

RTS GENERAL TERMS OF BUSINESS AND DELIVERY

(RTS Connect Singapore Strengthened Version V2 — Counter-Proposal for Singapore Counsel Review)

Version: 2026.05.V2 | Issued by: RTS Connect (Singapore) Pte. Ltd. [UEN to be confirmed]

1. Application and Hierarchy

1.1 These General Terms of Business and Delivery (these "**Terms**") are issued by **RTS Connect (Singapore) Pte. Ltd. ("RTS")** and apply to all present and future supply and delivery transactions between RTS and any customer (the "**Customer**").

1.2 These Terms constitute the contractual baseline. **Any conflicting, additional or different terms put forward by the Customer (including in purchase orders, general purchase conditions, or other unilateral documents) are expressly rejected and shall not bind RTS.** Performance by RTS of any order shall not constitute acceptance of the Customer's terms. Order Confirmations issued by RTS shall contain the wording "This order is governed by the RTS General Terms of Business and Delivery (2026 version)". Any deviation from these Terms requires written confirmation by a duly authorised representative of RTS.

1.3 These Terms apply to future business between the parties even where they are not expressly referenced in an individual transaction.

1.4 RTS may revise these Terms from time to time to reflect changes in law, market conditions or business practice. Revisions take effect as follows:

(a) **Non-material revisions** (those not affecting Clauses 10, 13, 15 or 24): effective upon the Customer's next order or acceptance of delivery after RTS's written notice;

(b) **Material revisions** (those affecting Clauses 10, 13, 15 or 24): effective only upon the Customer's written acknowledgement. If the Customer does not respond within 30 days of notice, RTS may elect to (i) continue trading on the existing Terms, or (ii) terminate the business relationship on reasonable notice (orders already confirmed will be completed on existing Terms).

1.5 **Language:** The English version of these Terms shall prevail. Translations are provided for convenience only.

2. Formation of Contract

2.1 Quotations, catalogues, technical data sheets and marketing materials issued by RTS are **invitations to treat** and not binding offers, unless expressly marked "Binding Offer".

2.2 The Customer's purchase order constitutes an offer to RTS, **valid for 14 calendar days**. RTS shall confirm or reject the order in writing within that period; failure to issue an Order Confirmation within 14 days shall be deemed rejection.

2.3 The written Order Confirmation issued by RTS ("**Order Confirmation**" or "**OC**") is the sole binding contract document. **No oral commitment, email estimate, or informal communication by RTS personnel shall constitute a binding offer, acceptance or warranty, nor bind RTS**, except where signed by a duly authorised representative of RTS.

2.4 Forecasts and Release Schedules: For supply under framework arrangements, Customer-issued forecasts and call-offs serve as production planning input only. Unless otherwise agreed in the framework arrangement, the following default freeze regime applies:

- (a) Weeks 1–4 ahead ("**Hard Freeze**"): 100% frozen, no cancellation or reduction permitted;
- (b) Weeks 5–12 ahead ("**Soft Freeze**"): variation within $\pm 20\%$ permitted;
- (c) Week 13 onwards: freely adjustable.

Cancellation or reduction within the Hard Freeze, or beyond the $\pm 20\%$ band within the Soft Freeze, obliges the Customer to indemnify RTS for all materials, work-in-progress and processing costs already incurred, and to take up the affected inventory at the order price.

3. Contract Content

3.1 Model substitution: Where the contract concerns products subject to continuous technical evolution, RTS may deliver the latest model or an equivalent substitute, provided that such substitution does not materially impair product function. If the Customer requires that no substitution occur, this must be stated in the order and confirmed by RTS in writing.

3.2 Product information disclaimer: Information provided by RTS in catalogues, brochures, data sheets, specifications, certificates of conformity (COCs) and other technical or marketing materials describes the product range generally and **does not form part of the contract unless expressly incorporated in the Order Confirmation as a contractual quality standard.** The contractual specifications of products ordered are determined exclusively by the Order Confirmation and accompanying technical specification. **The Customer bears the responsibility to verify whether the product is fit for its intended particular purpose.** Where the Customer relies on RTS's skill or judgment, such reliance must be communicated to and confirmed by RTS in writing in the Order Confirmation.

3.3 Tolerance and over/under delivery: For production efficiency, RTS reserves the right to deliver $\pm 10\%$ of the order quantity (scheduled orders) and $\pm 5\%$ (unscheduled orders). The Customer shall pay for the actual quantity delivered. **Delivery within this tolerance does not constitute a breach.**

3.4 Product change notification (PCN/EOL): RTS shall give at least 90 days' written notice of any material technical change to, or discontinuation of, a product. The Customer must respond within 30 days of such notice, including by placing any "Last Time Buy" order. **For changes that do not affect form, fit or function, the Customer's failure to respond shall be deemed acceptance; for changes that affect product specification, performance, reliability or regulatory compliance, written acceptance by the Customer is required before the change is implemented.**

4. Purchase Orders

4.1 Save where otherwise agreed in writing, the Customer shall place its formal purchase order at least 8 weeks before the required delivery date.

4.2 The Customer shall take delivery of all goods covered by an Order Confirmation within 12 months of confirmation. If, after RTS issues a written demand and a reasonable grace period expires, the Customer has not taken delivery, **RTS may elect (and not cumulatively) one of the following remedies:**

- (a) require the Customer to pay **liquidated damages equal to 20% of the value of the undelivered portion, in full and final settlement of loss arising from non-collection** (the parties acknowledge that this sum represents a genuine pre-estimate of the loss likely to be suffered by RTS, having regard to inventory carrying costs, materials commitment, opportunity cost, and the practical difficulty of precise quantification);
- (b) treat the Customer as having repudiated and claim damages on a general basis (in which case sub-clause (a) does not apply);
- (c) deliver and invoice, the price becoming immediately payable; or
- (d) resell the undelivered goods at fair market price, the Customer being liable for the shortfall on a general damages basis.

