



KM.ON by KARL MAYER

Terms and Conditions

1st March 2023

Terms and Conditions

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List of Definitions

The definitions for the purpose of this Agreement are derived from the List of Definitions of the Connectivity Conditions (**Annex 3**) and shall be extended to include the following definitions:

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| "Conditions" | As defined in preamble (A). | |
| "Connectivity Conditions" | Can be viewed under Annex 3 . | |
| "Processing results" or data output | are all contents and/or materials, programmes as well as other information resulting from the processing of raw data - either from the category of "status" or from the category of "production" - through intended use of the machine and the applied digital services, including all summaries, rearrangements, statistics, analyses and visualisations. | |
| "Excluded data" | A certain type of data is considered "confidential business (information)". This category of data includes trade secrets and data owned by the customer or which is know-how of the customer in the sense that the data allows conclusions to be drawn about technical product compositions or processes worthy of protection. Exemplary data in this category are patterns and lappings that are already the property of the Customer or have been changed by the Customer. | |
| "k.innovation CORE" | As defined in Annex 2 Attachment C . | |
| "k.innovation STYLE" | As defined in Annex 2 Attachment B . | |
| "k.management Dashboard Pro" | As defined in Annex 2 Attachment C . | |
| "KM-SU" | As defined in preamble (B). | |
| "Production Data" | are all raw data that allow conclusions to be drawn about the production processes, such as access and use of the machine. This includes data on the functional sequences of the machine, the operation and all other internal processes (control states, errors in the production process) | |
| "Raw data" or "data input" | | are all contents and/or materials, programmes as well as other information of the Customer (with the exception of data which are the result of a data processing process, "data output") which are 1. made available to KM.ON by the Customer in connection with this contract - including through KM.ON's access to machines / other systems of the Customer. 2. entered by the Customer into files, spreadsheets, programs, systems or other storage media that are products of KM.ON. 3. entered into the machine by the Customer or loaded onto his systems. |
| "Status data" | | are all raw data that allow conclusions to be drawn about the structural and/or technical status of the machine. For example, the maintenance status of the machine can be monitored using this data (status monitoring). These data include, in particular, machine data (such as usage type and duration, utilisation, status, status and error messages), environmental data (temperature, humidity, air pressure) and machine-related network data (access, bandwidth utilisation, communication, interaction); k.ey device-related data (network information, access information, usage). |

Preamble

- (A) The following Conditions together with their annexes ("**Conditions**") of KM.ON GmbH, Carl-Benz-Straße 21, 60386 Frankfurt am Main, Germany ("**KM.ON**") govern rights and obligations in connection with cloud-based software solutions, in particular communication and support options ("**Solutions**"), which KM.ON makes available to the "**Customer**" via a platform (the "**Platform**", also referred to as "**myKM.ON**") for a certain period of time. The Customer and KM.ON are hereinafter each individually also referred to as a "**Party**" and collectively also referred to as the "**Parties**".
- (B) An effective contractual relationship exists on the basis of the Connectivity Conditions ("**CB**", attached as **Annex 3**) between the Customer and - depending on the individual case - either KARL MAYER STOLL Textil-maschinenfabrik GmbH ("**KMO**") or another company of the KARL MAYER group of companies listed in **Annex 1** (the so-called KARL MAYER Selling Unit, "**KM-SU**").
- (C) The Parties are aware that in the dynamically developing field of "Industry 4.0", adaptation requirements with regard to these Conditions may arise at any time.

General regulations and Use of the Solutions

- 1. Subject of the Conditions; definitions from the CB; version update**
- 1.1 The subject matter of these Conditions is the temporary provision of access to the Solutions defined in **Annex 2**, insofar as the Customer has opted for the Solutions specified in **Annex 2** within the framework of the ordering process (Clause 2) and KM.ON has accepted the Customer's order, and the associated further services by KM.ON to the Customer for use via a remote data connection in return for payment, which are also defined in more detail below.
- 1.2 Unless otherwise provided for in these Conditions, the definitions of CB shall apply mutatis mutandis to these Conditions.
- 1.3 If other contractual agreements already exist between KM.ON and the Customer, the content of which is (partially) identical to these Conditions, these agreements shall be replaced by these Conditions. Any previous versions of these Conditions existing between the Parties are superseded by these Conditions.
- 2. Order Solutions**
- 2.1 The Solutions presented on the platform and the website are merely a non-binding invitation to the Customer to submit an offer to conclude a contract, unless the Customer has an individually prepared offer.
- 2.2 The following provisions apply to the ordering of Solutions by e-mail:
- (a) The remuneration arrangements and the payment options and modalities offered to the Customer are set out in Clause 3.
- (b) A contract based on these Conditions shall only be concluded when KM.ON accepts the Customer's order by separate e-mail, at the latest, however, when KM.ON provides the Solutions.
- 2.3 The following provisions apply to the ordering of Solutions on the platform or in the KM.ON web shop:
- (a) By clicking the button ["Add to shopping cart"], the Customer initiates the ordering process with regard to the respective Solution.
- (b) After the Customer has made the entries required for the order, he continues to the next page by clicking on the button ["Continue"]. On the last page of the order process, the Customer receives a complete overview of the Solutions ordered and all the data entered. The Customer can correct input errors by clicking on the ["Back"] button and, if necessary, make the desired changes or cancel the order process and start again from the beginning.

