
Mayer Textile Machine Corporation

CONNECTIVITY TERMS AND CONDITIONS 2.0

1st November 2023

These Connectivity Terms and Conditions, together with the appendices and annexes attached hereto and as may be amended (collectively, these "Connectivity Terms and Conditions"), shall govern as to the matters set forth below as between you, the Customer ("Customer"), and Mayer Textile Machine Corporation sometimes doing business as KARL MAYER North America ("KMNA"), as to the Services described below. Each of Customer and KMNA are sometimes referred to as a "Party" and, collectively,

as the "Parties." KMNA is one of a number of companies which are collectively referred to herein as the "KARL MAYER Group," which means, includes, and consists of KARL MAYER STOLL Textilmaschinenfabrik GmbH and all of its affiliated companies and enterprises, as well as any other companies, joint ventures or other legal entities that are directly or indirectly controlled, through one or more intermediaries, by KARL MAYER Holding SE & Co. KG.

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1. Introduction.

KMNA is making available to Customer for use in connection with Customer's Networkable Machines (meaning any textile machine manufactured or provided by a KARL MAYER Group company ("Machine") which has the practical capability of operating in connection with the Services), various communication and support solutions via a proprietary gateway (the "k.ey device," as more specifically described in Section 5 below) and a proprietary platform ("myKM.ON"). These support solutions allow KARL MAYER Group to collect machine use and parameter data, perform analytics of this data, and provide customers with information applications using, mapping, and summarizing collected and processed data ("Solutions"). The k.ey device also enables remote access to machines by KARL MAYER Group for diagnostic purposes. Use of these services will be in conjunction with k.ey device(s) embedded with software that enables connection of Networkable Machines with the internet and the transmission/transfer of data to the appropriate destination via myKM.ON. Customers can view the information provided in the "Connectivity Packages" (as described in Section 4 below and in Appendix 1 hereto) by using applications that one or more of KARL MAYER Group developed or will develop and that can be accessed via myKM.ON. These Connectivity Terms and Conditions shall govern and regulate the rights and obligations of Customer and KMNA in connection with the provision and use of any of the "Services" (which means and includes the Connectivity Packages, the Solutions, myKM.ON, the k.ey devices, any KARL MAYER Group software solutions which are a part of or embodied in any of (or any portion of) the other Services (the "Software"), in connection with Networkable Machines.

2. Entire Agreement; Modification.

- a. Customer's acceptance of and agreement to the Connectivity Terms and Conditions shall be conclusively presumed from and established by any of the following (upon which KMNA may rely): (a) Customer's entry into any agreement, placement of any order, or receipt of any confirmation, acknowledgement, or invoice (each, a "Transaction Document") which references provision or access to or use by Customer of Connectivity Package(s), k.ey device(s), or other Services; (b) Customer's acceptance or use of, or payment for all or any part of, the Services, or (c) Customer's taking any other action or inaction evidencing Customer's acceptance of any of the Services.
- b. As to the Services, these Connectivity Terms and Conditions, together with any applicable Transaction Document (if applicable) shall constitute the complete and final agreement between KMNA and Customer, and shall supersede any and all prior oral or written communications, representations or understandings between the parties concerning the subject matter of these Connectivity Terms and Conditions. Any irreconcilable conflict between these Connectivity Terms and Conditions and any Transaction Document shall be resolved in favor of these Connectivity Terms and Conditions. KMNA's acceptance of a Customer purchase order or KMNA's provision of any Services shall not constitute acceptance of any of Customer's terms or conditions. Notwithstanding anything to the contrary, (i) KMNA may, unilaterally and in its sole discretion, prospectively modify these Connectivity Terms and Conditions, and such modifications shall be binding upon Customer, and (ii) no purported modifications or waivers of these Connectivity Terms and Conditions by oral agreement, course of performance, usage of trade, or any language in any document from Customer will be binding on KMNA. Any irreconcilable conflict between these Connectivity Terms and Condi-

tions and any Transaction Document shall be resolved in favor of these Connectivity Terms and Conditions. KMNA's acceptance of a Customer purchase order or KMNA's provision of any Services shall not constitute acceptance of any of Customer's terms or conditions.

- c. Notwithstanding anything to the contrary, and in addition to use of "Third-Party Services" as or with the Services (discussed below), KMNA shall be free, as KMNA deems fit in its sole discretion, to delegate any of its obligations under these Connectivity Terms and Conditions to one or more companies of the KARL MAYER Group, and KMNA shall in any event be the only KARL MAYER Group entity with any responsibility vis-à-vis Customer for any of KMNA's obligations set forth in these Connectivity Terms and Conditions.
- ## 3. Access to Services: License; Restrictions and Obligations.
- a. *Grant of Limited License.* Subject to and without limiting the provisions in these Connectivity Terms and Conditions, during the period that Customer has a k.ey device connected, is registered and allowed to access myKM.ON or has an active Connectivity Package under Appendix 1 in effect, and unless terminated earlier in accordance with these Terms and Conditions (the "Term"), KMNA hereby grants to Customer, on a non-exclusive, non-transferable, non-assignable, revocable basis, access to the Services solely for use by Customer in connection with Customer's Networkable Machines as used with Customer's business.
 - b. *Customer Restrictions.* Except as may otherwise be provided herein, Customer shall not itself, or through any third party(ies), (i) directly or indirectly license, distribute, resell, rent, lease, subcontract, or otherwise make available to any third party any of the Services (including, without limitation, the Software); or (ii) decompile, disassemble, reverse engineer, or access the source code in or for or related to any or all of the Services; or (iii) develop a product or service that (A) implements features, functions or graphics that are directly derived from any such decompiling, disassembling, reverse engineering, or accessing of such source code and (B) is reasonably construed to be in competition with the Services; provided, however, that there shall be no restriction on Customer developing a product or service that is competitive with the Services if such development is not otherwise in violation of this Section 3(b)(iii); (iv) use any or all of the Services (including but not limited to the Software) in a manner that is not authorized under these Connectivity Terms and Conditions or that constitutes a violation of any applicable law or (v) remove, conceal or alter any identification, copyright or other proprietary rights notices or labels on or in any k.ey device, or any other part of the Services. In addition to any other rights granted to KMNA in these Connectivity Terms and Conditions or available at law or in equity, KMNA reserves the right to limit, suspend or terminate the provision of or access to any or all of the Services, or terminate these Connectivity Terms and Conditions immediately upon written notice to Customer, if Customer has engaged in or permitted any of the foregoing restricted activities or has otherwise breached these Connectivity Terms and Conditions.
 - c. *Customer Obligations.* Customer shall provide all information, and shall provide and maintain the proper hardware, network, and system environment (including but not limited to remote access, electrical and telecommunications connections and any other resources and assistance) as deemed necessary or appropriate by KMNA to allow for proper use of the Services,

and Customer shall oblige its users accordingly. The hardware and network environment requirements are set forth in Appendix 1, Annex B, unless otherwise specified in these Connectivity Terms and Conditions. For the installation and maintenance of the k.ey devices, Customer shall grant KMNA access to the installation site of the k.ey devices during normal business hours after giving reasonable advance notice. In addition to all other remedies available to KMNA, if Customer does not fully comply with its obligations in this provision, KMNA will not be required to meet any performance obligations concerning myKM.ON until Customer has duly fulfilled all such obligations, and Customer shall pay/reimburse KMNA for all incurred expenses due to a breach of Customer's duties hereunder.