4.3 **Order cancellation:** Once an order is confirmed by RTS, **the Customer has no unilateral right to cancel or modify it.** Where RTS agrees in writing to a cancellation, the Customer shall bear all materials, processing, tooling amortisation and other direct costs already incurred, **plus a cancellation fee of not less than 15% of the remaining order value.**

5. Price

5.1 The price stated in the Order Confirmation is the final price, **EXW [RTS-designated warehouse, Singapore] (Incoterms 2020)**, excluding packaging, freight, insurance, customs duties and GST. GST shall be additionally chargeable in accordance with applicable Singapore law and borne by the Customer. **Where the GST rate changes between the date of the Order Confirmation and the date of supply (or invoice), the applicable GST rate shall be that prevailing on the date of supply (or invoice) as determined under the Goods and Services Tax Act.**

5.2 **Processing surcharge:** Where RTS performs additional processing at the Customer's request (cutting, stripping, marking, custom packaging, etc.), RTS may charge a reasonable setup fee plus a per-unit processing charge at prevailing industry rates.

5.3 **Price adjustment — agreed basis:** The parties expressly agree that the following circumstances would render continued performance at the original price commercially inequitable. Where any of the following occurs between order confirmation and performance, RTS may adjust the price by written notice. **Any such adjustment shall be limited to the actual cost variation and shall not include additional margin:**

- (a) the market price of principal raw materials (by reference to LME, SHFE or equivalent public indices) moves more than **10%** from the order date;
- (b) applicable customs duties, taxes or export control costs cause unit cost to move more than **5%**;

(c) the exchange rate for cross-border procurement components moves more than **5%** against the order date;

(d) cost increases caused by Force Majeure or mandatory government measures.

5.4 If a price adjustment exceeds 10% of the original contract price, the Customer may cancel the affected portion of unfilled orders by written notice to RTS within 7 business days of the adjustment notice, without liability. **For adjustments of 10% or less, the Customer's failure to respond within 7 business days shall constitute acceptance.**

6. Payment and Collection

6.1 Save where otherwise agreed, payment shall be made in full within **30 days of RTS's tax invoice date** to RTS's designated account. **Save as expressly permitted under Clause 7, the Customer shall not withhold or set off any amount due to RTS** on any basis, including quality dispute or transport claim. Any quality claim must be raised under Clause 11.

6.2 **Late payment interest:** Without prejudice to any other remedy, the Customer shall pay interest on all overdue sums at the rate of **1.5% per month (or, if lower, the maximum rate permitted by Singapore law from time to time), accruing as simple interest, calculated daily** from the due date until full payment. The parties acknowledge that this rate is a reasonable compensation for the time value of money and the cost of credit to RTS, having regard to prevailing commercial lending rates. **In addition to the foregoing, RTS shall be entitled to recover statutory interest and reasonable recovery costs under the Late Payment of Commercial Debts Act 2024 (Singapore) where applicable**, and may also recover reasonable collection costs (correspondence, travel, external collection agency fees, legal fees on an indemnity basis).

6.3 **Security demand:** Where any event under Clause 6.4 has occurred, **or where RTS has reasonable grounds (based on the Customer's payment history, credit reports, public records of distress, or industry information) to believe that the Customer's ability to perform has deteriorated**, RTS may require the Customer to furnish any of the following: (a) advance payment, (b) instalment arrangement, (c) bank performance guarantee, (d) letter of credit, or (e) other security acceptable to RTS. RTS shall set out the basis for its demand in writing. If the Customer fails to provide such security within **10 business days** of RTS's written demand, RTS may suspend further deliveries, accelerate all outstanding payments, or terminate the contract.

6.4 **Acceleration and suspension:** On the occurrence of any of the following, all sums owed by the Customer to RTS (including those not yet due) shall become immediately due, and RTS may suspend delivery on any order related to the Customer's overdue payment without being in breach:

(a) the Customer is in arrears with any payment for more than 30 days;

(b) the Customer's financial position has materially deteriorated (including but not limited to: an unsatisfied judgment, presentation of a winding-up petition, appointment of a receiver or judicial manager, commencement of scheme of arrangement, seizure of material assets, or analogous events in any jurisdiction);

(c) the Customer engages in conduct evidencing intention to evade obligations (asset transfers, capital extraction, sham transactions);

(d) a material change in the Customer's control has occurred without prior written notice to RTS; or

(e) any other circumstance giving RTS reasonable, objectively-based grounds to believe the Customer will not perform (e.g., frozen bank accounts, seizure of principal assets, large-scale litigation against the Customer or its affiliates, listing on credit blacklists).

If the Customer fails within 10 business days of RTS's acceleration notice to provide adequate security or restore performance capability, RTS may demand immediate payment in full and may claim liquidated damages of **10% of the total value of unfulfilled orders**, plus terminate the contract. Where RTS elects not to terminate, performance is extended by the number of days the Customer was in default and may be re-priced at the then-prevailing market rate following the Customer's settlement of all outstanding amounts. **The parties acknowledge that RTS's rights under this Clause 6.4 may be affected by any statutory moratorium under the Insolvency, Restructuring and Dissolution Act 2018 (Singapore) or analogous foreign insolvency law; in such case, RTS's rights shall be exercisable to the extent permitted by such law.**

6.5 Three-notice rule: Following three written reminders, RTS may suspend all deliveries to the Customer in respect of the related overdue matter, without being in breach.

6.6 GST tax invoices: RTS shall issue GST-compliant tax invoices in accordance with the Goods and Services Tax Act. The Customer shall raise any objection to invoice content within 15 days of receipt; failure to do so constitutes acceptance. **Re-issuance caused by incorrect billing information provided by the Customer shall be at the Customer's cost.**

7. Set-off and Lien

7.1 The Customer's right of set-off is **limited to counterclaims** that are (a) established by final court judgment or arbitral award, or (b) admitted in writing by RTS and not disputed in amount.

7.2 The Customer may exercise a right of lien over RTS goods only in respect of counterclaims arising from the **same contractual relationship** and meeting the requirements of Clause 7.1.

7.3 **Group set-off:** Where RTS Connect Group entities have entered into cross-guarantee or assignment arrangements among themselves, RTS may set off the Customer's debts owed to RTS against any due amount payable to the Customer by any RTS Group affiliate covered by such arrangements. RTS shall give the Customer prior written notice of any such set-off **and shall, on the Customer's reasonable written request, provide evidence (which may be redacted to protect commercially sensitive information) confirming that the relevant cross-guarantee or assignment arrangement is in force.**

8. Delivery

8.1 The scope of performance is limited to the contents of the Order Confirmation. Any variation requires RTS's written confirmation.