- (c) The remuneration arrangements and the payment options and modalities offered to the Customer are set out in Clause 3.
- (d) An order is only possible for the Customer if:
 - (i) the Customer accepts these Conditions by clicking on the corresponding box on the last page of the order process. It is possible to print and/or save these Conditions before accepting and submitting the order to KM.ON.
 - (ii) the Customer confirms the existence of a CB in respect of the Machines to be covered by Solutions by clicking on and completing the relevant box.
- (e) By clicking the button "Order subject to payment" on the last page of the ordering process, the Customer places a binding order (offer within the meaning of Section 145 German Civil Code). The Customer is bound to his order for seven (7) calendar days, starting from the dispatch of the order.
- (f) After receipt of the order, the Customer will receive a confirmation of receipt by e-mail to the e-mail address provided by him. This confirmation of receipt does not constitute acceptance by KM.ON, but merely documents that the order has been received.
- (g) A contract based on these Conditions shall only be concluded when KM.ON accepts the Customer's order by separate e-mail following the confirmation of receipt, at the latest, however, when KM.ON provides the Solutions.
- (h) The details of the order (contractual provisions and these Conditions) are also contained in the confirmation of receipt that KM.ON sends to Customers by e-mail after receipt of the order. It is the Customer's responsibility to permanently save or print out the confirmation of receipt so that the contractual provisions are available to the Customer in a permanent form.

3. Compensation

- 3.1 The Customer pays for the Solutions one year in advance.
- 3.2 In the case of payment in advance, payment shall be due upon conclusion of the contract based on these Conditions. The Customer is therefore always obliged to pay in advance. In case of payment on invoice, payment is due within the calendar days indicated on the invoice. A deposit paid at the time of ordering will be refunded if the contract is not concluded.
- 3.3 For each year or part thereof (cf. Clause 3.2), the Customer shall pay KM.ON a lump sum. The lump sum is the sum of the monthly remunerations resulting from the Solutions ordered by the Customer.
- 3.4 The following applies with regard to the amount of remuneration:
 - (a) KM.ON shall be entitled to increase the remuneration to be paid accordingly in the event of additional costs incurred at its reasonable discretion (Section 315 German Civil Code). In the event of falling costs, KM.ON shall also reduce the remuneration at its reasonable discretion. KM.ON shall select the points in time of the change in remuneration in such a way that cost reductions can have at least the same effect on remuneration as cost increases. If the Customer has paid in advance, any refunds / additional payments are to be paid with the next statement at the end of the respective advance payment period.
 - (b) KM.ON shall inform the Customer in text form of any changes to the remuneration six (6) weeks before the change takes effect with reference to the right of termination in accordance with the following sentence 2. In the event of an increase in remuneration, the Customer has the right to terminate the contract based on these Conditions without notice.

(c) Objections to the billing for services provided by KM.ON must be raised by the Customer in writing to the office indicated on the invoice within a period of eight (8) weeks after receipt of the invoice. After expiry of the aforementioned period, the statement shall be deemed to have been approved by the Customer. KM.ON shall specifically draw the Customer's attention to the significance of his conduct when sending the invoice.

4. Information on Solutions; Statements of condition; Product information and Labelling

- 4.1 Product documents, illustrations, details of performance, weights and dimensions are as accurate as possible. Unless otherwise stated or agreed, these only represent approximate values and in particular do not constitute a statement of condition or a guarantee.
- 4.2 Any markings on or relating to the Solutions which are required by law (such as a CE marking, a WEEE marking) and any batch numbers or other identifiers do not constitute statements of condition or guarantees to the Customer but are applied by KM.ON in order to comply with KM.ON's regulatory obligations.
- 4.3 It is the Customer's responsibility to read the associated product information carefully before using the Solutions and to use the Solution with due care.

5. Provision of Solutions; Service Level Agreement

- 5.1 KM.ON shall make the Solutions ordered in accordance with clause 2 and confirmed by KM.ON available to the Customer for retrieval via the Internet for the term of the contract based on these Conditions. The scope of application and the range of functions of the respective solution as well as the technical and organisational requirements for its use (e.g. the required bandwidth of the remote data connection) are defined in more detail in **Annex 2 ("Specifications")**. KM.ON sets up the

Solutions on servers that are accessible to the Customer via the Internet. An adaptation or extension of the Solution tailored to the specific needs of the Customer is not owed.