- d. *Internet Connectivity.* As between the Parties, Customer is solely responsible for acquiring and maintaining internet connectivity in order to access and use the Services, and Customer acknowledges that problems with the internet, including equipment, software, or network failures, impairments, or congestion may prevent, interrupt, or delay Customer's access to the Services. Customer shall be solely responsible for ordering, installing, maintaining the proper functioning of, and paying for any communications connections at Customer's terminals or other access devices at Customer's sites. In no event shall KMNA have any liability of any kind as a result of any loss or impairment of or as to internet connectivity.
- e. *Third-Party Services.* "Third-Party Services" means any content, product, tool, service, or software supplied or licensed by third parties and made available as part of or in connection with the Services. Additional terms and conditions may apply to Customer's use of Third-Party Services, and Customer shall comply with all such additional terms and conditions. In the event of changes in the terms applicable to any such Third-Party Services, KMNA reserves the right to terminate access to such Third-Party Services, remove such Third-Party Services from the Services, modify the Third-Party Services accessible hereunder, or add additional terms and conditions applicable to such Third-Party Services, in each case effective immediately upon notice being made reasonably available to Customer. Customer acknowledges and agrees that KMNA is not responsible for the provision, availability, or unavailability of any Third-Party Services.

4. **Connectivity Packages.**

One of the objects of the Services, and Connectivity Packages in particular, is to make available various Solutions that Customer may access and utilize in connection with its Networkable Machines. The content and scope of the available Connectivity Packages (including the Solutions available in specific Connectivity Packages) are set forth in Appendix 1 (which appendix may be amended by KMNA in its sole discretion at any time).

5. **k.ey devices.**

- a. In order to use myKM.ON and have access to the Solutions available within any Connectivity Package, Customer's Machines must be connected to the internet via a k.ey device.
- b. KMNA will provide to Customer, on a loan basis and at no additional charge to Customer, an appropriate number of k.ey devices, with the number of devices provided to be determined by KMNA in its discretion, taking into account the number, type, and use of Customer's Networkable Machines. KMNA may, in its sole discretion and upon reasonable notice,

exchange k.ey devices for newer versions or another comparable device during the Term. Customer shall grant KMNA access to the affected Machines and k.ey devices during Customer's normal business hours.

- c. Subject to the other provisions of these Connectivity Terms and Conditions, KMNA grants to Customer the non-exclusive, non-transferable, non-sublicensable and revocable right, during the Term, to use the provided k.ey devices (including the software embedded therein (the "k.ey device software") in connection with the Services.
- d. KMNA may, at any time and in its discretion, make modifications, changes and/or adjustments to k.ey devices (including software) and/or replace individual components thereof by means of remote maintenance access and/or by replacing k.ey devices, including but limited to the following: as KMNA and/or a company of the KARL MAYER Group may be obliged to do so on the basis of its own license and/or contractual software agreements; if such modification or adaptation is deemed by KMNA to be necessary or appropriate for the maintenance of the software; or if a further development, improvement, upgrade or new release status of the k.ey device software or individual components becomes available and KMNA wishes to utilize the same with the k.ey device.
- e. Customer shall accept the k.ey devices provided by KMNA and shall promptly implement and continue their use at all times with the operation of its Networkable Machines during the Term. Customer shall not accept, use, or possess any k.ey devices not provided by KMNA or another member of the KARL MAYER Group; instead, Customer shall immediately provide any such device to KMNA. Customer shall handle and operate the k.ey devices provided by KMNA carefully and in accordance with KMNA's instructions (whether in these Connectivity Terms and Conditions, in any KARL MAYER Group instructions or other materials regarding the use of the Services ("Documentation"), or otherwise) and with Customer's normal diligence (which in any event shall at least be with the diligence of a prudent merchant). If Customer does not comply with such terms and standard of care, it shall bear, and pay/reimburse KMNA for, all fees and expenses concerning any inspection, repair, and/or replacement of a k.ey device, in addition to all other remedies available to KMNA.

6. **Confidentiality; Intellectual Property.**

- a. As used herein, "Confidential Information" means all confidential information disclosed by a Party (the "Disclosing Party") to the other Party (the "Receiving Party"), whether orally or in writing, that is designated as confidential or that reasonably should be understood to be confidential given the nature of the information. Confidential Information of KMNA (whether or not otherwise designated as confidential) shall include, but is not limited to, the following: the Software; the Solutions; the functioning, layout and design of myKM.ON ; the Documentation; all information of an economic, commercial, technical or other confidential nature, including all specifications, descriptions, sketches, drawings, designs, sections, samples, data, inventions, formulae, procedures, plans, programmes, models, findings, experience and know-how (e.g., relating to the k.ey device); the Transmitted Data (defined below); and all information that KMNA expressly designates as confidential.
- b. During the Term and at all times thereafter, each Party, as a Receiving Party, shall (i) observe complete confidentiality with respect to Confidential Information of the Disclosing Party; (ii) not disclose, or permit any third party or entity

- access to, any Confidential Information (or any portion thereof) of the Disclosing Party without the Disclosing Party's prior written consent; (iii) not use, copy, or otherwise reproduce any Confidential Information (or any portion thereof) of the Disclosing Party except as authorized in these Connectivity Terms and Conditions, or as otherwise authorized by the Disclosing Party in writing; and (iii) ensure that any users who are hereunder permitted to and do receive access to Confidential Information are advised of the confidential and proprietary nature thereof and are prohibited from disclosing or using Confidential Information other than for the benefit of the Receiving Party in accordance with these Connectivity Terms and Conditions. Without limiting the foregoing, each Party shall use with the other Party's Confidential Information the same degree of care that it uses to protect the confidentiality of its own confidential information of like kind, but in no event less than reasonable care.
- c. A Receiving Party will not have any liability with respect to Confidential Information of the Disclosing Party that the Receiving Party can conclusively establish: (i) is or has become publicly available (other than through a breach by the Receiving Party of these Terms and Conditions or other obligation of confidentiality); (ii) is or has become available to the Receiving Party on a non-confidential basis, provided that the source of such information was not bound by a confidentiality agreement or obligation of confidentiality with respect to such information; (iii) is or was developed by the Receiving Party independently and without reference to information provided by the Disclosing Party; or (iv) is required to be disclosed by law or court order, provided that the Receiving Party promptly gives the Disclosing Party advance written notice of such compelled disclosure (to the extent legally permitted) and reasonable assistance, at the Disclosing Party's cost.
 - d. Customer may use the Confidential Information of KMNA only for the authorized use of the k.ey devices, myKM.ON and Solutions, but not for any other business purposes (such as, but not limited to, its own platform-related projects, to develop products similar to the k.ey devices, myKM.ON and/or Solutions, or to promote Platform-related projects or develop third party products similar to the k.ey devices, myKM.ON and/or Solutions).
 - e. Both during and after the Term, Customer shall not reverse engineer, analyze and/or reconstruct Confidential Information of KMNA or other KARL MAYER Group company.
 - f. *Intellectual Property.* As between the Parties, all right, title and interest in and to myKM.ON, Connectivity Packages, Solutions, k.ey devices, Software, Transmitted Data (defined below), Documentation, any other aspect of the Services, any other materials provided in connection with any of the above, and any Confidential Information or other proprietary information of KMNA, including the intellectual property embodied in any of the above, shall be and remain exclusively with KMNA, and Customer is not granted any right, title, interest in or to any of the foregoing. Customer has no right, license, or authorization with respect to any of the same except as expressly may be set forth in these Connectivity Terms and Conditions, with all other rights in and to the same being expressly reserved by KMNA. Customer further agrees that with respect to Third-Party Services, the applicable third-party providers, and not Customer, own all right, title, and interest, including all intellectual property rights, in and to the Third-Party Services.
7. **Rights to Data; Processing of Data.**
 - a. Notwithstanding anything to the contrary, KMNA and all of the KARL MAYER Group companies are and shall be entitled to use all non-personal data received from Customer through use of any of the Services. Such data includes, without limitation, machine data (e.g., usage type and duration, load, condition, and status and error messages), environmental data (e.g., temperature, humidity, and air pressure) and machine-related network data (e.g., access, bandwidth usage, communication, and interaction); k.ey device-related data (network information, access information, and utilization) (collectively, the "Transmitted Data").
 - b. Customer hereby grants to KMNA and all KARL MAYER Group companies the worldwide, exclusive, perpetual, irrevocable, royalty-free, transferable, sublicensable rights to use, access, process, and store all Transmitted Data, anytime and anywhere and as they each deem fit, with no restrictions as to content, and regardless of their storage location. By way of illustration and not limitation, Customer acknowledges and agrees that KMNA and the KARL MAYER Group companies may: (i) access the Transmitted Data regardless of the data's location (Machine, k.ey device, Customer's network, myKM.ON, or transmission paths); (ii) evaluate Transmitted Data with algorithms and train machine learning models; (iii) use/disclose anonymized Transmitted Data for advertising and marketing purposes; (iv) provide other KARL MAYER Group companies with Transmitted Data; and (v) provide suppliers of the KARL MAYER Group companies with Transmitted Data to the extent that KMNA believes that their products (e.g., components, software, etc.) are or may be affected by the Transmitted Data.
 - c. Subject to its other obligations under these Connectivity Terms and Conditions and to the extent that KMNA provides Transmitted Data to it, Customer itself (and no one else) may use the Transmitted Data to achieve the purposes of Customer use described in these Terms and Conditions; provided that (i) Customer shall not transfer, provide, disclose, or otherwise make available any Transmitted Data to anyone (including but not limited to any competitor of KMNA) for any reason; and (ii) Customer shall not extract or reuse content from myKM.ON or the Solutions without KMNA's prior express written consent.
 - d. The servers used by the KARL MAYER Group are the subject of commercially reasonable efforts to be secured, particularly by firewalls. Each time KMNA uses cloud services for the fulfilment of these Connectivity Terms and Conditions, it shall try to confirm, as far as is commercially reasonable, that the respective cloud services use servers which are protected according to commercially appropriate security standards. KMNA may rely on statements regarding the safety and performance of the respective service providers and is not required to perform its own technical inspection. Applicable data protection law remains unaffected by this.
 8. **Information on Solutions and k.ey devices; Quality specifications; Product information and Labelling.** Unless expressly stated otherwise in these Connectivity Terms and Conditions, product documents, illustrations, details of performance, weights, and dimensions only represent approximate values, and do not and shall not in any event constitute any representation or statement of condition, warranty, or guaranty. Any labels or markings (such as CE or WEEE labels) on or relating to myKM.ON, the Solutions, or the