8.2 Delivery times: Delivery times stated in quotations are non-binding indications. Binding delivery times shall be stated in the Order Confirmation.

8.3 Payment as precondition: Delivery is conditional upon the Customer's payment of all amounts (including advance and milestone payments) required under the order. Delays caused by non-payment shall not constitute a breach by RTS.

8.4 Partial deliveries: RTS may make partial deliveries; each partial delivery constitutes a severable performance.

8.5 Upstream supply contingency — specified events: Where any of the following events affecting RTS's key upstream supplier prevents RTS from obtaining materials or components required for the order:

- (a) the supplier's facility is affected by a Force Majeure event;
- (b) the supplier becomes insolvent, enters judicial management, or has its operating licence revoked;
- (c) the supplier's location is affected by war, armed conflict, civil disturbance, or major public health emergency; or
- (d) the supplied product is added to export control lists or affected by trade sanctions,

RTS shall notify the Customer in writing within 10 business days of becoming aware and provide supporting evidence. The parties shall consult in good faith on substitution, extension or order adjustment. Failing agreement, RTS may extend delivery to a reasonable period after the supply situation is resolved, or terminate the affected order without liability for damages, refunding amounts already paid. **For the avoidance of doubt, ordinary commercial default by an upstream supplier (price dispute, capacity shortfall, technical dispute or breach of contract) does not fall within this Clause, and RTS remains liable under Clause 13 in such cases.**

8.6 The Customer's remedies for late delivery are limited to those provided in Clause 13.

9. Risk and Transport

9.1 Transport costs are borne by the Customer (and equally apply to any return shipping where RTS agrees to accept a return).

9.2 Risk transfer: Risk of accidental loss of or damage to the goods (**separate and distinct from product quality liability and product liability**) passes to the Customer upon handover to the Customer, the Customer's nominated carrier, or any third party designated by the Customer at the RTS-designated delivery warehouse. This applies equally to partial deliveries and where RTS provides incidental services such as transport or installation at the Customer's request.

9.3 Customer-caused delay: Where transport delay is caused by the Customer (failure to pay advance, failure to nominate carrier, failure to provide import documentation, change of delivery address requiring storage by RTS, etc.), **risk passes to the Customer from RTS's written notice that goods are ready for collection**, and RTS may charge market-rate storage, insurance and financing costs.

9.4 At the Customer's written request and cost, RTS may arrange transit insurance (theft, damage in transit, fire, water). RTS has no obligation to insure on its own initiative.

10. Retention of Title

10.1 **Basic retention:** RTS retains title to all delivered goods (the "**ROT Goods**") until the Customer has paid all amounts (due or to become due) owed to RTS under the order and the current business relationship (including the purchase price, processing charges, late payment interest, liquidated damages, taxes and other sums).

10.2 **Customer's custody obligations:** The Customer shall (a) store the ROT Goods separately from its own goods or other third-party goods and identify them clearly as RTS property, (b) maintain adequate insurance covering the ROT Goods for fire, theft, water and incidental loss, and (c) assign the proceeds of any insurance claim in respect of the ROT Goods to RTS to the extent of the unpaid purchase price. The Customer shall not pledge, mortgage, grant security over, or otherwise encumber the ROT Goods, **save for any general security over the Customer's assets granted to a bank or financial institution under bona fide financing arrangements existing as at the date of the Order Confirmation and disclosed to RTS, provided that such security shall rank behind RTS's retention of title to the ROT Goods.**

10.3 **Third-party interference:** If the ROT Goods are seized, attached, distrained or otherwise made subject to third-party claim, the Customer shall immediately (within 24 hours) notify RTS in writing, inform the third party of RTS's title, and provide all information and cooperation needed for RTS to assert its rights. **The Customer shall bear all reasonable costs (including legal fees, attachment costs and court fees) of such enforcement, regardless of recoverability from the third party.**

10.4 **Resale and processing in ordinary course:** The Customer may resell or process the ROT Goods only in the ordinary course of its business and shall, before any resale, inform the sub-purchaser of RTS's retention of title.

10.5 **Resale proceeds — contractual debt and assignment:** Where the Customer resells ROT Goods prior to full payment to RTS, the Customer **owes RTS an immediate contractual debt equal to the unpaid portion of the price of those ROT Goods**, recoverable as a debt regardless of when the Customer is paid by the sub-purchaser. **In addition, the Customer assigns to RTS, to the extent permitted by law and by way of security, its rights against the sub-purchaser arising from such resale, up to the value of the Customer's unpaid debt to RTS.** RTS accepts such assignment. The parties acknowledge that such assignment, if granted by a Singapore-incorporated Customer, may constitute a charge over book debts requiring registration under section 131 of the Companies Act, and **the Customer shall, on RTS's reasonable request, cooperate in such registration and bear the reasonable cost of registration.** Pending Customer's default, RTS authorises the Customer to collect such claims in its own name. Upon default, **RTS may by written notice revoke that authority, notify sub-purchasers directly, and collect such proceeds itself to the extent permitted by law.** The Customer shall provide quarterly reports identifying its sub-purchasers (name, UEN or registration number, contact

details, resale value, payment terms, and expected payment date). Where RTS requires the Customer to give formal notice of assignment to a sub-purchaser, the Customer shall do so within 5 business days; failing which, **the Customer agrees to execute a separate Power of Attorney in favour of RTS by way of security to permit RTS to give such notice on the Customer's behalf.**

10.6 Processing and commingling — contractual claim: Where the Customer processes the ROT Goods in the ordinary course of its business or commingles them with goods not belonging to RTS, the parties acknowledge that RTS's proprietary title to the original ROT Goods may be extinguished under Singapore law upon such processing or commingling. In that event, **RTS shall have a contractual right to receive from the Customer, as a debt, an amount equal to the unpaid price of the ROT Goods consumed in such processing or commingling,** plus interest in accordance with Clause 6.2. The Customer shall keep adequate records permitting tracing of ROT Goods through its production process for so long as any amount remains unpaid to RTS.