- 5.2 KM.ON provides the Solutions exclusively for the work with and data processing of the KM-SU machines. The contractual relationship based on the CB (**Annex 3**) between the Customer and KM-SU is an integral part of the contract based on these Conditions. KM.ON's obligation to perform is therefore subject to the following cumulative and indispensable conditions:
- (a) There is a contract between KM-SU and the Customer based on the CB;
- (b) the machines for which KM.ON is to provide the Solutions on a temporary basis are covered by a connectivity package from the effective CB; and
- (c) the Customer fulfils all the requirements and cooperation obligations specified in the CB.
- 5.3 Termination of CB by the Customer is not excluded by these Conditions. Any termination of CB declared during the term of these Conditions shall only take effect upon expiry of the contract based on these Conditions.
- 5.4 Unless otherwise agreed in these Conditions, the provisions of the CB shall apply mutatis mutandis to the provision of the Solutions - including for the key device - by KM.ON or KM-SU.
- 5.5 KM.ON shall be free to provide a more recent version of the Solutions than that made available for use at the time of the Customer's agreement to these Conditions, provided that the change is reasonable for the Customer. The Customer shall not be entitled to a newer version of the originally provided and agreed solution.
- 5.6 If KM.ON has significant new features or upgrades with regard to individual solutions, KM.ON will offer these to the Customer and inform the Customer of the additional costs involved.
- 5.7 Unless otherwise stipulated in the respective Solution specifications (cf. **Annex 2**), KM.ON shall

provide the Solutions at the Delivery Point specified in the CB (currently Annex 1 Attachment C of the CB). The Solution remains on the servers of KM.ON and/or third parties commissioned by KM.ON. KM.ON is entitled to redefine the transfer point if this is necessary for smooth access to the services owed by KM.ON. The Customer's obligations to cooperate pursuant to clause 7 shall also apply to the newly defined Delivery Point. At the Delivery Point, the Solution must have the technical usability agreed in Clause 5.1 in conjunction with Annex 1.

- 5.8 KM.ON shall either provide the Customer with the access data (user names and passwords) required to use the Solution or make the Solution available via the platform to which the Customer has access in accordance with the CB. If KM.ON provides the Customer with access data, the Customer may not pass these access data on to others. In all other respects, they must be kept safe and secret.
- 5.9 The Solution is generally made available twenty-four (24) hours a day with the exception of necessary maintenance and/or other downtime.
- 5.10 Further details are set out in the CB Service Level Agreement (currently Annex 1 Attachment C of the CB).

6. Rights to data; processing of data; protection of secrets

- 6.1 KM.ON shall be entitled to exploit status data as well as the processing results. KM.ON will not use Excluded Data. If, in an exceptional case, KM.ON exploits Excluded Data, KM.ON shall immediately and irretrievably destroy the Excluded Data and shall not use the exploited Excluded Data for the purposes specified in these Conditions (cf. Clause 6.2). If the Customer is of the opinion that certain data is Excluded Data, the Customer shall inform KM.ON accordingly. KM.ON shall, in accordance with this clause 6.1, use its reasonable discretion to determine whether the Customer's view is correct and then act accordingly.

- 6.2 The Customer grants KM.ON and all companies of the KARL MAYER Group of Companies the worldwide, exclusive, irrevocable right, unlimited in time, space and content, and sub-licensable, to use the production data. This includes in particular the right to access, process and store the anonymised production data irrespective of where it is stored and beyond any end of the agreement. In particular, the Customer agrees that KM.ON and all companies of the KARL MAYER group of companies may
- (a) access the production data regardless of where it is stored (machine, key device, Customer's network, platform, transmission paths);
 - (b) evaluate production data with algorithms and train machine learning models;
 - (c) use anonymised production data for advertising and marketing purposes;
 - (d) provide the production data to other companies in the KARL MAYER Group;
 - (e) provide KM-SU's suppliers with delivery data to the extent that their respective supplier products (components, software, etc.) are affected by the delivery data.

- 6.3 The Customer retains sole data sovereignty over the Excluded Data as well as the Production Data. The Customer is entitled to use the production and status data itself in order to achieve the purposes of use described in this agreement, subject to the following conditions, insofar as the data is provided to it by KM.ON. The Customer shall not transfer the data to any third party for independent use – in particular not to any competitor of KM-SU or KM.ON. Excluded from this are third parties who offer database and data management and analysis solutions, are not in competition with KM-SU or KM.ON and whose services are used by the Customer as part of its ordinary data management. The Customer may not extract and/or reuse content from the Platform and Solutions without KM.ON's express written consent.