k.ey devices, as well as batch numbers or other identification features, do not and shall not constitute representations, specifications, warranties, or guaranties of any kind, but instead are affixed on the basis of statutory provisions and/or for purposes of regulatory compliance or general information. Customer shall read the Documentation and product information carefully before using myKM.ON, the Solutions, and the k.ey devices, and shall exercise due care in connection with the use of any of the same.

9. Limited Warranty.

- a. KMNA warrants that k.ey devices provided by KMNA in connection with the Services will be free from material defect during the Term under normal use and service, not arising from any misuse, negligence, acts, or omissions of Customer, its agents or employees or other third parties, and subject to the further limitations contained in these Connectivity Terms and Conditions.

- b. Customer's sole and exclusive remedy against KMNA arising out of or in connection with any claimed defect in any provided k.ey device, whether for apparent or hidden defects or otherwise, whether based upon contract, strict liability, negligence or otherwise, and whether for personal injury, commercial loss or other monetary loss, or otherwise, shall be, at KMNA's option and in KMNA's sole discretion, (a) the reconditioning, repair or replacement of such provided k.ey device as KMNA determines in its sole judgment and upon inspection to be defective, provided that Customer has given written notice to KMNA promptly upon detection of the defect(s) claimed (along with details of such defects), or (b) the issuance to Customer of a credit or refund of a pro rata amount of the fees paid by Customer for use of the Connectivity Packages for the applicable billing cycle during which the defect(s) arose, as determined by KMNA in its discretion. THE LIMITED WARRANTY IN SECTION 9.a. ABOVE IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. This limited warranty applies only to Customer and shall in no event apply to any third party. This limited warranty shall be void if (a) Customer adds, subtracts, or replaces any components to the Services unless the same are received from and installed by KMNA-approved personnel or otherwise authorized by KMNA, or (b) Customer alters or modifies the Services or any components thereof in any manner without KMNA's prior express written approval, or (c) Customer fails to follow any recommended procedures or instructions in the Documentation. Additionally, faulty assembly or faulty commissioning of the Services by Customer or third parties will result in loss of all warranties. In cases where faulty provided k.ey devices are sent for repair to KMNA, the cost of transport both ways shall be borne by Customer unless otherwise expressly agreed by KMNA in writing. A PROCEEDING FOR BREACH OF THIS LIMITED WARRANTY MUST BE COMMENCED WITHIN ONE (1) YEAR AFTER THE CLAIM OR CAUSE HAS ACCRUED, AND IN ACCORDANCE WITH SECTION 26.b. BELOW.

10. DISCLAIMER.

EXCEPT AS EXPRESSLY PROVIDED FOR HEREIN, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, MYKM.ON, CONNECTIVITY PACKAGES, SOLUTIONS, SOFTWARE, SERVICES, K.EY DEVICES, DOCUMENTATION, AND THIRD-PARTY SERVICES ARE PROVIDED "AS-IS", "WHERE-

IS" AND "AS-AVAILABLE" WITH ALL FAULTS AND WITHOUT WARRANTY OF ANY KIND, AND KMNA HEREBY EXPRESSLY DISCLAIMS, ON BEHALF OF ITSELF AND THE OTHER KARL MAYER GROUP COMPANIES, AND ALL OF THEIR RESPECTIVE MEMBERS, STOCKHOLDERS, OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS AND ITS SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "KARL MAYER PARTIES"), ANY AND ALL WARRANTIES OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR TITLE. NEITHER KMNA NOR ANY OF THE KARL MAYER PARTIES REPRESENTS OR WARRANTS THAT MYKM.ON, CONNECTIVITY PACKAGES, SOLUTIONS, SOFTWARE, SERVICES, K.EY DEVICES, AND/OR DOCUMENTATION WILL BE ERROR-FREE, THAT DEFECTS, IF ANY, IN MYKM.ON, CONNECTIVITY PACKAGES, SOLUTIONS, SOFTWARE, SERVICES, K.EY DEVICES, DOCUMENTATION AND/OR THIRD-PARTY SERVICES WILL BE CORRECTED, OR THAT MYKM.ON, CONNECTIVITY PACKAGES, SOLUTIONS, SOFTWARE, SERVICES, K.EY DEVICES, DOCUMENTATION AND/OR THIRD-PARTY SERVICES ARE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS; NOR DOES KMNA OR ANY OF THE KARL MAYER PARTIES MAKE ANY REPRESENTATIONS OR WARRANTIES ABOUT THE ACCURACY, RELIABILITY, CURRENCY, QUALITY, PERFORMANCE OR SUITABILITY OF MYKM.ON, CONNECTIVITY PACKAGES, SOLUTIONS, SOFTWARE, SERVICES, K.EY DEVICES, DOCUMENTATION AND/OR THIRD-PARTY SERVICES. EXCEPT AS OTHERWISE PROVIDED HEREIN, IN THE EVENT OF ANY PROBLEM WITH MYKM.ON, CONNECTIVITY PACKAGES, SOLUTIONS, SOFTWARE, SERVICES, K.EY DEVICES, DOCUMENTATION AND/OR THIRD-PARTY SERVICES, CUSTOMER'S SOLE AND EXCLUSIVE REMEDY UNDER THESE CONNECTIVITY TERMS AND CONDITIONS IS LIMITED TO CEASING USE OF THE PLATFORM, CONNECTIVITY PACKAGES, SOLUTIONS, SOFTWARE, SERVICES, K.EY DEVICES, DOCUMENTATION AND/OR THIRD-PARTY SERVICES.

