

# RTS Business and Delivery Simplified Terms and Conditions

(RTS Short-Form Terms and Conditions — for Standard Purchase Orders)

Version: 2026.05 | Issued by: [RTS Connect (Zhuhai) Co., Ltd.]

Scope of Application: These Simplified Terms and Conditions apply to all standard purchase orders between RTS and the customer to which these terms are attached. For individual contracts exceeding RMB 5 million, or those involving framework agreements, dedicated mold development, long-term exclusive supply, or collaboration under the automotive industry's PPAP process, the full version of RTS' s "General Terms and Conditions of Business and Delivery" shall apply (to be provided by RTS upon the customer' s written request).

## 1. Formation of Contract

An order becomes effective only upon issuance of a written Order Confirmation ("OC") by RTS. Quotation documents, product catalogs, and verbal or email estimates provided by sales personnel are invitations to treat and do not constitute a contract. These Terms apply to the OC and the transactions thereunder.

## 2. Price and Payment

Prices are as stated in the OC, EXW RTS-designated warehouse, excluding packaging, freight, insurance, and customs duties; VAT is calculated separately and borne by the Customer. Unless otherwise agreed, payment in full shall be made within 30 days of the date RTS issues the invoice. Late payments shall be subject to a penalty of 0.05% per day (approximately 18.25% per annum). Except for reconciliation discrepancies confirmed in writing by RTS and counterclaims confirmed by an enforceable legal document, the Customer may not withhold or set off any amounts due.

## 3. Special VAT Invoice

RTS shall issue a special VAT invoice to the Customer within 30 days of receiving payment. If the Customer has any objections to the contents of the invoice, it must notify RTS in writing within 15 days of receipt; failure to do so shall be deemed acceptance. If an invoice must be reissued due to incorrect billing information provided by the Customer, the related costs shall be borne by the Customer.

## 4. Delivery and Risk

The delivery time shall be subject to the OC. The risk of accidental loss or damage to the goods shall pass to the Customer upon delivery by RTS to the Customer, the carrier, or a third party designated by the Customer; if pickup is delayed due to reasons attributable to the Customer, the risk shall pass upon the date RTS provides written notice that the goods are ready for pickup. RTS reserves the right to over- or under-deliver by  $\pm 5\%$  of the order quantity, and the Customer shall pay based on the actual quantity delivered.

## 5. Retention of Title

Ownership of the goods remains with RTS until the customer has fully settled all outstanding payments under this OC and the business relationship between the parties. If the customer is in default of payment, RTS has the right to demand in writing that the customer return the goods or to apply to a People' s Court with jurisdiction for the return of the goods or for property preservation. The customer shall bear all related costs. The customer may resell the goods only in the ordinary course of business.

## **6. Inspection and Warranty**

The Customer shall complete the incoming inspection within 7 business days of the goods' arrival. The Customer must notify RTS in writing of any apparent defects within 7 days of arrival, and of any latent defects within 30 days of discovery (but no later than 12 months from the date of delivery); otherwise, the goods shall be deemed accepted. The warranty period is 12 months from the date of delivery. RTS shall propose a remedy (repair, replacement, price reduction, or refund) within 5 business days of receiving the Customer's written notice; if the parties fail to reach an agreement, the Customer may seek relief pursuant to Article 582 of the Civil Code of the People's Republic of China, with the amount of compensation subject to the limitations set forth in Article 7 of these Terms and Conditions.

## **7. Limitation of Liability**

The limits of liability for RTS's breach of contract or defects are as follows:

- (a) RTS's late delivery: A weekly penalty of 0.5% of the value of the undelivered portion, not to exceed 5% of such value in total;
- (b) Liability for a Single Incident: Limited to the contract amount of the specific Purchase Order (PO) in which the defect or breach occurred;
- (c) 12-Month Cumulative Liability Cap: The total amount of payments actually made by the Customer to RTS during that period.

Under no circumstances shall RTS be liable for indirect losses, loss of profits, business interruption, loss of goodwill, punitive damages, or claims from downstream customers (except as required by law). The foregoing limits shall not apply in cases of RTS's willful misconduct or gross negligence, but shall still be subject to the limitations of reasonableness under applicable law.