10.7 Release of excess security: Where the value of security held by RTS exceeds the value of secured claims by more than 20%, RTS shall, at the Customer's written request, release excess security at its discretion.

10.8 Recovery of ROT Goods: Where the Customer is in default of payment or any Clause 6.4 event has occurred, **RTS may demand return of the ROT Goods, and the Customer shall make them available for collection at the agreed time and place. If the Customer refuses or fails to cooperate, RTS may, after written demand: (a) enter the Customer's premises and recover the ROT Goods at a reasonable time, without breach of the peace and without committing trespass to person, and the Customer hereby grants licence for this purpose; or (b) apply to the Singapore courts for an order of delivery up or injunctive relief.** The Customer shall bear all reasonable costs of recovery (transport, manpower, storage, legal fees). Recovery shall not, of itself, constitute termination of the contract unless RTS notifies the Customer in writing.

11. Defect Notification and Warranty

11.1 Inspection and notification periods:

(a) The Customer shall conduct inbound inspection within **7 business days** of arrival of goods at the agreed delivery point;

(b) **Patent defects** (those discoverable on reasonable inspection): the Customer shall notify RTS in writing (including email with read receipt) within **7 business days** of arrival; failure to do so constitutes acceptance;

(c) **Latent defects** (requiring assembly, testing or specialist inspection): the Customer shall notify RTS in writing within **30 days** of discovery or the time at which discovery should reasonably have occurred, and in any event no later than 12 months from delivery;

(d) Each notification should specify the defect, batch/serial numbers, quantity affected, impact, and remedy sought. **Where a notification is incomplete, RTS may request supplementary information; the Customer shall provide such within 14 business days, failing which the**

notification may be treated as withdrawn.

11.2 Warranty period: 12 months from delivery, save where mandatory law provides for a longer period. The warranty covers defects in conformity with the contractually agreed specifications, visible parameters and measurable performance. **The warranty does not cover defects caused by post-risk-transfer transport, improper storage, incorrect installation, use outside specification, modification by the Customer or third parties, or fair wear and tear.**

11.3 Remedy proposal and consultation: For valid warranty claims, **RTS shall propose a remedy in writing within 5 business days of the Customer's notice, with proposals capable of including: (a) repair, (b) replacement, (c) proportionate price reduction, or (d) partial or full refund.** The Customer shall respond within 5 business days. **Failing agreement, the Customer's statutory remedies under the Sale of Goods Act (Cap. 393) and the Misrepresentation Act (Cap. 390) (as applicable) shall apply, subject to the limitations in Clause 13.**

11.4 Failure to cure: If RTS fails to complete first cure within **30 business days** of receiving the Customer's written notice (the parties may agree shorter cure periods in the Order Confirmation for time-critical applications), or if two cure attempts fail to meet contractual quality standards, the Customer may, subject to Clause 13, claim price reduction, rescind the affected portion of the order, or claim damages.

11.5 Warranty exclusions: The warranty does not apply where:

- (a) the Customer or a third party has modified, repaired or misused the product;
- (b) the product has been used outside the application scope stated in the Order Confirmation or specification;
- (c) defects arise from combination with non-RTS components;
- (d) the defect is fair wear and tear or relates to consumable parts;
- (e) the defect arises from drawings, specifications or requirements supplied by the Customer; or
- (f) damage arises from Force Majeure or third-party cause.

11.6 Pass-through manufacturer warranty: Where RTS resells third-party-manufactured products subject to a manufacturer warranty, the manufacturer's warranty terms continue to apply. RTS does not assume liability beyond the original manufacturer's warranty.

11.7 Statutory rights: This Clause 11 shall not exclude or restrict any of the Customer's rights under the Sale of Goods Act (Cap. 393) or the Unfair Contract Terms Act (Cap. 396) where, in respect of the type of contract, such exclusion or restriction would be void or unenforceable. The limitations in this Clause shall apply only to the extent permitted by law.

12. Product Quality

12.1 The products shall conform to the quality standards stated in the Order Confirmation, applicable mandatory standards (SS, IEC, ISO as referenced) and environmental regulations. **Customer-specific industry standards (IATF 16949, IPC, UL) or customer proprietary**

specifications (SOR/SQR) apply only where expressly incorporated in the Order Confirmation, and may attract additional charges.

12.2 Where RTS conveys information based on upstream manufacturer documentation, **RTS does not warrant the accuracy or completeness of such information.** The Customer should verify key parameters directly with the manufacturer or in writing with RTS.

12.3 The Customer shall not modify the product. **Losses, damages or third-party claims arising from improper use, modification, or out-of-specification application by the Customer are borne by the Customer.**

12.4 **PPAP/APQP:** Where the Customer requires PPAP submission under automotive industry practice, the fees, approval schedule and change management process shall be agreed separately in the Order Confirmation. **Pending PPAP approval, RTS may deliver against agreed interim quality standards without being in breach.**

13. Limitation of Liability

13.1 Liquidated damages and damages caps:

(a) **Late delivery (exclusive remedy for delay):** liquidated damages of 0.5% of the value of the late-delivered portion per week of delay, capped in aggregate at **5% of the value of the late-delivered portion.** The parties acknowledge this represents a genuine pre-estimate of loss arising from delay alone; this cap does not apply to defects or other breaches separately addressed in sub-clauses (b) and (c) below;

(b) **Single event of breach or defect:** RTS's liability is capped at **the contract value of the specific Purchase Order (i.e., the total value of the PO stated in the Order Confirmation) under which the defective goods or breach arose;**

(c) **12-month aggregate cap:** RTS's aggregate liability to any one Customer in respect of all claims arising in any rolling 12-month period shall not exceed **the greater of (i) the total amount actually paid by that Customer to RTS during such period, and (ii) SGD 500,000.** Higher caps may be agreed in writing in framework agreements for high-volume customers.

13.2 **Excluded losses:** Subject to Clauses 13.3 and 13.4 and the recall provisions of Clause 14, **RTS shall not be liable, whether in contract, tort (including negligence), misrepresentation, or otherwise, for any of the following:** indirect or consequential loss, incidental loss, punitive or exemplary damages, loss of profit, loss of revenue, loss of business or business interruption, loss of goodwill, loss of data, third-party claims by the Customer's downstream customers, or recall costs.