11. LIMITATION OF LIABILITY.

EXCEPT AS EXPRESSLY PROVIDED FOR HEREIN, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL KMNA OR ANY OF THE KARL MAYER PARTIES BE LIABLE TO CUSTOMER OR TO ANYONE ELSE FOR ANY LOSS OR DAMAGE, DIRECT OR INDIRECT, ARISING OUT OF OR CAUSED BY THE USE OF MYKM.ON, CONNECTIVITY PACKAGES, SOLUTIONS, SOFTWARE, SERVICES, K.EY DEVICES, DOCUMENTATION AND/OR THIRD-PARTY SERVICES. KMNA AND THE OTHER KARL MAYER PARTIES SHALL IN NO EVENT BE LIABLE TO ANY PERSON OR FIRM (INCLUDING ANY ASSIGNEE OF CUSTOMER) EXCEPT CUSTOMER. IN NO EVENT SHALL KMNA OR ANY OF THE KARL MAYER PARTIES BE LIABLE FOR DAMAGES DUE TO INCONVENIENCE, LOSS OF GOODWILL, LOSS OF PROFITS, LOSS OF SALES, LOSS OF REVENUE OR OTHER FINANCIAL LOSS OF ANY KIND, OR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, INDIRECT, EXEMPLARY, OR PUNITIVE DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO DAMAGES TO OTHER PROPERTY, INCONVENIENCE, LOSS OF GOODWILL, LOSS OF PROFITS, LOSS OF SALES, LOSS OF REVENUE OR OTHER FINANCIAL LOSS, COST OF SHIPMENT, DOWNTIME, LOSS OF USE OR DELAY IN USE OF MACHINERY OR PRODUCTS, OR ANY CLAIMS FOR DAMAGES TO PERSON OR PROPERTY, RESULTING IN ANY WAY FROM THE USE OF (OR OTHERWISE

RELATED IN ANY WAY TO) MYKM.ON, CONNECTIVITY PACKAGES, SOLUTIONS, SOFTWARE, SERVICES, KEY DEVICES, DOCUMENTATION AND/OR THIRD-PARTY SERVICES, WHETHER ARISING FROM BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE OR ANY OTHER LEGAL THEORY, WHETHER IN TORT OR CONTRACT. THE ESSENTIAL PURPOSE OF THIS PROVISION AND THE LIMITATIONS OF WARRANTY, LIABILITY AND DAMAGES IN THIS AGREEMENT IS TO LIMIT THE LIABILITY OF KMNA ARISING OUT OF THESE CONNECTIVITY TERMS AND CONDITIONS. THE PARTIES ACKNOWLEDGE THAT SUCH LIMITATIONS ARE INTEGRAL TO THE AMOUNT OF CONSIDERATION PROVIDED TO KMNA UNDER THESE CONNECTIVITY TERMS AND CONDITIONS AND THAT IN THE ABSENCE OF SUCH LIMITATIONS, SUCH CONSIDERATION WOULD OF NECESSITY BE SET SUBSTANTIALLY HIGHER. No person is authorized to give any additional warranties on behalf of KMNA or any of the KARL MAYER Parties or to assume for KMNA or any of the KARL MAYER Parties any other liability in connection herewith.

12. LIMITATION OF DAMAGES.

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL KMNA OR ANY OF THE KARL MAYER PARTIES BE LIABLE FOR ANY DAMAGES IN EXCESS OF THE FEES PAID BY CUSTOMER FOR CONNECTIVITY PACKAGES UNDER THESE CONNECTIVITY TERMS AND CONDITIONS IN THE TWELVE (12)-MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO THE CLAIM.

13. Indemnification.

CUSTOMER agrees to indemnify, defend, and hold harmless KMNA and the KARL MAYER Parties from and against any and all damages, losses, expenses, costs (including without limitation reasonable attorney's and accountant's fees), claims, suits, actions, judgments or other liability asserted against or incurred by KMNA or any of the KARL MAYER Parties arising out of or related to: (a) Customer's breach of its obligations under these Connectivity Terms and Conditions, (b) Customer's negligence or misconduct, (c) Customer's misuse or misapplication of or damage to myKM.ON, Connectivity Packages, Solutions, Software, key devices, Third-Party Services, and/or other aspects of the Services caused by Customer or its employees or agents, (d) infringement or other violation of the intellectual property rights of KMNA or any of the KARL MAYER Parties, and/or (e) any injury or damage of any kind (physical or otherwise) suffered by any Technician or other person at Customer's facilities if such injury or damage is (i) caused in whole or in part by the negligence, gross negligence, reckless or intentional act or omission of Customer or any of its employees, agents, representatives, or contractors; or (ii) caused by any dangerous or hazardous conditions or practices at Customer's facilities.

14. Fees and Payment.

a. *Fees and Taxes.* Customer shall pay to KMNA the fees for myKM.ON, Connectivity Packages, Solutions, Software, Services, key devices and/or Documentation as set forth on any applicable Transaction Document or, if none, all of the fees set forth in Appendix 1 associated with the applicable Connectivity Package provided to Customer (the "Fees"). Customer shall also pay to KMNA and be responsible for all applicable taxes in connection with Customer's receipt of the Services.

b. *Payment.* Customer shall pay all Fees and applicable taxes in accordance with these Connectivity Terms and Conditions. Any late payments and/or any failure by Customer to make payments when due will be subject to KMNA's costs of collection, including reasonable legal fees and costs, and will also bear interest at the rate of one and one-half percent (1.5%) per month (or part thereof) or, if lower, the highest rate permitted by applicable law until paid. In addition to any other rights granted to KMNA herein or available at law or in equity, KMNA reserves the right to limit, suspend or terminate Customer's access to and use of any of the Services or terminate these Connectivity Terms and Conditions if Customer fails to pay any of the Fees when due, with at least 10 days' advance written notice to Customer.

15. Customer Defaults.

Each of the following shall constitute a "Default" of Customer under these Connectivity Terms and Conditions: (a) Customer's failure pay in full when due any sum due under these Connectivity Terms and Conditions; or (b) Customer's failure to pay in full when due any sum due under any other agreement with KMNA or with any other company of the KARL MAYER Group; or (c) Customer's breach of any provision of these Connectivity Terms and Conditions; or (d) Customer's insolvency, the commencement of any insolvency or bankruptcy proceeding or reorganization (whether voluntary or involuntary) by or against Customer, or the appointment of a receiver or trustee for Customer, or any assignment for the benefit of creditors made by Customer.

16. KMNA's Rights and Remedies upon Default.

Customer shall be liable to KMNA for all expenses incurred and damages suffered by KMNA in connection with any Default by Customer. In the event of a Default by Customer, KMNA shall have the right, in its sole discretion and without prejudice to any other rights or remedies available to it, to do any one or more of the following: (a) immediately cease all performance/provision of any and all Services and demand that Customer return all key devices and all other materials to KMNA; (b) declare immediately due and payable all unpaid amounts under these Connectivity Terms and Conditions; and (c) offset against the amounts due under these Connectivity Terms and Conditions any advance payment or deposit or other funds or amounts provided by Customer to KMNA (whether provided under these Connectivity Terms and Conditions or otherwise) which amounts Customer shall conclusively be deemed to have forfeited to KMNA. Customer agrees to pay all costs, fees, and expenses incurred by KMNA, including reasonable attorneys' fees and court costs, associated with the collection or recovery of any amounts owed by Customer to KMNA. The remedies of KMNA provided herein are cumulative and not alternative, and KMNA shall have the right to enforce one or more of said remedies or any other remedy KMNA may have in whole or in part successively or concurrently.