- 6.4 The IT infrastructure used by the KARL MAYER Group of Companies is secured in accordance with the state of the art, in particular by firewalls. If KM.ON uses cloud services to fulfil its obligations arising from these Conditions, KM.ON shall ensure, as far as is reasonable, that the cloud services in question guarantee to use servers that are protected in accordance with the state of the art. KM.ON may rely on statements regarding the safety and performance of the respective service providers and does not have to carry out its own technical inspection. Applicable data protection law remains unaffected by this.
- 6.5 KM.ON and the Customer have the common understanding and assume that the Delivery Data transmitted under this Agreement, i.e. via the Platform or the k.ey device, does not contain any personal data. Insofar as KM.ON processes personal data of the Customer within the meaning of Art. 4 No. 1 GDPR ("**Personal CustomerData**") in connection with the provision, operation, support and maintenance of the Solutions and the Platform, this shall be done on behalf of the Customer (cf. Art. 28 GDPR) in accordance with the provisions set out in more detail in **Annex 3** . With regard to personal Customer data, the Customer remains "master of the data" in the sense of data protection law. He is responsible for the lawfulness of the processing of personal customer data in accordance with the order (cf. Art. 4 No. 7 GDPR).
- 7. Cooperation obligations of the Customer, applicability of the CB**
- 7.1 The Customer undertakes to establish and maintain the necessary remote data connection between the transfer point defined by KM.ON and the Customer's IT system in order to use the Solutions and the associated service offerings. With regard to the networking of the machines and the k.ey devices, the provisions of the CB apply.
- 7.2 The contractual use of the Solution requires that the hardware and software used by the Customer, including workstations, routers, data communication equipment, etc., comply with the minimum technical requirements of CB and the additional requirements specified in Annex 2.
- 7.3 The customer shall notify KM.ON of any failures or faults exclusively when using the Remote Service Connection. For this purpose, the Customer shall comply with the process currently set out in Annex 1 of the CB for the assertion of warranty claims and for other maintenance requests. The Customer shall use this process for all defects and in respect of all support or maintenance requests relating to the Solutions.
- 8. Notice of defects; claims for defects; use of the Remote Service Connection**
- 8.1 The customer shall examine the Solutions immediately after they have been made available and – if provided for in the individual case – test them. The Solutions shall be deemed to have been approved by the Customer if the Customer has not notified KM.ON of a defect (i) in the case of obvious defects without undue delay, but no later than seven (7) calendar days after the Solution has been made available to the customer or (ii) in the case of hidden defects also without undue delay, but no later than ten (10) calendar days after the defect has been discovered.
- 8.2 Insofar as the provision of a service is owed by KM.ON for a period of time within the framework of the agreement based on these Conditions and a defect arises during the term of the agreement, the Customer shall notify KM.ON of the defect within seven (7) calendar days after it arises.
- 8.3 The Customer shall describe defects in detail so that KM.ON is able to identify and remedy the defect.
- 8.4 The Customer shall notify KM.ON of a defect exclusively using the Remote Service Connection (e.g. usage process currently in Annex 1 of the CB, accessibility currently in Annex 1 Attachment C of the CB). The Customer shall use this process for

all defects and in respect of all support or maintenance requests relating to the Solutions.

- 8.5 The Customer shall have no warranty claims:
- (a) in the case of only insignificant deviation from the agreed quality or only insignificant impairment of the usability of the Solution;
 - (b) in the event of defects caused by non-compliance with the conditions of use intended for the Solution and specified in the application documentation (defined in more detail in Annex 2);
 - (c) in the event of operating error by the customer;
 - (d) in the case of the use of hardware, software or other equipment which is not suitable for use of the Solution (cf. the CB and Annex 2, in which the requirements are specified);
 - (e) if the Customer does not report an obvious defect immediately or a hidden defect immediately after discovery and KM.ON was unable to remedy the defect as a result of the failure to report the defect immediately or;
 - (f) if the Customer is aware of the defect during provision of the Solutions and has not reserved its rights.
- 8.6 Insofar as a defect has been reported by the Customer and the Customer's warranty claims are not excluded, KM.ON shall be obliged to remedy the defect within a reasonable period – through measures of its own discretion. The Customer shall give KM.ON reasonable time and opportunity to remedy the defect. KM.ON's employees and agents shall be granted free access to the Customer's systems for this purpose, to the extent necessary.
- 8.7 In the event of impossibility or failure to remedy the defect, culpable or unreasonable delay or serious and final refusal to remedy the defect by KM.ON or other unreasonableness of remedying the defect for the customer, the Customer shall in particular be entitled to reduce the remuneration owed in accordance with the extent of the impairment

(reduction). The user shall not be entitled to assert a claim for reduction by independently deducting the amount of the reduction from the remuneration to be paid on an ongoing basis; the Customer's claim under enrichment statutes to reclaim the overpaid share of the remuneration shall remain unaffected by this.

9. Liability; Indemnification

- 9.1 The Parties shall be liable to each other without limitation:
- (a) in the event of fraud, wilful misconduct or gross negligence;
 - (b) within the framework of a guarantee expressly assumed by them;
 - (c) for damages resulting from injury to life, limb or health;
 - (d) for the breach of a material contractual obligation, the fulfilment of which is a prerequisite for the proper performance of the contract based on these Conditions and on the observance of which the Parties may regularly rely and trust ("**cardinal obligation**"), but limited to the damage reasonably to be expected upon acceptance of these Conditions;
 - (e) in accordance with the provisions of the Product Liability Act.
- 9.2 Apart from that, liability of the Parties is excluded.
- 9.3 The above liability rules apply accordingly to the conduct of and claims against employees, legal representatives and vicarious agents of the Parties.
- 9.4 In the event that Solutions are accessed by unauthorised third parties using the Customer's access data, the Customer shall be liable for any fees incurred as a result within the scope of civil liability until receipt of the Customer's order to change the access data or notification of the loss or theft, unless the Customer is not at fault for the access of the unauthorised third party.