13.3 **Carve-outs (mandatory):** Nothing in this Clause 13 limits or excludes RTS's liability for:

(a) death or personal injury caused by RTS's negligence (Unfair Contract Terms Act 1977 (Cap. 396), section 2(1));

(b) fraud or fraudulent misrepresentation;

(c) breach of the implied terms as to title under section 12 of the Sale of Goods Act 1979 (Cap.

393); or

(d) any other liability that cannot be excluded or limited by Singapore law.

13.4 Reasonableness: The parties expressly agree that the limitations in this Clause 13 are reasonable, having regard to: the negotiated price, the parties' relative bargaining position, the Customer's ability to obtain insurance against excluded losses, the availability of statutory remedies, and the commercial context. The Customer acknowledges that the price has been calculated on the basis of these limitations and that, without them, the price would be materially higher.

13.5 Mitigation: The Customer shall take reasonable steps to mitigate any loss. Losses attributable to failure to mitigate shall be borne by the Customer.

13.6 RTS product liability insurance: RTS undertakes to maintain product liability insurance throughout the term, on terms appropriate to its scale of operation and industry practice. **On reasonable prior written request, RTS shall produce a certificate of insurance evidencing such coverage** (the Customer acknowledging that policy terms and premium information may be redacted). This Clause does not enlarge or modify the liability caps in Clauses 13.1 to 13.3.

14. Product Recall

14.1 Recall consultation: Any recall involving RTS products requires **prior good-faith consultation** between RTS and the Customer regarding scope, method, timing and external communications. **Where a competent regulator requires immediate recall**, the relevant party shall comply within the legally required timeframe, notifying the other party (where time permits) before, or in any event immediately after (within 24 hours), the recall measure is taken, and the parties shall coordinate implementation. **The Customer shall not publicly announce a recall involving RTS products without objective evidence of quality defect.**

14.2 Cost allocation: Where recall is shown by qualified third-party testing to be caused by RTS product defect, **RTS's liability for recall costs is capped at 100% of the affected order value** and is limited to direct testing, repair, replacement and transport costs. **It does not include the Customer's or downstream customers' indirect losses, line-stoppage costs, or reputational damage.**

14.3 Shared cause: Where recall is caused by multiple parties, costs shall be allocated by fault as determined by an independent expert.

14.4 The Customer shall notify RTS in writing of any actual or potential recall within **72 hours** of becoming aware, with preliminary supporting evidence.

15. Prohibited Use, Force Majeure and Compliance

15.1 Prohibited applications: RTS products shall **not** be used for:

(a) warfare, weaponry (in particular biological, chemical, nuclear weapons, rockets, or military applications);

(b) spacecraft, aircraft or aviation applications (unless expressly agreed in the Order

Confirmation and supported by appropriate qualifications);

(c) life-support or life-extension systems, human implants, surgical implantable devices;

(d) any application where product failure could foreseeably cause death, personal injury, serious property damage, environmental harm, or catastrophic consequences.

The Customer's breach of this Clause discharges RTS from any consequent liability. **The Customer shall indemnify RTS on a reasonable basis against direct third-party claims, regulatory penalties and reasonable losses (including legal fees, expert fees and fines) arising from the Customer's breach of this Clause.**

15.2 Force Majeure: Neither party is in breach where its delay or non-performance is caused by Force Majeure, meaning fire, natural disaster, war, armed conflict, civil disorder, strike or industrial action, exceptional weather, epidemic or pandemic, governmental expropriation/embargo/export control, major transport infrastructure failure, or other event beyond the reasonable control of the affected party. **Ordinary commercial default by an upstream supplier is not Force Majeure** (specific upstream-supplier events fall under Clause 8.5). The affected party shall notify the other within 10 business days of the event and produce official certification within 10 business days of the event ending. Where Force Majeure continues beyond 60 days, either party may terminate the affected order.

15.3 Export control and sanctions: The Customer shall comply with all applicable export control and sanctions laws, including the Strategic Goods (Control) Act 2002 (Singapore), US Export Administration Regulations and OFAC sanctions, EU Dual-Use Regulation, and applicable laws of the country of export or destination. **The Customer shall not, directly or indirectly, divert, resell or transship RTS products to sanctioned countries, regions or listed persons/entities.** The Customer shall **indemnify RTS on a reasonable basis** against direct losses, regulatory penalties and reasonable legal/expert fees suffered by RTS as a result of the Customer's breach of this Clause.

15.4 Anti-bribery: The parties shall comply with the Prevention of Corruption Act (Singapore), the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act, as applicable. Breach by either party entitles the other to immediate termination and damages.

15.5 Compliance and sustainability: The parties shall (a) not use forced labour, child labour or trafficked labour; (b) comply with applicable environmental law; (c) comply with applicable anti-money laundering and sanctions law. **Customer-specific extraterritorial compliance requirements (the German Supply Chain Act (LkSG), EU Corporate Sustainability Due Diligence Directive (CSDDD), etc.) are dealt with by separate compliance agreement; where such requirements impose unreasonable additional burdens on RTS, the additional costs shall be borne by the Customer.**

16. Tooling and Customer-Provided Materials

16.1 Tooling ownership: Unless otherwise agreed in the Order Confirmation, ownership of moulds, tooling and gauges manufactured or procured by RTS for products specific to the Customer is determined by the funding party:

(a) where tooling is **fully funded by the Customer**, title vests in the Customer, but the **physical tooling shall remain in the possession of RTS or RTS's nominated subcontractor**, with RTS responsible for routine maintenance and use in production;

(b) where tooling is **fully funded by RTS, or jointly funded with the Customer contributing 50% or less**, title vests in RTS. Where the Customer contributes more than 50% but less than 100%, title vests in the Customer subject to the possession arrangement in (a).

16.2 Tooling life and maintenance: RTS shall maintain tooling in the normal course. The tooling design life is as agreed; where not agreed, **the standard is a maximum of 300,000 cycles or 36 months (whichever is earlier)**. Costs of replacement, alteration or major overhaul beyond design life are borne by the Customer (regardless of title).