17. Termination.

a. *Termination.* Either Party may terminate the Term by written notice given to the other Party if: (i) the other Party breaches or otherwise fails to perform any provision of these Connectivity Terms and Conditions, written notice of the failure is given to the other Party, and the failure is not cured by the other Party within ten (10) days after the giving of such notice; or (ii)

the other Party files or has filed against it a petition in bankruptcy, insolvency or other debtor relief law (which is not dismissed within thirty (30) days after it is filed), the other Party makes an assignment for the benefit of creditors, or the other Party becomes insolvent, or the other Party ceases to function as a going concern or conduct its operations in the normal course of business. The right of the non-breaching Party to terminate the Services under this provision is in addition to all other rights that are available to such Party herein or at law or in equity.

- b. *Effect of Conclusion/Termination of Term.* Upon termination or expiration of the Term, (i) KMNA (and, as applicable, all other companies of the KARL MAYER Group) shall cease performance/provision of any and all Services and Customer shall cease all use of any Services (including all key devices, which Customer shall immediately return to KMNA), and (ii) except as otherwise provided herein, all of the Fees owed will immediately become due and payable to the extent required under these Connectivity Terms and Conditions and (iii) each Party shall promptly return to the other Party all of the papers, materials and other properties of the other Party.

18. Entire Agreement; Other Contracts; Modification.

- a. These Connectivity Terms and Conditions (together with any Transaction Document specifically referring to the provision of any Services to Customer) shall constitute the entire agreement between Customer and KMNA and the other KARL MAYER Group companies concerning the provision and/or use of the Services, and shall supersede any and all prior oral or written communications, representations or understandings between the parties concerning the same subject matter of these Connectivity Terms and Conditions. Notwithstanding anything to the contrary, purchase, support, maintenance, and other service contracts as to any Machines and/or any parts/components are to be addressed and entered into separately, and are not included in the Connectivity Packages or other Services.
- b. Except as provided in these Connectivity Terms and Conditions regarding amendment or modification by KMNA, no modification of these Connectivity Terms and Conditions or waiver of any of its terms will be binding on KMNA unless clearly expressed in writing and signed by an authorized representative of KMNA. KMNA and Customer expressly agree that KMNA may modify these Connectivity Terms and Conditions from time to time, and such modifications shall be binding upon Customer.

19. Waiver.

The failure of KMNA to enforce any of the provisions of these Connectivity Terms and Conditions shall not be construed as or constitute a waiver of KMNA's right to enforce any or all provisions of these Connectivity Terms and Conditions.

20. Assignment.

Customer shall not assign or delegate any of its rights or obligations under these Connectivity Terms and Conditions without the prior written consent of KMNA, and any attempt to do so will be ineffective and constitute a Default. These Connectivity Terms and Conditions are for the sole and exclusive benefit of Customer, KMNA, and the other KARL MAYER Parties and their permitted successors and assigns. Nothing expressed or referred to in these Connectivity Terms and Conditions will be construed to give any other person any

legal or equitable right, remedy or claim under or with respect to these Connectivity Terms and Conditions. KMNA shall be free to delegate any obligations under these Connectivity Terms and Conditions, including as set forth elsewhere in these Connectivity Terms and Conditions.

21. No Extension or Expansions of any Warranties or other Obligations.

Nothing in or concerning these Connectivity Terms and Conditions or the performance hereof, and nothing in any way concerning any of the Services, shall be deemed as creating, or extending or expanding the scope or duration of, any warranties or obligations of any kind on the part of KMNA or any other company of the KARL MAYER Group to Customer, including but not limited to concerning any Machines.

22. Independent Parties.

KMNA and Customer are independent parties and nothing in these Connectivity Terms and Conditions shall make either Party an agent, partner, joint venturer, or legal representative of the other.

23. Headings.

The section headings contained in these Connectivity Terms and Conditions are inserted for convenience only and shall not affect in any way the meaning or interpretation of these Connectivity Terms and Conditions.

24. Severability.

If any provision or part of a provision of these Connectivity Terms and Conditions is declared invalid, illegal, or unenforceable under applicable law, the affected provision will be considered omitted or modified to conform to applicable law. The validity, legality, and enforceability of all other remaining provisions or parts of provisions will remain in full force and effect.

25. Survival.

All of the provisions of Sections 2, 3.b., 3.c., 3.d., 3.e., 6, 7, 8, 9.b., 10 through 16, 17.b., and 18 through 29, as well as any other provision of these Connectivity Terms and Conditions that by its nature is intended to survive termination or expiration of the Services in order to give effect to the intent of the Parties, shall survive the expiration or termination of the Services and remain binding upon and for the benefit of the Parties (as the case may be) until fully observed, kept or performed.

26. Governing Law; Exclusive Jurisdiction; Arbitration.

- a. These Connectivity Terms and Conditions shall be governed by, and construed and enforced in accordance with, the laws of the State of North Carolina, without regard to principles of conflicts of laws.
- b. Any dispute or claim by Customer against KMNA or by KMNA against Customer arising out of or in connection with the Services or these Connectivity Terms and Conditions shall be asserted exclusively in the Superior Court of Guilford County, North Carolina, or the United States federal court for the federal district in which Greensboro, North Carolina is located. The Parties further agree that jurisdiction and venue for any applicable legal proceeding shall be exclusively in such courts, and they specifically hereby stipulate that such courts have personal jurisdiction over them in any litigation arising

under these Connectivity Terms and Conditions and they waive, and agree not to assert, any motions, defenses. Customer expressly agrees that it shall not join as a party, or assert any claims in any such suit against, any other KARL MAYER Group company.

27. Limitations Period for Asserting Customer Claims.

Any claim of any kind of Customer arising out of or in connection with the Services or these Connectivity Terms and Conditions must be asserted and commenced by Customer in accordance with Section 26 no later than one (1) year after the accrual of such claim(s), and shall be forever barred if not done so.

28. Force Majeure.

KMNA shall not be liable for any damages, delays, or performances failures or delays caused in whole or in part by accidents, breakdowns, strikes, labor disputes, lockouts, floods, fires, explosions, war acts, acts of God, transportation difficulties, shortages or delays in delivery of materials, restrictions imposed by law or Governmental agencies, internet or power interruptions, malware, spyware, virus, Trojan horse, ransomware or other similar harmful, disabling or deleterious devices or routines, or caused by any like or different cause or contingency beyond the control of KMNA, whether such cause or contingency happens to KMNA, or its suppliers or subcontractors.

29. Headings.

All headings herein are inserted for convenience of reference only and shall not modify or affect the construction or interpretation of any provision of these Connectivity Terms and Conditions.

**Appendix 1:
Content and scope of the Connectivity Packages**

1. Summary Framework Connectivity Packages

Cost	Cost per month as in provided offer and resulting confirmation. Euro-USD exchange rate fluctuations can affect this. Indicative cost at issue of this document: SERVICE PACKAGE Connectivity 2.0 N for mechanical machines (N-drive) USD 20.00 per machine per month USD 240.00 per machine per year SERVICE PACKAGE Connectivity 2.0 EL, EN, JQ for electronic machines (EL, EN drive) or machine with jacquard USD 50.00 per machine per month USD 600.00 per machine per year SERVICE PACKAGE Connectivity 2.0 ON for electronic machines (ON drive) USD 70.00 per machine per month USD 840.00 per machine per month
Term	Beginning with registration of the machines on myKM.ON for the Connectivity Packages, but no later than three (3) months after agreement is in place. The contract will renew tacitly for twelve (12) months each time if no notice of termination is given.
Termination of the Connectivity Package according to Appendix 1	The contract may be terminated through ordinary termination at the end of any month with three (3) month notice. Extraordinary termination without prejudice.
Invoicing	Per twelve (12) months ("Accounting Year") (12 months).
Payment	By check, ACH or credit card, to the benefit of Mayer Textile Machine Corporation Payment in the first year by in advance. In subsequent Accounting Years annually after invoicing by KMNA at the beginning of the Accounting Year; payable by due date on invoice.
Price adjustments	KMNA may notify Customer of price adjustments four (4) weeks before the expiry of the ordinary notice period. If Customer makes no response, the price adjustment is deemed approved by Customer. KMNA will confirm this approval by default The right of KMNA to terminate the contract due to changes remains unaffected.
Components of the Connectivity Packages	key device(s), if required SaaS solution Dashboard , in accordance with paragraph 2 of this Appendix 1. Remote Service Connection, in accordance with paragraph 3 of this Appendix 1. Remote Set-Up and Installation Support for Connectivity, in accordance with paragraph 4 of this Appendix 1.
Hardware requirements, network requirements, and necessary system environment	<i>Annex B</i>

2. SaaS Solution Dashboard Lite

Specifications for the content and scope of the Dashboard Software-as-a-Service Solution are set out in *Annex A* to this Appendix 1. Service Level Specifications relating to the Dashboard are set out in *Annex D* to this Appendix 1. Services under the Service Level Agreement set out in *Annex D* to this Appendix 1 shall be provided by KM.ON GmbH.