10. Periods of provision; force majeure;

reservation of self-delivery; early or partial deliveries;

- 10.1 Provision deadlines must be confirmed in writing by KM.ON in order for them to be binding. Periods of provision shall commence on the day of confirmation of the order, but not before complete clarification of all details of the order and not before timely fulfilment of the contractual obligations of the Customer, in particular with regard to the hardware and network environment to be provided by the Customer.
- 10.2 Force majeure (which also includes strikes, pandemics, epidemics as well as other events of force majeure, i.e. in the abstract an event which at the time of acceptance of these Conditions is external to the company, caused by elementary natural forces or by the actions of third parties, which is unforeseeable according to human insight and experience, cannot be prevented or rendered harmless by economically acceptable means even by the utmost care reasonably to be expected in the circumstances and is also not to be accepted because of its frequency), which results in KM.ON being unable to deliver or provide through no fault of its own, shall result in an extension of the relevant provision period for as long as such circumstance persists. If these circumstances make delivery unreasonable, KM.ON shall be entitled to terminate the contract based on these Conditions.
- 10.3 In the event of non-delivery or late delivery to KM.ON, which also includes service providers and other third parties who provide services that enable KM.ON to provide the solution, KM.ON shall not be in default unless KM.ON is responsible for the non-delivery or late delivery to KM.ON. If it is established that KM.ON is not supplied with the solutions ordered by KM.ON or with the supplier products and services required for the provision of the Solutions, despite the conclusion of a congruent hedging transaction, for reasons for which KM.ON is not responsible, KM.ON shall be entitled to terminate the contract on which this

agreement is based. Any statutory rights of termination shall remain unaffected.

11. Confidentiality

- 11.1 In the course of the contractual relationship based on these Conditions, there will be disclosure and exchange of confidential information between the customer and KM.ON. Such "confidential information" is
- (a) all information of an economic, commercial, technical or other confidential nature, in particular all specifications, descriptions, sketches, drawings, designs, shapes, samples, data, inventions, formulae, procedures, plans, programmes, models, findings, experience and know-how (for example relating to Solutions);
 - (b) the content of the Solutions provided;
 - (c) the mode of operation, layout and design of the area of the platform accessible only to the Customer;
 - (d) information that KM.ON expressly designates as confidential, with the exception of information covered by Clause 2.5.
- 11.2 The Customer and KM.ON undertake to treat the confidential information with confidentiality and not to make it accessible to third parties. Copies may only be made for own use; all confidential information must be stored in such a way that third parties cannot gain knowledge of it.
- 11.3 The Customer undertakes to use the confidential information exclusively for the use of the Solutions, but not for other business purposes, in particular not for its own platform-related projects, development of products similar to the Solutions or the promotion of platform-related projects or development of solutions of third parties.
- 11.4 The confidentiality obligations assumed under sections 11.2 and 11.3 shall apply – notwithstanding the provision in section 11.5 – without limitation as to time and place. In particular, they shall also apply after the end of the contractual relationship based on the Conditions.

- 11.5 Exempt from the confidentiality obligations are knowledge and information,
- (a) which were already in the public domain or in the public domain at the time they were provided to the customer or to KM.ON;
 - (b) which were already known at the time when they were disclosed to the person receiving the information;
 - (c) which subsequently became public or common knowledge or state of the art, without the fault of the person who originally received the confidential information;
 - (d) disclosed or made accessible to KM.ON or the customer by a third party authorised to do so;
 - (e) pertaining to which KM.ON or the customer has given its prior written consent to be forwarded, disclosed or made available to third parties.

The burden of proving the existence of an exception in the above sense shall be on the person who invokes the existence of the exception.

- 11.6 During the term of this agreement and after its termination, the Customer and KM.ON shall be prohibited from reverse engineering, analysing and/or reconstructing any confidential information provided. The rights of the customer under Section 69d (2) and (3) and Section 69e Copyright Act (UrhG) shall remain unaffected.

12. Term, termination

- 12.1 The contractual relationship based on these Conditions shall come into force upon acceptance of the application by the Customer and shall have a term of 12 (twelve) months. Thereafter, the term of the contract based on these Conditions shall be automatically extended for a further 12 (twelve) months, unless the contract is terminated by either party at the respective end of the contract term with a notice period of three (3) months.
- 12.2 The right of both Parties to extraordinary termination for good cause remains unaffected. Good cause shall be deemed to exist in particular if a party intentionally or negligently breaches a

material obligation arising from the contract based on these Conditions (e.g. in the event of a breach of cardinal obligations) and it is therefore no longer reasonable for the terminating party to adhere to the contract arising from these Conditions.

