laws and regulations, the breaching party shall provide full compensation.

## **20. Termination**

20.1 **Grounds for Termination:** RTS shall have the right to immediately terminate all or part of its business relationship with the Client by written notice under the following circumstances:

- (a) The Client commits a material breach and fails to remedy such breach within 30 days after receiving a written notice of default;
- (b) The Client triggers an event of acceleration under Section 6.4 of these Terms;
- (c) A material change in the Client's control occurs and the new controlling party is not accepted by RTS;
- (d) The Client violates Section 15 (Prohibited Applications, Compliance, and Anti-Bribery);
- (e) **The Client initiates any malicious litigation or arbitration against RTS or its affiliates that is determined by a competent judicial or arbitral authority to lack factual or legal basis.**

**20.2 Consequences of Termination:** Upon termination:

- (a) All outstanding payments shall become immediately due and payable;
- (b) **RTS shall have the right to repossess the goods subject to retention of title in accordance with the procedures set forth in Section 10.9 of these Terms;**
- (c) The Customer shall return to RTS, within 30 days, all molds (except those for which the Customer has lawfully acquired title), tooling, technical documentation, and samples;
- (d) The provisions regarding confidentiality, intellectual property, dispute resolution, and limitation of liability shall remain in full force and effect.

20.3 The termination of a framework agreement or long-term contract shall not affect the performance of orders that have been issued and confirmed in writing by RTS, unless such orders are terminated immediately pursuant to Section 20.1 of this Article.

## **21. Assignment and Change of Control**

**21.1 Restrictions on Assignment by the Customer:** The Customer may not assign any of its rights or obligations under these Terms to a third party without the prior written consent of RTS.

**21.2 RTS's Right to Assign:**

(a) **Assignment of Accounts Receivable and Contractual Rights:** RTS shall have the right to assign its accounts receivable and contractual rights under these Terms to any affiliate within the RTS Connect Group or to RTS' s financing partners, **subject only to subsequent written notice to the Customer** and without the need for the Customer' s prior consent;

(b) **Assignment of Contractual Obligations:** RTS **must obtain the Customer' s written consent** to assign its contractual obligations to a third party; **however, if RTS assigns such obligations to an affiliate within the RTS Connect Group that possesses the same or greater capacity to perform, and such affiliate provides a written undertaking to bear joint and several liability with RTS for such obligations, prior consent from the Customer is not required, and only ex post written notice is necessary.**

**21.3 Notice of Change in Client Control:** In the event of a change in the Client' s actual control (including equity transfers exceeding 30%, asset divestitures, mergers, or spin-offs), the Client shall notify RTS in writing within 10 business days of such change. RTS reserves the right to determine, based on a commercially reasonable assessment, whether to continue the business relationship or require the re-signing of the Framework Agreement.

## **22. Notices**

22.1 All notices, documents, and materials issued by either party during the performance of this Agreement shall be deemed delivered upon delivery to the address provided in writing by one party to the other.

22.2 If a Party changes its address or contact information, it shall notify the other Party in writing. If a Party fails to fulfill its notification obligation, the other Party' s delivery to the original address shall be deemed to have fulfilled the delivery obligation.

22.3 **Methods of Service and Time of Deemed Service:**

(a) Hand delivery: At the time of delivery;

(b) Mail (limited to EMS or SF Express): 3 calendar days after mailing (if the date of receipt is earlier, the date of receipt shall prevail);

(c) **Email to the designated email addresses of both parties: Deemed delivered upon the sender's mail server recording successful transmission and the absence of a system bounce-back notification within 24 hours;**

(d) Fax: Service is deemed to have been effected upon successful transmission of the fax.

## **23. Other Provisions**

**23.1 Special Procurement:** For goods that fall outside the scope of RTS products but are procured by RTS at the customer's request, in addition to these Terms and Conditions, the parties shall enter into a separate agreement to specify the relevant details.

**23.2 Severability:** If any provision of these Terms is deemed invalid, unenforceable, or unlawful by a competent authority, such determination shall not affect the validity of the remaining provisions. The parties shall replace such provision with a valid and enforceable provision that most closely reflects the original intent.

**23.3 Entire Agreement:** These Terms, together with the Order Confirmation and any framework agreement entered into by the parties, constitute the entire agreement between the parties and **supersede all prior oral or written statements, negotiation records, and email correspondence regarding the same subject matter.**

**23.4 No Waiver:** RTS's failure to exercise or delay in exercising any right under these Terms shall not constitute a waiver of such right. A single exercise of any right by RTS shall not preclude its continued or repeated exercise.