3. Remote Service Connection

Customer shall follow the process below when making warranty claims and or requesting other maintenance:

- *Step 1:* Customer triggers a service request with KMNA via myKM.ON. There is a "Remote Service" button on myKM.ON for this purpose. After its activation, Customer is shown all the Machines for which it has entered into a Connectivity Packages agreement
 - *Step 2:* Customer generates a ticket at KMNA and confirms the permission of the companies of the KARL MAYER Group for remote access to the Networked Machines concerned.
 - *Step 3:* Customer accepts the feedback from the service-providing unit of a company of the KARL MAYER Group. Service Level Specifications relating to the Dashboard are set out in *Annex D* to this Appendix 1.
- a. The access authorization regarding Networked Machines is not limited to KMNA. Customer grants access to its Networked Machines to each company of the KARL MAYER Group and, to the extent necessary, to its suppliers, if any. This access authorization is necessary to enable the right expertise in the KARL MAYER Group to fulfil warranty claims or maintenance orders requested by Customer.
 - b. The Remote Service Connection does not include any troubleshooting/maintenance or repair service by KMNA, but creates the conditions for a company of the KARL MAYER Group to be able to provide Customer with the services contractually owed by other contracts that may have been concluded (e.g. remote instructions for troubleshooting within the scope of the warranty or outside warranty (separate service subject to a charge)).
- ## 4. Remote Set-Up and Installation Support for Connectivity
- a. KMNA provides remote support for networking the Networkable Machines for which the Connectivity Packages exists. KMNA will instruct Customer remotely on how Customer can establish a connection of the k.ey device with the machines to be networked and myKM.ON. Included in Remote Set-Up and Installation Support for Connectivity is support by phone, email or chat (Microsoft Teams) by KARK MAYER representatives. KMNA is not responsible for any connections through remote access to the Networkable Machines.

Annex A:

Product data sheet; k.management; Dashboard

This is an abstract scope of services for the "Dashboard" Solutions, which belongs to the k.management. Whether the Solutions described herein are available to Customer shall be determined by the specific agreements on the content and scope of the Connectivity Packages in **Appendix 1** to this Agreement.

1. Dashboard – Overview

- b. Dashboard is a cloud-based k.management Solution within the Machine Data Visualisation Platform ("**Dashboard Lite**" or "**Dashboard**").
- c. Access to the dashboard is browser-based via login through myKM.ON.
- d. In principle, processed machine data from Networkable Machines can be displayed. Details of the hardware requirements and network requirements are set out in Annex C to this Agreement. On the opening screen of the dashboard, all Networkable Machines that Customer has networked via the k.ey device (the "**Networked Machines**") are displayed as an overview (the "Overview Page").
- e. The Dashboard is available for Warp Knitting machines with KAMCOS 1 and KAMCOS 2 control systems. Functionalities may vary between individual Networked Machines, depending in the control system.

2. Specification and description of the Dashboard

Dashboard includes the following functions:

- f. Overview of all Networked Machines
In Dashboard, the Overview Page displays the following machine information of all Networked Machines as live data:
 - Machine name as stored in the machine's KAMCOS system
 - Machine status (running, stopped, or offline)
 - Remaining time until yarn supply on a machine is completely used
 - Remaining time until completion of the piece currently in production
 - Number of stops during the production of the current piece
 - Percentage of time that a machine was in operation during the last 24 elapsed hours.
- g. Filter function
Using the filter function "Machine status (running, stopped, or offline)", the Networked Machines can be filtered accordingly on the Overview Page. It is also possible to filter individual Networked Machines on the Overview Page by entering the machine name or the serial number of a Networked Machines.
- h. Sorting functions
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 / 24 hours" and "Status".
- i. Individual evaluation of the live data of a Networked Machine
By clicking on a specific Networked Machine on the Overview Page, the following additional information on a specific Networked Machine can be called up as live data:
 - Information of the Networked Machine itself (machine type, serial number, total operating hours and version of the KAMCOS system)
 - Production output for the piece currently in production (in length / time unit);

- Current speed of the Networked Machine in production (in revolutions / time unit – RPM);
 - Selected information about Customer order currently being produced on the Networked Machine (e.g. Customer's article and order number; number of pieces in the order). This information must have been entered in the KAMCOS system of a machine beforehand, and there may be limitations depending on the KAMCOS system (e.g. order data not possible with KAMCOS 1);
 - Information regarding the warp beams on the Machine;
 - Information on fabric take-up and batching.
- j. **Statistics function**
- In addition, it is possible to retroactively evaluate historical production data of an individual Networked Machine (the **"Statistics Function"**). The Statistics Function contains a historical overview of the "Machine status (running, stopped, or offline)" of a Networked Machine, whereby the following time periods can be selected:
- Last hour
 - Last 8 hours
 - Last 24 hours
 - Last Week
 - Customized

Annex B:

Product data sheet: CORE Lite

Preliminary remarks: What follows is an abstract scope of services for the "CORE Lite" Solution. Whether the Solution described herein are available to the customer shall be determined by the specific agreements on the content and scope of the KMNA Connectivity Packages.

1. CORE Lite – Overview

- 1.1 Core Lite is a cloud-based Solution for creating, importing and editing patterns for use on KAMCOS machines.
- 1.2 Access to the CORE Lite is browser-based via login through the customer portal myKM.ON
- 1.3 By default CORE Lite can be used to create patterns for KAMCOS2 CONNECT machines. Additionally download of kmo files for supported KAMCOS1 machines is possible upon request.

2. Specification and description of CORE Lite

CORE Lite includes the following functions:

- 2.1 **Overview of all available patterns inside the KM-Cloud**
The Overview Page displays all patterns with the following information.
 - Machine type name as stored in the respective KAMCOS system
 - Gauge of the pattern
 - Length of the pattern
 - Last change in CORE Lite
 - "Last release" to the KM-Cloud
 - "MC Download" last time a pattern is downloaded to a machine
- 2.2 **Filter function**
By using the filter function "Name", "Machine type", "Gauge" or "Length", the available patterns can be filtered accordingly on the Overview Page.
- 2.3 **Sorting functions**
Available patterns can be sorted on the Overview Page by "Name", "Machine type", "Gauge", "Length", "Last Change", "Last Release", "MC Download"

2.4 Creating new patterns

- Using the "New Article" button, a new pattern for an available machine type can be created. Name, Length, Machine type and Machine Gauge must be specified.
- Using the "Upload" button, an existing "kmo" or "mc" file can be uploaded to CORE Lite and will create a new pattern. If the machine type included in the "kmo" / "mc" file is not available to the customer, a matching machine type must be selected.
- Existing patterns can be duplicated using the "Duplicate" symbol.

2.5 Deleting Patterns

Patterns can be deleted by clicking on the "Trash can". This will delete the pattern in the KM-Cloud too, if previously released.