- 12.3 KM.ON shall be entitled to termination in particular
- (a) in the event of repeated or significant default of payment by the Customer;
 - (b) if the Customer breaches an obligation under sections 7 or 11 of these Conditions and KM.ON has previously issued a warning to the Customer.

13. Applicable law; Place of performance; Arbitration clause; Severability clause; Singular and plural formulations; Precedence of the individual agreement

- 13.1 These Conditions and the contract based on these Conditions shall be governed by German law to the exclusion of the UN Convention on Contracts for the International Sale of Goods and the conflict of laws rules.
- 13.2 The registered office of KM.ON GmbH as shown in the commercial register is the exclusive place of performance for all delivery and payment obligations.
- 13.3 All disputes arising out of or in connection with these Conditions and the contract based on these Conditions or through their validity shall be finally settled in accordance with the Rules of Arbitration of the German Institution of Arbitration e.V. (DIS) to the exclusion of the ordinary courts of law. The arbitral tribunal shall consist of one (1) sole arbitrator for amounts in dispute up to EUR 400,000.00 (inclusive) and three (3) arbitrators for amounts in dispute above EUR 400,000.00. The place of arbitration shall be the registered office of KM.ON GmbH as shown in the Commercial Register. The language of the proceedings shall be German. The applicable law in the matter is the law of the Federal Republic of Germany, to the exclusion of private international law and other conflict-of-law provisions.

- 13.4 KM.ON shall also remain entitled to bring legal action at the customer's registered office or before any other court or tribunal having jurisdiction by law.
- 13.5 If any provision of these Conditions is or becomes invalid, unenforceable or unenforceable in whole or in part ("**Defective Provision**"), the validity and enforceability of the remaining provisions shall not be affected. Rather, the Parties undertake to replace the defective provision with a provision that comes as close as possible to what the Parties would have agreed in accordance with the meaning and purpose of this agreement if they had recognised the defectiveness of the provision. If the defectiveness of a provision is based on the determination of a certain level of performance or a certain point in time (deadline or fixed date), the provision shall be deemed to be agreed with that level or point in time which legally comes closest to the original level or point in time. The same applies to any gap in this agreement. With this severability clause, the Parties not only want to reverse the burden of proof, but also exclude section 139 German Civil Code, according to which a contract is completely null and void if it cannot be assumed that a contract would also have been concluded with the void part.
- 13.6 Terms and definitions in the singular include the corresponding definitions and terms in the plural and vice versa.
- 13.7 Individual agreements made between the customer and KM.ON in individual cases (including ancillary agreements to this agreement) shall take precedence over this agreement. Subject to proof to the contrary, a written agreement or KM.ON's written confirmation shall be decisive for the content of such agreements. All legally relevant declarations and notifications by the Customer in connection with this agreement (e.g. setting of deadlines, notifications of defects, withdrawal, termination or reduction) must be made in writing, i.e. in writing or text form (e.g. letter, e-mail, fax), unless another form is agreed in this agreement,

for example with regard to declarations via the platform.

- 13.8 The Annexes form an integral part of these Conditions.

List of Annexes

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Annex 2 Specifications

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Attachment C Product data sheet k.management

Dashboard Pro

Annex 3 Connectivity-Agreement

Annex 1:

Contractual partner CB from the KARL MAYER Company Group

1. **KARL MAYER STOLL Textilmaschinenfabrik GmbH**, Industriestraße 1, 63179 Obertshausen, Deutschland;
2. **KARL MAYER (CHINA) Ltd.**, No. 518 Changwu South Road, Wujin District, Changzhou City, 213167, R.p.C.;
3. **KARL MAYER Technische Textilien GmbH**, Mauersberger Str. 2, 09117 Chemnitz, Deutschland;
4. **KARL MAYER Rotal S.r.l.**, Via Trento 117, 38017 Mezzolombardo, Italien;
5. **NIPPON MAYER Ltd.**, No. 27 – 33 1-chome, Kamikitano, Fukui City 918-85-22, Japan;
6. **KARL MAYER Textilmaschinen AG**, Sandackerstrasse 26, 9245 Oberbüren, Schweiz;
7. **KARL MAYER (H.K.) Ltd.**, 2907, Metroplaza Tower 2, 223 Hing Fong road, Kwai Chung, New Territories, Hong Kong;
8. **Mayer Textile Machine Corp.**, 310, North Chimney Rock Road, Greensboro, North Carolina 27409, USA;
9. **KARL MAYER Textile Machinery India Private Limited**, Sarkhej Bavla Road, Changodar, Plot No. 302/1, Panchratna Ind. Estate, 382213 Ahmedabad, Indien;
10. **KARL MAYER STOLL India Private Limited**, C-25, Sector 63, 201 301 Noida, Uttar Pradesh, Indien

Annex 2:

Specifications

1. **Retrievability**
 - 1.1 The specifications of the Solutions are arranged alphabetically according to the name of the respective Solution under Annex 2 Attachment 1 – 3.
2. **Adjustment of the specifications**
 - 2.1 KM.ON may adjust the specifications in accordance with clause 5.5 .