**23.5 Written Amendments:** Any amendment to these Terms or a specific order shall be effective only if signed in writing by authorized representatives of both parties. Any oral or informal email response shall not constitute an amendment.

**23.6 Audit Rights:** RTS shall have the right, upon **no less than 15 business days' prior written** notice, to audit the Customer's records related to the performance of this Agreement (limited to the inventory, resale, and compliant use of RTS products) during normal business hours. **The frequency of such audits shall not exceed once per calendar year, except in cases of urgent compliance investigations.** Audit costs shall be borne by RTS; however, if a material breach by the Customer is

discovered, the related costs shall be borne by the Customer. **The Customer has the right to reasonably redact information unrelated to this Agreement; RTS shall maintain confidentiality regarding any confidential information of the Customer learned during the audit.**

**23.7 Customer's Basic Representations and Warranties:** The Customer hereby represents and warrants to RTS that: (a) The Customer is a legally existing legal entity or other organization with full legal capacity to enter into and perform these Terms; (b) The Client's execution of these Terms and Conditions and the relevant Order has received all necessary internal approvals and authorizations; (c) As of the date the Order is placed, **the Client has not been listed by Chinese courts as a discredited person subject to enforcement**, nor has it been included on any sanctions list or export control entity list; (d) The Client's execution and performance of this Agreement do not violate any other contractual or legal obligations. **If any of the foregoing representations and warranties are untrue, such act shall constitute a fundamental breach by the Client, and RTS shall have the right to immediately terminate the Agreement and claim damages.**

## **24. Governing Law and Dispute Resolution**

**24.1 Governing Law:** The formation, interpretation, performance, validity, and resolution of disputes under these Terms shall be governed by **the laws of the People's Republic of China** (excluding the laws of the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and the Taiwan Region). **The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply.**

**24.2 Dispute Resolution—Preference for Arbitration:** Any dispute, controversy, or claim arising out of or in connection with these Terms shall first be resolved through amicable consultation between the parties. If such consultation fails, **either party shall have the right to submit the dispute to the Shenzhen International Arbitration Court (SCIA, also known as the South China International Economic and Trade Arbitration Commission) for arbitration in accordance with the arbitration rules in force at the time of submission:**

(a) Place of arbitration: Shenzhen;

(b) Language of the arbitration: Chinese;

(c) Number of Arbitrators: Where the amount in dispute is less than RMB 5 million, the arbitral tribunal shall consist of one arbitrator; where the amount in dispute is RMB 5 million or more, the arbitral tribunal shall consist of three arbitrators;

(d) The arbitral award shall be final and binding on both parties.

**24.3 Reservation of Litigation Rights:** Notwithstanding the provisions of Section 24.2, RTS reserves the right at any time to apply to a competent People's Court for property preservation, injunctive relief, preservation of evidence, or to seek urgent interim relief, and such applications shall not constitute a waiver of the arbitration clause.

**24.4 Burden on the Losing Party:** Arbitration costs (including fees of the arbitration institution, arbitrators' fees, attorneys' fees for both parties, expert witness fees, preservation fees, travel expenses, and other reasonable costs) shall be borne by the losing party; in the event of a partial loss, such costs shall be shared in proportion to the extent of the loss.

---

#### Version Notes

This version is **the second revised and enhanced edition** of the RTS based on the Chinese terms of the DH version dated May 21, 2026 (**"RTS Enhanced Version V2"**), drafted in May 2026 and **submitted to the PRC legal counsel for review**. The final effective version shall be the version published after written confirmation by the PRC legal counsel and approval by the RTS directors/shareholders. This version does not constitute a binding contract.

---

#### Appendix: Key Revisions in V2 Relative to V1 (for reference by PRC Legal Counsel) **Category 1—Corrections to Enforceability Errors in V1 (High Priority):**

§ 10.9 + § 20.2(b): The mechanism for repossession of goods subject to retention of title has been amended from "self-help entry into the customer's premises" to "negotiated return + judicial remedies," in accordance with PRC legal restrictions on self-help remedies.

§16.3: The restriction on the relocation of molds has been amended from an “unconditional prohibition” to a formal framework for retention of title, in accordance with Articles 447 - 457 of the Civil Code.