2.6 Editing patterns

Patterns can be edited by clicking on the name of the pattern. Editing functionalities include:

- Lapping values
- Length of the pattern
- Machine type
- Machine gauge
- Up to 5 repeat layers for chain links
- Duplicating repeats or chain links
- Copy/Paste of repeats or chain links
- Deleting of repeats or chain links
- "Mirror" function – create the reversed lapping of a bar
- Third chain link for supported machines
- Correction factors for supported machines
- Offset
- Align all bars (using "Jump" or double click)
- "Expand" view area of chain links and lapping drawing by hiding UI elements
- Validation of entered lapping data against the mechanical configuration of the machine
- The "status" icon will show if the pattern is invalid ("red"), contains warning ("yellow") or neither. More information is available by clicking on the status icon.
- Information window about the recommended maximal "Chain link", "Shog" and "Overlap" values for each bar, as well as the possible mechanical maximum values.
- "Settings": By clicking on the gear icon inside a pattern, the following editing features are accessible:
 - Creating TakeUp values
 - Creating RunIn values
 - Editing TakeUp values
 - Editing RunIn values
 - Sequential creation and editing of these values is available for supported machine types
 - Importing TakeUp and RunIn values from a specific machine
 - Overriding the stored TakeUp and RunIn values inside the KM-Cloud for a specific machine or default values
 - Adding a written comment to the pattern

2.7. Lapping diagram

Inside a pattern, a simple lapping diagram can be displayed by clicking on the small yarn icon on the right side. This will show one thread for each bar.

Display of threads can be turned off and on for each bar individually. Double clicking on a needle will align all bars to this position. Inside the lapping drawing navigation is possible using drag-features, the "JUMP" feature and the "+", "-", and the "Home" button.

2.8 Help and documentation

A help feature is available inside a pattern by clicking on the green "?" in the top right corner. This will show help texts for individual elements of the UI.

2.9 Releasing patterns to the KM-Cloud

By clicking the small arrow symbol, located on the Overview page and inside each pattern, the pattern can be transferred to the KM-Cloud. The pattern can be sent to all machines or only specific machines, selected by KM serial numbers.

Annex C:

Hardware requirements, network requirements, and necessary system environment

1. k.ey device

myKM.ON requires a properly connected and functioning k.ey device in order to interact with Networkable Machines.

To the k.ey device:

i. Technical data k.ey device:

1. Dimensions and weight:

Dimension: 180 x 134 x 50 mm

Weight: approx. 1.0 kg

2. Operating conditions:

The installation location of the k.ey device must be chosen so that it is operated under typical IT hardware conditions. This particularly concerns the following requirements:

Operating temperature: 0–40 degrees Celsius;

Relative humidity: 10–90% at 39 degrees Celsius (non-condensing).

ii. Network requirements

The trouble-free operation of the k.ey device requires that Customer maintain the following minimum requirements on site continuously (24/7) and provides the hardware components required for this purpose, which are not included in the scope of delivery of the k.ey device, at its own expense

1. General requirements (LAN and WLAN):

- CAT-5e cable (or higher category);
- Machine network (LAN), Ethernet recommended, Wi-Fi optional;
- Internet router / internet connection;
- Configure the firewall to reach the required hosts/ports. The software required for this is currently available in the Quick Start Guide;
- DNS server;
- IP address range (LAN and WLAN);
- Recommended: Static IP address assignment for k.ey device and Machines to be networked.

2. Special requirements:

Depending on the type of networking chosen, Customer must also meet the following requirements.

a. Networking via LAN connection (recommended by KARL MAYER):

- Access to the internet via LAN 1 (WITH network separation) or LAN 3 (WITHOUT network separation) in the k.ey device permanent access to the internet via LAN 3;
- Access to the Machine network via LAN 1 (with network separation) or LAN 3 (without network separation);
- Unrestricted internet access of the k.ey device with a bandwidth of at least 10 Mbit/s.
- Network cable:
 - LAN cable from machines to switch;

- LAN cable between switch and k.ey device;
 - LAN cable from the k.ey device to the internet router.
- Other hardware:
- If necessary, LAN adapter (for KAMCOS 1 machines, for example).

b. Networking via WLAN connection

- Access to the internet via LAN 1 (WITH network separation) or LAN 3 (WITHOUT network separation) in the k.ey device.
- Unrestricted internet access of the k.ey device with a bandwidth of at least 10 Mbit/s.
- Network cable:
 - LAN cable between WLAN antenna and switch;
 - LAN cable between switch and k.ey device;
 - LAN cable from the k.ey device to the internet router.
- Wifi equipment:
 - WLAN antenna/s (WLAN access point).
- Other hardware:
 - If necessary, WLAN antenna for KAMCOS 1 & KAMCOS 2 Machines (local on the Machine).

c. Software

As delivered, the k.ey device is equipped with a Linux operating system and pre-installed basic software to ensure operation and maintenance of the k.ey device.

d. Electrical connections

- Power supply unit: 110V / 230 V
- Supply input: 100–240 VAC
- Frequency of supply: 50 Hz / 60 Hz
- DC output: 24 VDC

e. Interfaces:

- 1 x HDMI / 1 DP (Display Port)
- 4 x USB 3.0
- 2 x RJ 45 (10/100/1000)
- 1 x RJ 45 (Support)

f. Initial installation of the k.ey device

For the initial installation of the k.ey device, a one-time registration with the personal company email address of an employee of Customer on myKM.ON of KM.ON GmbH is necessary (currently accessible at <https://go.kmon.net>). Only after this registration is it possible to onboard the k.ey device itself and to access the Quick Start Guide (currently available at <https://go.kmon.net/key/quickstartguide>). The Quick Start Guide also contains suggestions to set up the network environment to be created by Customer, as well as the URLs and ports to be released by Customer.

For the onboarding process, Customer needs, in addition to the network requirements to be created by Customer, a laptop and a LAN cable with RJ 45 connector.

General information on the k.ey device can be found at <https://www.karlmayer.com/de/key/>.

3. Customer terminal

Customer requires a commercially available mobile or stationary device to access myKM.ON and/or Networked Machines (such as a smartphone, laptop with active W-LAN and internet connection) ("**End Device**").

4. Hardware requirements and network requirements related to the Machine and Connectivity Packages, as well as the necessary system environment

The basic prerequisite for using Solutions is a Networkable Machine. Furthermore, depending on the Solutions included in specific Connectivity Packages, there are different requirements.

- a. Networkable Machine
The following Machines can be networked in principle:
 - Warp knitting machines of the KARL MAYER Group, provided they are equipped with the operating system KAMCOS 1 (all versions) or KAMCOS 2 (from version V3.9.0.263).
 - Possible for warp knitting machines with the KAMCOS 1 operating system (from version V1.4.0.87), whereby additional hardware components may have to be purchased in advance by Customer [adapter or Wi-Fi antennas (per Machine potentially to be networked)]. In addition, Customer may need a KM service technician to carry out any necessary software updates (when operating with a Wi-Fi antenna). This technician visit will be charged to the customer at regular service rates.
 - In the case of warp knitting machines with an older KAMCOS 1 control system, clarify in advance with KMNA whether and under what Connectivity Terms and Conditions networking of the Machine is possible.
 - For all other machines of the KARL MAYER Group and from third-party manufacturers, it must be clarified in advance with KMNA whether and under what Connectivity Terms and Conditions networking of these machines is possible.
- b. Dashboard
The requirements for the k.ey device according to paragraph 1 of this Annex C apply.
- c. Remote Set-Up and Installation Support for Connectivity:
The requirements for the k.ey device according to paragraph 1 of this Annex C apply.
- h. **“Service Provision Time”** as defined in paragraph 3.1 of this Annex.
 - i. **“SLA”** this Service Level Agreement
 - j. **“Fault”** means any impairment of the Service, such as Downtime, errors, or quality degradation.
 - k. **“Transfer Point”** means: (a) regarding the Dashboard, the point at which the data transfer from myKM.ON to Customer’s system takes place; and (b) regarding Remote Services, the point at which the Remote Service leaves the network of KMNA or the company providing the Remote Service.
 - l. **“Availability”** means that Customer can perform and use the essential functions of the Service at the Transfer Point. The Service is also available if Customer can use the essential functions of the Service by means of a work-around provided by KMNA at the Transfer Point.
 - m. **“Maintenance Work”** refers to all maintenance activities required to keep the Service running, troubleshoot the Service, back up data and/or activities required to improve, enhance, or renew functionality to ensure that the Service can be used in accordance with the Agreement.