Attachment A:

Product data sheet k.innovation CORE

Preliminary remark: The following is an abstract description of the scope of services of the "CORE" solution belonging to k.innovation.

1. **k.innovation CORE – Overview**
 - 1.1 The k.innovation CORE ("CORE") solution is a digital solution for creating lappings data for tricot machines, special raschel machines and raschel machines without jacquard functionality.
 - 1.2 Access to CORE is browser-based by logging in via the myKM.ON platform.
 - 1.3 It is possible to create machine lappings which are used by certain KARL MAYER warp knitting machines with operating systems of the KAMCOS 2 variant and an electric guide bar control.
 - 1.4 The prerequisite for this is the use of a k.ey device that is networked with the machine. For more details on the k.ey device, see the CB (**Annex 3**).
2. **"k.innovation CORE" Specification and Description**
 - 2.1 CORE offers a tool for the creation of lapping data with which the basic guide bar movement of the respective machine is generated in the form of a machine-readable pattern file.
This currently includes two broad areas:

(a) A chain link editor that allows you to define the lappings for the individual bars - taking into account the limitations of the machine.

This currently includes:

- A visual representation of the lappings entered with the option to adjust them according to the thread feed scheme;
- The option of entering further parameters for the machine and saving them in the pattern file, e.g. thread infeed values, fabric take-off values;
- The creation of the sample file with all entered information in the new format *.kmx;
 - The import and editing of old sample files (*.kmo) already created by the Customer through third-party software and their conversion into the new sample data format (*.kmx);

(b) Collaboration functions that enable user collaboration with other people in the form of various projects.

This currently includes:

- The creation of different, independent projects including details of the projects;
- The option of adding team members (additional users) to specifically created projects and assigning them different roles with different permissions and access options;
- A communication option within these projects via the note function;
- The ability to upload files within a project and share them with project members. The following formats are supported here:
.PNG, .JPG, .JPEG, .EPS, .SVG, .TIFF, .TIF, .GIF, .AI, .PDF, .DOC, .DOCX, .XLS, .PPT, .XLSX, .TXT, .ODT, .ODS, .KMO, .MYR, .MC.

2.2 In addition, the pattern data created can be transferred directly from the software to individual machine types equipped with the KAMCOS 2

operating system and an electronic guide bar control. This is done via the KM.ON cloud.

2.3 For the HKS 3-M ON and HKS 4 M ON, the optimisation of the lapping curves is also carried out in the cloud, if this is possible for the selected lappings, so that the machine can produce the article at the maximum possible speed (depending on the specific lappings).

3. Obligations to cooperate and network requirements

3.1 To use the tool, the customer needs an Internet-enabled device (e.g. PC, laptop, etc.)

3.2 To ensure the functionality of the direct sample data transfer, the customer guarantees a stable network connection via LAN or W-LAN from the machines to be used to the k.ey device

3.3 The customer guarantees unrestricted Internet access of the k.ey device with a bandwidth of at least 10 10Mbps

4. Remuneration and notice periods

4.1 The remuneration is per user and amounts to EUR 2,750.00 per year.

4.2 The contract term and notice period for each booked module are set out in Clause 12 of the General Terms and Conditions.

Attachment B:

Product data sheet k.innovation STYLE

1. k.innovation STYLE – Overview:

1.1 The k.innovation STYLE ("STYLE") solution is a digital solution for creating pattern data for jacquard raschel machines.

1.2 Access to STYLE is browser-based by logging in via the myKM.ON platform.

1.3 Pattern designs can be created which are operated by certain KARL MAYER warp knitting machines with operating systems of the KAMCOS 1 & 2 variants, as well as older machines with jacquard patterns. For machines that are operated with KAMCOS 2, there is also the option of direct

pattern data transmission, which takes place via the KM.ON cloud to the machine.

- 1.4 The prerequisite for this is the use of a k.ey device that is networked with the machine and a booked connectivity package. For more details on the k.ey device, see the CB (**Annex 3**).

2. "k.innovation STYLE" Specification and Description

- 2.1 STYLE offers a patterning tool with which the jacquard design as well as the basic bar movement of the respective machine are generated in the form of a machine-readable pattern file.

This currently includes two broad areas:

- (a) Design tool enabling the creation of the jacquard pattern using design tools.