§6.3: The right to demand performance has been amended from “without stating reasons” to being based on objective grounds, in accordance with the right of defense against performance under Articles 527 - 528 of the Civil Code.

§14.1: The absolute prohibition that “the customer may not unilaterally recall” has been removed, clarifying the priority of fulfilling statutory mandatory recall obligations.

§11.3: The method of warranty fulfillment has been amended from “unilateral determination by RTS” to “RTS proposal + mutual negotiation + customer’s final right of remedy,” in accordance with Article 582 of the Civil Code.

§21.2: Split into the assignment of accounts receivable (no customer consent required) and the assignment of obligations (requiring customer consent or joint and several liability of affiliated parties).

**Category II — Reducing the Risk of “Standard Form Contract” Challenges:**

§1.4: The amendment mechanism distinguishes between general and material amendments; material amendments require the customer’s written confirmation.

§3.4: Distinguish the impact levels of PCN technical changes in terms of Form/Fit/Function.

§5.3: Price adjustment thresholds raised from 5%/2%/3% to 10%/5%/5%, and explicitly defined as a mutually agreed-upon “change in circumstances.”

§6.1: The prohibition on set-off is amended to include the exception “except as permitted under §7.”

§8.5: The exemption for upstream supply disruptions explicitly lists specific scenarios and clearly excludes general commercial breaches.

§10.6: An obligation is added requiring the customer to provide quarterly resale reports, making the advance assignment of receivables operational.

§11.4: The remedy period is shortened from 45 business days to 30 business days.

§ 7.3: Offsetting between related parties is contingent upon a cross-guarantee agreement.

§ 15.2: “Bankruptcy of an upstream supplier” has been removed from the list of force majeure events to align with the separate handling mechanism in § 8.5.

§ 18.3: Employee confidentiality is amended from “Customer’ s joint and several liability” to “Customer’ s supervisory responsibility.”

§ 20.1(e): The right to terminate for malicious litigation has been amended to include the objective standard of “as determined by a competent authority.”

**Category III — Resolving Internal Inconsistencies and Clarifying Ambiguities:**

§ 2.4: Add default rules for the freeze period (hard freeze/soft freeze/flexible adjustment).

§ 4.2: Clarifies that remedies are mutually exclusive rather than cumulative.

§ 6.4 + § 6.5: The scope of delivery suspension is limited to “orders related to overdue payments” to prevent overreach.

§ 9.2: Clarifies that the transfer of risk applies only to the risk of loss or damage during transportation, and is separate from product quality and product liability.

§ 13.1(b): Clarify that “order amount” is defined as the total price of the specific purchase order.

§ 13.2: Clarify the exception to “unless otherwise agreed in § 14” to align with the recall provisions.

§ 22(c): Clarifies the wording regarding service by email.

§ 23.6: Add frequency and scope limitations to audit rights, grant the customer the right to redact sensitive information, and include RTS confidentiality obligations.

**Category 4 — Supplementary New Clauses:**

§ 6.6: Mechanism for issuing VAT special invoices (China-specific requirement).

§ 13.5: RTS product liability insurance commitment (soft wording).

§ 14.4: Extension of recall notification deadline to 72 hours (more realistic).

§ 15.5: Basic commitments regarding compliance and ESG (to address extraterritorial requirements such as the LkSG and CSDDD).

§ 19.1: Addition of a requirement for a separate agreement regarding the cross-border transfer of personal information.

§ 23.7: Basic Customer Representations and Warranties.

**Matters still requiring focused review by PRC legal counsel:**

(i) § 1.1: Final selection of the RTS contracting entity (it is recommended to prioritize the RTS Connect Zhuhai manufacturing entity to meet the “actual connection” requirement under § 24.2 regarding SCIA arbitration).

(ii) § 13.1(c): Whether the 12-month cumulative liability cap would be deemed to “exclude the other party’s principal rights” as described in Article 497 of the Civil Code.

(iii) § 11.2: Strategy for addressing the discrepancy between the 12-month warranty period and the 24-36-month expectations of Tier 1 automotive industry clients.

(iv) § 24.2: Final selection between SCIA and other arbitration institutions (BAC, CIETAC South China, HKIAC).

(v) § 16.3: Whether a retention of title for molds constitutes a valid retention of title with respect to molds for which the customer has already acquired ownership (recommendation to add a requirement for the customer’s prior confirmation).

(vi) § 17: Whether to include a general statement in the RTS regarding non-infringement of IP for proprietary products (vs. complete silence).