16.3 RTS lien over Customer-owned tooling: RTS has a particular lien over Customer-owned tooling in its possession (or in the possession of its nominated subcontractor) to secure all amounts payable by the Customer to RTS, including unpaid invoices and reasonable tooling maintenance charges. Once the Customer has settled such amounts, RTS shall, within a reasonable period (not exceeding 30 days), cooperate with the Customer's removal of the tooling, subject to:

(a) the Customer's payment of reasonable maintenance charges, technical handover costs and removal cooperation fees; and

(b) the Customer's written confirmation that following removal, RTS is released from any obligation to continue producing the affected products.

The Customer's title to tooling is not affected by the exercise of RTS's lien, but pending discharge of the lien, the Customer shall not dispose of the tooling without RTS's prior written consent.

16.3A Process know-how protection (independent obligation): Separate from and not as a condition of the lien in Clause 16.3, **the Customer agrees that RTS's process know-how (manufacturing techniques, process parameters, tooling design improvements, production methods) embodied in or associated with the tooling is RTS's confidential information protected under Clause 18 of these Terms.** The Customer shall not, and shall procure that no relocated tooling shall be used in a manner that would, directly or indirectly, replicate RTS's process know-how to compete with RTS, for a period of 24 months from the date of tooling removal. This restriction is acknowledged by both parties to be reasonable in scope, duration and geography (worldwide), having regard to the legitimate protection of RTS's commercial interests.

16.4 Customer-provided materials and drawings: Where the Customer provides materials, sub-assemblies, drawings, specifications or tooling, the Customer warrants its lawful title and absence of third-party encumbrance. **Quality, IP infringement or compliance issues caused by Customer-provided items are at the Customer's full risk.**

17. Intellectual Property

17.1 The products may incorporate third-party intellectual property (patents, know-how, trade marks, copyright). The Customer's purchase grants it the right to **use or resell the products in the ordinary course of business only**, and confers no other IP licence or proprietary rights.

17.2 The Customer is responsible for identifying any relevant licences, terms or third-party royalties applicable to its use of the products and shall bear them.

17.3 **Customer-provided IP indemnity:** Where the Customer provides RTS with drawings, specifications, know-how or trade marks, the Customer warrants its lawful right to do so and authorises RTS's use for performance of the contract. **The Customer shall indemnify RTS on a reasonable basis against direct losses arising from third-party IP infringement claims based on RTS's manufacture in accordance with Customer-provided drawings or specifications, including reasonable legal fees, expert fees, costs of preserving evidence, settlement amounts and judgment sums.** The indemnity does not extend to losses caused by RTS's own modifications to the Customer-provided design or by RTS's gross negligence.

17.4 Background IP of each party remains its property. Save as expressly agreed, the contract does not constitute an assignment or licence of either party's IP.

18. Confidentiality

18.1 Each party shall keep confidential the other party's Confidential Information (including technical, commercial, customer, pricing, trade secret, know-how and non-public financial information).

18.2 **Confidentiality period:** The obligation continues for **5 years post-termination**. For trade secrets, the obligation **continues indefinitely until such information lawfully enters the public domain**.

18.3 **Personnel obligations:** The Customer shall, by NDA or employment terms, ensure that its employees, advisors, agents and others who may receive RTS Confidential Information are bound by equivalent obligations. **The Customer shall exercise reasonable supervision over such persons and shall be liable for loss caused to RTS by the Customer's failure to do so.**

18.4 **Exclusions:** Confidential Information does not include information (a) lawfully in the public domain, (b) lawfully held by the receiving party prior to disclosure, (c) lawfully received from a third party without confidentiality obligation, (d) independently developed without use of the discloser's information, or (e) required to be disclosed by law or competent authority (with prior notice to enable the discloser to seek protective relief).

19. Personal Data Protection

19.1 The parties shall comply with the Personal Data Protection Act 2012 (Singapore) (as amended from time to time) ("**PDPA**") and other applicable data protection laws (including the EU General Data Protection Regulation where relevant) in respect of any personal data processed in the course of the relationship. Where the relationship involves cross-border transfer of personal data, the parties shall enter into a separate data processing agreement or rely on lawful transfer mechanisms (including the PDPA's prescribed contractual safeguards).

19.2 Either party causing the other to suffer direct loss or regulatory penalty by breach of applicable data protection law shall **indemnify the other on a reasonable basis**, subject to the limitations in Clause 13.

20. Termination

20.1 **Grounds for termination by RTS:** RTS may terminate the business relationship (in whole or in part) by written notice with immediate effect where:

- (a) the Customer is in material breach not remedied within 30 days of written demand;
- (b) any Clause 6.4 event has occurred;
- (c) a material change in the Customer's control has occurred and the new controller is not acceptable to RTS;
- (d) the Customer breaches Clause 15;
- (e) the Customer brings against RTS or any of its affiliates any proceedings adjudged by a competent court or tribunal to be vexatious, frivolous, or an abuse of process.

20.2 **Effect of termination:**

- (a) all unpaid sums become immediately due;
- (b) **RTS may recover ROT Goods in accordance with Clause 10.8;**
- (c) within 30 days, the Customer shall return all RTS tooling (save tooling to which the Customer has acquired title), fixtures, technical documentation and samples;
- (d) Clauses on confidentiality, IP, dispute resolution and limitation of liability survive.

20.3 Termination of a framework arrangement does not, of itself, affect orders already confirmed in writing by RTS, save where Clause 20.1 grounds for immediate termination exist.

21. Assignment and Change of Control

21.1 **Restriction on Customer:** The Customer shall not assign or transfer its rights or obligations under these Terms without RTS's prior written consent.

21.2 **RTS's assignment rights:**

- (a) **Receivables and contractual rights:** RTS may assign its receivables and contractual rights to any RTS Connect Group affiliate or financing partner **on written notice to the Customer; no consent is required;**
- (b) **Obligations:** Where RTS wishes to assign its obligations to a third party, the Customer's written consent is required, but **assignment to an RTS Connect Group affiliate of equal or greater performance capability, supported by such affiliate's written assumption of joint liability with RTS, requires only written notice to the Customer.**

21.3 **Customer change of control:** The Customer shall notify RTS in writing within 10 business days of any material change in its control (share transfer exceeding 30%, asset stripping, merger or demerger). RTS may, on commercially reasonable assessment, elect to continue the relationship or require execution of a new framework arrangement.