This currently includes:

- A design module in which the jacquard pattern can be created using design tools;
- Importing and editing image files in the design module, where the following formats are allowed: *.png, *.jpg;
- The choice of different technical colour palettes depending on machine type and knitting technique;
- Creating your own artistic colour palettes;
- The use of standard structure libraries integrated in the software as well as the creation and use of own structure libraries;
- The option of saving your own designs and design sections in a clipboard;
- Entering the lapping settings for all bars, taking into account the limitations of the machine;
- The option of entering further parameters for the machine and saving them in the pattern file, e.g. thread infeed values;
- A 2D and 3D simulation of the created design or a section of the design – the size of the section depends on the performance of the end device;

- Creation of a layout from one or different designs including the definition of the repeats for the corresponding machine (type, fineness, width);
 - Creation of the sample file with all entered information in the new format *.kmx or in the format *.kmo for downloading for KAMCOS 1 machines;
 - The import and editing of old sample files (*.kmo) already created by the customer through third-party software and their conversion into the new sample data format (*.kmx);
 - Creation of documentation in *.pdf format with the contents of the sample file.
- (b) Collaboration functions that enable user collaboration with other people in the form of various projects.

This currently includes:

- The creation of different, independent projects including details of the projects;
- The option of adding team members (additional users) to specifically created projects and assigning them different roles with different permissions and access options;
- A communication option within these projects via the note function;
- The ability to upload files within a project and share them with project members. The following formats are supported here:
.PNG, .JPG, .JPEG, .EPS, .SVG, .TIFF, .TIF, .GIF, .AI, .PDF, .DOC, .DOCX, .XLS, .PPT, .XLSX, .TXT, .ODT, .ODS, .KMO, .MYR, .MC.

- 2.2 Sample data can currently be created for the following machine types:

- RSJ 4/1 EL
- RSJ 4/1
- RSJF 4/1 EL
- RSJ 4/2 EL
- RSJ 5/1 EL

- RSJ 5/1
- RJPC 4 F EL
- RJPC 5 F EL

2.3 In addition, the pattern data created can be transferred directly from the software to individual machine types equipped with the KAMCOS 2 operating system. This is done via the KM.ON cloud.

3. Obligations to cooperate and network requirements

3.1 To use the tool, the customer needs an Internet-enabled device (e.g. PC, laptop, etc.)

3.2 To ensure the functionality of the direct sample data transfer, the customer guarantees a stable network connection via LAN or W-LAN from the machines to be used to the k.ey device

3.3 The customer guarantees unrestricted Internet access of the k.ey device with a bandwidth of at least 10 10Mbps

4. Remuneration and notice periods

4.1 The remuneration is per user and amounts to EUR 3,150.00 per year.

4.2 The contract term and notice period for each booked module are set out in Clause 12 of the General Terms and Conditions.

Attachment C:

Product data sheet k.management Dashboard Pro

Preliminary remarks: What follows is an abstract scope of services for the "Dashboard Pro" Solutions, which belongs to the k.management. Whether the Solutions described herein are available to the Customer shall be determined by the specific agreements on the content and scope of the KARL MAYER STOLL Connectivity Packages..

1. k.management Dashboard Pro – Overview

1.1 Dashboard Pro is a cloud-based k.management Solution within the Machine Data Visualisation Platform ("**Dashboard Pro**" or "**Dashboard**").

1.2 Access to the dashboard is browser-based via login through myKM.ON platform

1.3 In principle, processed machine data from Networkable Machines can be displayed. Details of the hardware requirements and network requirements are set out in the signed Connectivity Agreement. On the landing page of the Dashboard, all Networkable Machines that the customer has networked via the k.ey device (the "**Networked Machines**") are displayed as an overview (the "**Overview Page**").

1.4 The Dashboard Pro is available for Warp Knitting KAMCOS 1 and KAMCOS 2 systems. To the extent that functionalities differ with respect to individual Networked Machines, such differences shall also result from the specifications in the Connectivity Agreement.

2. "k.management Dashboard Pro" Specification and Description

2.1 Where a Machine is covered by this item, the Dashboard Pro shall include the following functions:

(a) Sorting functions with which the Customer can sort all Networked Machines on the Overview Page by "Machine name A–Z", "Next Beam Swap", "Production Remaining Time", "Next Upcoming Action", "Stops Current Piece", "Running / 24h" and "Status"..

(b) A statistics function, with which it is possible to retroactively evaluate historical production data of the concrete Networked Machine (the "Statistics Function"). The Statistics Function contains a historical overview of the "Machine status (running, stopped, or offline)" of the respective Networked Machine, whereby the following time periods can be selected:

- 1h
- 8h
- 24h
- Last Week
- Custom

3. Remuneration and notice periods

- 3.1 The remuneration is per machine and amounts to EUR 80.00 per year.
- 3.2 The contract term and notice period for each booked module are set out in Clause 12 of the General Terms and Conditions.

Annex 3:

Connectivity Terms and Conditions

The A digital copy of the Connectivity Terms and Conditions of Karl MAYER STOLL Textilmaschinenfabrik GmbH can be viewed and saved under the following link can be viewed and saved:

https://www.karlmayer.com/ecomaXL/files/22_KM_Connectivity_Vereinbarung_KMO_E_3.pdf