## **8. Prohibited Applications**

RTS products shall not be used for: (a) war, weapons, or military purposes; (b) aerospace, aircraft, or aviation (unless specifically agreed upon in an OC); (c) life support equipment, human implants, or surgical implants; (d) any application where product failure could result in personal injury, death, significant property damage, or environmental damage. If the Customer violates these provisions, RTS shall not bear any corresponding liability and reserves the right to seek legal recourse against the Customer for any third-party claims, fines, and reasonable losses incurred as a result.

## **9. Intellectual Property**

The IP rights obtained 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 shall not obtain any other IP licenses or ownership rights. If the Customer provides drawings, specifications, or trademarks to RTS, the Customer shall warrant that it holds the lawful rights thereto; if RTS suffers any third-party IP claims arising from manufacturing based on the drawings or specifications provided by the Customer, the Customer shall fully indemnify RTS for all reasonable losses (including attorneys' fees, expert witness fees, settlement amounts, and judgment amounts).

## **10. Confidentiality**

Both parties shall maintain confidentiality regarding confidential information obtained from the other party during the course of their cooperation, with such obligation remaining in effect for

five years following the termination of this Agreement; the obligation of confidentiality regarding trade secrets (as defined in Article 9 of the Anti-Unfair Competition Law) shall be indefinite. The Customer shall bind its employees, consultants, and agents through confidentiality agreements or provisions in employment contracts.

### **11. Force Majeure and Compliance**

(a) Force Majeure: Delays or failures to perform resulting from force majeure events—including fire, natural disasters, war, riots, strikes, epidemics, government embargoes/export controls, or major failures of transportation infrastructure—shall not constitute a breach of contract. The affected party shall notify the other party in writing within 10 business days of the occurrence and provide supporting evidence. If the force majeure event persists for more than 60 days, either party may terminate the affected order.

(b) Compliance Obligations: Both parties shall comply with applicable unfair competition laws, anti-bribery laws, export control regulations, and sanctions laws. The Customer shall not transship or resell RTS products to sanctioned countries, regions, or entities on the sanctions list. In the event of a violation by the Customer, the Customer shall indemnify RTS for all losses.

### **12. Notices and Assignments**

Notices shall be deemed delivered upon written notification to the other party's address; emails shall be deemed delivered upon the sender's mail server recording that the email was successfully sent. The Customer may not assign its rights or obligations without RTS's prior written consent; RTS reserves the right to assign its accounts receivable and contractual rights to affiliates or financing partners, subject only to subsequent written notice.

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

These Terms shall be governed by the laws of the People's Republic of China (excluding the laws of Hong Kong, Macau, and Taiwan), and the United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply. All disputes 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 Shenzhen in accordance with its current and effective rules. The language of the arbitration shall be Chinese, and the arbitral award shall be final and binding.

Notwithstanding the foregoing arbitration agreement, RTS reserves the right at any time to apply to a competent People's Court for property preservation, injunctive relief, or preservation of evidence, and such action shall not constitute a waiver of the arbitration clause. Arbitration costs and reasonable attorneys' fees shall be borne by the losing party; in the event of a partial loss, such costs shall be shared proportionally.

### **14. Entire Agreement and Miscellaneous**

These Simplified Terms, together with the OC, constitute the entire agreement between the parties regarding this Order. Any amendments shall be valid only if signed in writing by authorized representatives of both parties. Matters not provided for in these Terms shall be governed by the Civil Code of the People's Republic of China and other applicable PRC laws; if the Customer wishes to proceed under the full version of RTS's "General Terms and Conditions of Business and Delivery" (covering framework agreements, molds, PPAP, product recalls, long-term supply, etc.), the Customer shall notify RTS in writing to sign the full version.

#### Customer Acceptance

Upon the Customer placing an order, RTS shall issue an OC. The Customer's acceptance of the OC or receipt of the delivery shall be deemed as acceptance of these Simplified Terms. The Chinese version of these Terms shall prevail.

#### Version Note

These Simplified Terms are a simplified version prepared by RTS based on the full version of the "General Terms and Conditions of Business and Delivery" (V2 Enhanced Edition, May 2026) and apply to standard orders with a single contract value of less than RMB 5 million. This version was drafted in May 2026 and will become the final effective version only after review by RTS's PRC legal counsel. This draft does not constitute a binding contract.