22. Notices

22.1 All notices shall be given in writing to the address most recently notified by the recipient in writing. **In the absence of an explicit notified address, notices shall be valid if sent to the recipient's registered office as recorded on the relevant business register (ACRA for Singapore companies).**

22.2 A party changing address or contact details shall notify the other; failure to do so means notices sent to the previous address are valid.

22.3 Notices are deemed received as follows:

(a) personal delivery: on delivery;

(b) courier (DHL, FedEx or equivalent recognised courier): 3 calendar days after dispatch (or earlier on confirmed receipt);

(c) **email to the parties' designated addresses: when the sender's mail server records successful transmission and no bounce notification is received within 24 hours.**

23. Miscellaneous

23.1 **Special procurement:** For goods not in RTS's normal product range but procured by RTS at the Customer's request, a separate agreement shall govern the specific terms (these Terms continuing to apply on a residual basis).

23.2 **Severability:** If any provision is held invalid, unenforceable or unlawful, the remaining provisions remain in force. The parties shall substitute a valid and enforceable provision approximating the original intent.

23.3 **Entire agreement and non-reliance:** These Terms, together with the Order Confirmation and any framework agreement, constitute the entire agreement between the parties on their subject matter, **superseding all prior oral or written representations, negotiations, and correspondence. Each party acknowledges that in entering into this agreement, it has not relied on, and shall have no remedy in respect of, any representation, warranty, assurance or other statement (whether made innocently or negligently) other than as expressly set out in this agreement and the Order Confirmation.** Nothing in this Clause shall limit or exclude liability for fraud or fraudulent misrepresentation.

23.4 **No waiver:** No failure or delay by RTS in exercising any right constitutes a waiver. A single or partial exercise does not preclude further exercise.

23.5 **Written amendment only:** Any amendment of these Terms or a specific order requires the written signature of duly authorised representatives. Informal oral or email communications do not constitute amendment.

23.6 **Audit rights:** On not less than **15 business days' written notice**, RTS may, during normal business hours, audit the Customer's records related to performance of the contract (limited to inventory, resale and compliance use of RTS products). **Audits shall not exceed once per calendar year save in cases of urgent compliance investigation.** Audit costs are borne by RTS; where the audit reveals material breach by the Customer, those costs are recoverable from the

Customer. **The Customer may redact information unrelated to the contract; RTS shall keep all Confidential Information learned during audit confidential.**

23.7 Customer's representations and warranties: The Customer represents and warrants to RTS that: (a) it is duly incorporated and validly existing, and has full capacity to enter into and perform these Terms; (b) its execution and performance are duly authorised; (c) at the time of each order, it is not in liquidation, judicial management, scheme of arrangement, or listed on any sanctions or export control denial list, and has no unsatisfied final judgment for sums equal to or exceeding 5% of the order value; (d) execution and performance do not breach any other contractual or legal obligation. **Breach of these representations is a material breach entitling RTS to immediate termination and damages.**

23.8 Contracts (Rights of Third Parties) Act: A person who is not a party to the contract has **no rights under the Contracts (Rights of Third Parties) Act 2001 (Cap. 53B) to enforce any term of the contract**, save that any RTS Connect Group affiliate may enforce any term expressed to be for its benefit.

24. Governing Law and Dispute Resolution

24.1 Governing law: These Terms, their formation, interpretation, performance and any dispute arising out of or in connection with them (including non-contractual disputes), are governed by **Singapore law. The United Nations Convention on Contracts for the International Sale of Goods 1980 (CISG) is expressly excluded.**

24.2 Exclusive jurisdiction — Singapore courts: Any dispute arising out of or in connection with these Terms shall be subject to the **exclusive jurisdiction of the courts of Singapore**. The parties expressly consent that any international commercial dispute may, where eligible, be heard by the **Singapore International Commercial Court (SICC)**.

24.3 Pre-action consultation: Save where urgent interim relief is required, the parties shall consult in good faith for at least 14 days before commencing proceedings.

24.4 Indemnity costs: In any proceedings, the unsuccessful party shall pay the successful party's costs on an indemnity basis (including reasonable legal fees, expert fees, attachment costs and disbursements). Partial success is apportioned by the court.

25. Acceptance

25.1 Acceptance mechanism: Acceptance of these Terms by the Customer shall be evidenced by any of the following: (a) execution of a framework agreement that incorporates or references these Terms; (b) the Customer's written acknowledgement (including by email) of receipt of these Terms; or (c) the Customer's placement of an order or acceptance of delivery against an Order Confirmation that references these Terms.

25.2 Signature block (where formal execution is required):

For and on behalf of RTS Connect (Singapore) Pte. Ltd.:

Name: _____ Title: _____

Signature: _____ Date: _____

For and on behalf of the Customer:

Name: _____ Title: _____

Signature: _____ Date: _____

Notes on this Version

This draft (the "**RTS Connect SG Strengthened Version V2**") is the second revision of the Singapore counter-proposal, with material corrections following a Singapore commercial counsel audit of V1. It is submitted to Singapore counsel for review. The final operative version is subject to Singapore counsel's written confirmation and RTS Connect SG board/shareholder approval. **This draft does not constitute a binding contract.**

Appendix A: Key Adaptations from the PRC V2 to this Singapore Version

Category 1 — Statutory framework changes:

- **Governing law shifted from PRC law to Singapore law** (Clause 24.1). CISG, which is binding by default in Singapore for cross-border B2B sale of goods, is expressly excluded.
- **References to PRC Civil Code replaced with Singapore statutes:** Sale of Goods Act 1979 (Cap. 393) for sale-of-goods implied terms; Unfair Contract Terms Act 1977 (Cap. 396) for limitation-of-liability reasonableness; Misrepresentation Act 1967 (Cap. 390) for misrepresentation; Personal Data Protection Act 2012 for personal data; Goods and Services Tax Act for tax invoicing; Late Payment of Commercial Debts Act 2024 for late payment interest; Insolvency, Restructuring and Dissolution Act 2018 for insolvency-related provisions.
- **Singapore courts replaced SCIA arbitration** (Clause 24.2), with the SICC option for international commercial disputes. Note: customers domiciled outside REFJA-listed countries may have enforcement difficulties; Singapore counsel may wish to consider hybrid clauses for non-REFJA customers.