3. Availability

- a. KMNA provides the agreed availability of the Service at the Transfer Point. The agreed availability is 96% per month based on a provision time of 24 hours per day and 365 days per year (subject to Section 3.4 below) with respect to the Dashboard and, with respect to the Remote Services, as set forth in paragraph 4.1 of this SLA (subject to Section 3.4 below) (each the **“Service Provision Time”**).
- b. KMNA is not obliged to make the Service available for use by Customer during planned Maintenance Work in the Service Provision Time in accordance with item 6 of this SLA. If the Service is available during scheduled Maintenance Work pursuant to paragraph 6, use of the Service shall be at Customer’s own risk. Customer acknowledges that the use of the Service may be limited in terms of functionality or performance during scheduled Maintenance Work and/or that the Service may be shut down or restarted without further notice. If the Service is provided during scheduled Maintenance Work and there is a reduction in the functionality of the Service or a reduction in availability, Customer shall not be entitled to any warranty or compensation.
- c. The availability of the Service is calculated as a percentage of time over the course of a calendar month during the Service Provision Time.
- d. When calculating actual availability, Downtimes that cannot be attributed to KMNA are considered available times. These Downtimes include:
 - i. Downtime due to planned or unplanned Maintenance Work in accordance with paragraph 6;
 - ii. Downtime due to Maintenance Work agreed in advance with Customer;
 - iii. Downtimes due to operational disruptions caused by an event of force majeure or other unavoidable events outside the sphere of influence of KMNA and which could not be averted with reasonable effort and which could not be reasonably foreseen, which make the obligations of KMNA under this SLA considerably more difficult or impossible in whole or in part, such as epidemics, pandemics, strikes, lockouts, extraordinary weather conditions, power failures, operational or traffic disruptions and transport hindrances, and which release KMNA from its obligations under this SLA for the duration of such event;

Annex D:

Service Level Agreement – Dashboard Lite and Remote Services

1. Scope of this Service Level Agreement – Dashboard ; Relationship to the further Agreements and Conditions

- d. This SLA contains specifications on the availability of the Services provided by KMNA via myKM.ON of KM.ON GmbH, on the performance of Maintenance Work, Remote Services and Incident Management.
- e. This SLA applies exclusively to the Service made available to Customer for operational use and not to free and/or test versions of the Service and not to the integration or test systems with unreleased functions.
- f. All obligations of KMNA in this SLA apply only to the Service provided to Customer at the transfer point. KMNA is not responsible for the data transmission from the transfer point to Customer and/or within Customer’s IT system.
- g. In the event of any conflict between this SLA and the Connectivity Terms & Conditions, the provisions of the Connectivity Terms & Conditions shall prevail.

2. Definitions

- a. Definitions in this section shall apply for the purposes of this SLA.
- b. **“Downtime”** means the total number of hours during which the essential functions of the Service, as defined in the Agreement, are not available.
- c. **“Dashboard”** as defined in Appendix 1 Annex A.
- d. **“Incident Management”** refers to the processing of Faults.
- e. **“Response Time”** is the time period in which KMNA starts to process a Fault reported by Customer.
- f. **“Remote Services”** as defined in Appendix 1, Annex 2.
- g. **“Service”** is the umbrella term for the Dashboard and the Remote Services, unless one of the two Services is explicitly addressed in this SLA.

- iv. Downtimes due to virus or hacker attacks, insofar as KMNA has not taken the agreed protective measures or, in the absence of an agreement, usual protective measures;
 - v. Downtimes due to a malfunction caused by Customer;
 - vi. Downtimes due to software errors in Customer's applications or due to errors in the system and system-related software triggered by Customer's applications or data;
 - vii. Downtimes caused by Faults in Customer's hardware, with the exception of Faults in the key device or in the Networked Machine;
 - viii. Downtimes caused by third parties (persons not attributable to KMNA) or otherwise not attributable to KMNA.
- e. Customer must immediately notify KMNA of any impairment of the availability of the Service.

4. Remote Services

- a. The Service Provision Time of the Remote Services, depends on the location of the Networked Machine, and is shown in the following table:

	Asia (other than PRC and Japan)	People's Republic of China	Japan	Rest of the world
Days	Monday – Saturday	Monday – Saturday	Monday – Saturday	Monday – Friday
Operating hours	07:00–20:00 (GMT+8)	07:00–22:00 (GMT+8)	07:00–18:00 (GMT+9)	07:00–17:00 (MEZ)
Language	English	English / Chinese	English	English

- b. Support includes a service desk for Customer incident reports through tickets and emails via connectivity-support@karlmayer.com

5. Incident Management

- a. Incident Management includes all activities between Customer and KMNA in connection with the notification and management of Faults until their resolution.
- b. The following Fault Classes apply:
- i. Faults within the Service are assigned to one of the following Fault Classes, which determine the target Response Time.

Fault Class	Description	Response Time
1 Critical	A Fault is allocated to Fault Class 1 if use of the Service or essential parts thereof is completely unavailable or severely restricted (due to malfunctions, incorrect work results or response times).	<12h during the Service Provision Time of the Remote Services
2 Essential	A Fault is allocated to Fault Class 2 if use of the Service or essential functionalities is restricted (due to malfunctions, incorrect work results or long response times).	<12h during the Service Provision Time of the Remote Services
3 Insignificant	A Fault is allocated to Fault Class 3 if insignificant functionalities of the Service are impaired, such as "nice to have" functionalities or flaws that do not impair the use of the Service.	<18h during the Service Provision Time of the Remote Services
4 Low	A Fault is allocated to Fault Class 4 if use of the Service is not restricted at all (if Customer asks questions or requests improvements, for example).	<24h during the Service Provision Time of the Remote Services

- ii. KMNA shall prioritize and classify Faults at its own discretion, taking the definitions above into account.
- c. Incident Management Process
- i. Customer must inform KMNA immediately of any Faults via myKM.ON, email, or ticket system (depending on which option KMNA offers Customer).
 - ii. Customer shall ensure that the notification of any Fault contains the following required information:
 1. Name of the user account and Networked Machine(s)
 2. Detailed description of the Fault
 3. Date and time when the Fault occurred
 4. Which troubleshooting measures have already been carried out by Customer and what behavior has been shown as a result of Customer's troubleshooting efforts.
 - iii. As soon as Customer has provided KMNA with all the necessary information, the solution process begins. KMNA will then provide Customer with an initial response within the Response Times specified in paragraph 5.2. KMNA will inform Customer about the elimination of the Fault. Faults are processed during the Service Provision Time of the Remote Services.

6. Maintenance Work

- a. KMNA may interrupt the provision of the Service for Maintenance Work.
- b. KMNA shall notify Customer of planned Maintenance Work in myKM.ON at least five calendar days in advance.
- c. KMNA may perform unscheduled maintenance of the Service for an important reason (e.g., if the Service operation is endangered). This includes, without limitation, emergency changes, such as the installation of security patches. KMNA shall notify Customer of such unscheduled Maintenance Work without delay and carry it out in such a way as to try to minimize disruptions to the operating process.