Category 2 — Common-law-specific drafting changes:

- **Self-help repossession permitted under safeguards** (Clause 10.8): Singapore common law permits a seller to enter and recover ROT goods provided there is no breach of peace and the contract authorises it; SG counsel should advise on operational protocols.
- **Particular lien over Customer-owned tooling** (Clause 16.3): Singapore common law recognises possessory liens for unpaid services and maintenance; lien framework retained with separate know-how protection clause (Clause 16.3A) to avoid restraint-of-trade severance.
- **Romalpa-style claim rebuilt as contractual debt** (Clauses 10.5–10.6): drafted to acknowledge SG common law limits (*Borden, Clough Mill v Martin*) on proprietary tracing post-processing; charge-registration cooperation duty added under Companies Act s.131.
- **Contracts (Rights of Third Parties) Act expressly excluded** (Clause 23.8) save for RTS

Connect Group affiliates.

Category 3 — Liability cap reasonableness under UCTA:

- **Liability caps drafted to pass UCTA s.11 reasonableness test** (Clause 13.4): express reference to negotiated price, ability to insure, statutory remedies, commercial context.
- **Mandatory carve-outs preserved** (Clause 13.3): death/personal injury from negligence (UCTA s.2(1)); fraud; title under SoGA s.12.
- **Entire agreement and non-reliance clause** (Clause 23.3) — replacing direct misrepresentation exclusion (which carries higher UCTA risk).
- **12-month cap floor at SGD 500,000** (Clause 13.1(c)) — improves UCTA reasonableness for low-revenue, high-exposure customer relationships.

Category 4 — Singapore-specific compliance additions:

- **Strategic Goods (Control) Act, Prevention of Corruption Act, UK Bribery Act 2010, US FCPA** (Clauses 15.3-15.4).
- **PDPA replaces PIPL** (Clause 19) with GDPR carve-out for cross-border data flows.
- **GST replaces VAT** in invoicing mechanics (Clause 6.6).

Appendix B: V2 Changes from V1 (Singapore Counsel Audit Response)

Tier 1 — Legal errors corrected:

§4.2(a) — Liquidated damages clause restructured to comply with post-*Denka v Seraya* binary distinction (LD vs penalty); "minimum loss + further damages" formulation removed; clean LD in full and final settlement framing.

§6.2 — Late payment interest converted from monthly compounding (penalty risk under *Denka*) to simple daily interest with statutory rate cap and explicit cross-reference to Late Payment of Commercial Debts Act 2024.

§10.5–10.6 — Romalpa clause rebuilt to acknowledge SG common law reality: no "deemed manufacturer" or "fiduciary" framing (rejected since *Clough Mill v Martin* 1985); replaced with contractual debt claim plus assignment with explicit charge-registration cooperation duty.

§13.3 — Statutory references corrected: UCTA s.2(1) (not s.6) for death/PI; SoGA s.12 (not s.14) for title.

Tier 2 — Material risk reductions:

§13.1(a) — Late delivery LD clarified as exclusive remedy for delay only (resolves §13.1(b) cross-application ambiguity).

§13.1(c) — Floor of SGD 500,000 added to 12-month aggregate cap to improve UCTA reasonableness.

§13.6 — Insurance certificate undertaking strengthened from "may produce" to "shall produce on reasonable request" (with redaction right preserved).

§15.1, §15.3, §17.3, §19.2 — Customer indemnities changed from "full indemnity / all losses" to

"reasonable basis / direct losses" formulations to reduce UCTA s.4 challenge risk; "reputational harm" removed as unquantifiable.

§16.3 + §16.3A — Tooling lien know-how undertaking restructured: protection of process know-how is now a separate independent contractual obligation (Clause 16.3A), not a condition of lien release; restraint-of-trade scope and duration expressly acknowledged as reasonable.

§23.3 — Misrepresentation exclusion replaced with non-reliance + entire agreement framing (better UCTA s.11 posture).

§6.4 — IRDA moratorium acknowledgement added to acceleration clause.

§10.2 — Permitted financing carve-out added (allows customer's pre-existing bank security ranking behind RTS retention of title).

Tier 3 — Drafting cleanup:

§5.1 — GST rate change clause added (relevant given recent SG GST increases).

§11.1(d) — "Notifications failing requirements are invalid" softened to "may be treated as withdrawn after 14-day cure".

§16.1 — Exact 50% ambiguity resolved ($\leq 50\%$ RTS / $> 50\%$ Customer).

§19.1 — PDPA updated to "as amended from time to time"; GDPR full name; PDPA contractual safeguards expressly referenced.

§22.1, §22.3 — Registered office fallback for notices; fax removed.

§7.3 — Customer right to request evidence of group cross-guarantee arrangement.

Tier 4 — New material added:

Clause 25 — Acceptance mechanism and signature block (resolves "how does customer formally accept" gap).

Items still flagged for Singapore counsel attention:

(i) Whether Clause 13.1(c) (12-month aggregate cap, even with SGD 500K floor) passes UCTA reasonableness for high-value automotive customers; whether to negotiate sliding caps for Tier 1 customers.

(ii) The Singapore courts choice in Clause 24.2 vs. an arbitration alternative (SIAC) for customers domiciled outside REFJA-listed countries — particularly US, China, most of EU.

(iii) Whether Clause 10.5 charge-registration cooperation duty is sufficient, or whether the assignment structure should be redrafted to avoid charge characterisation entirely.

(iv) Clause 16.3A (process know-how restraint) — whether 24-month duration and worldwide scope will survive *post-Man Financial Singapore v Wong Bark Chuan David* restraint-of-trade scrutiny.

(v) Clause 10.8 self-help repossession — operational protocol to ensure no breach of peace and no PL insurance exclusion in practice.

(vi) Whether RTS should add a general IP non-infringement representation (currently silent except

manufacturer pass-through in Clause 11.6) — sophisticated automotive customers will demand this.

(vii) Cybersecurity-specific clause may be required given SG Cybersecurity Act 2018 and Tier 1 OEM expectations.