
NIPPON MAYER LTD.

CONNECTIVITY TERMS AND CONDITIONS

1st October 2022

Scope and update of version

The following terms and conditions including their appendices and annexes ("Agreement") of NIPPON MAYER LTD., 27-33 Kamikitano 1-Chome, 918-8522 Fukui-City, Japan (hereinafter referred to as "KARL MAYER STOLL") stipulate rights and obligations in connection with textile machines ("Machines"), which (i) KARL MAYER STOLL has provided to the "Customer" for use and which (ii) by means of a gateway ("k.ey device") can communicate with the

Customer and with companies of the KARL MAYER Group via the Internet. The Customer and KARL MAYER STOLL are hereinafter individually also referred to as "Party" and jointly also as "Parties". If other contractual agreements with (partly) similar content already exist between KARL MAYER STOLL and the Customer, these agreements shall be replaced by this Agreement. Earlier versions of this Agreement existing between the Parties are superseded by this Agreement.

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List of definitions

For the purposes of this *Agreement*, the following definitions shall apply

"Accounting Year"	As defined in Appendix 1 .
"Agreement"	As defined in Scope and version described above.
"Commissioned Data Processing"	As defined in Appendix 2 .
"Connectivity Packages"	As defined in the preamble (B).
"Customer"	As defined in Scope and version described above.
"Dashboard"	As defined in Appendix 1 Annex A .
"Dashboard Lite"	As defined in Appendix 1 Annex A .
"Data Processing"	As defined in Appendix 2 .
"EU"	As defined in Appendix 2 .
"EEA"	As defined in Appendix 2 .
"Defective Provision"	As defined in Section 7.4.
"Confidential Information"	As defined in Section 2.1.
"Cardinal Duty"	As defined in Section 5.2.
"GDPR"	As defined in Section 3.6.
"KARL MAYER Group"	All companies which are Associated Companies (<i>kankei gaisha</i>) of KARL MAYER STOLL as defined in the Regulation on Corporate Accounting [Japanese <i>Kaisha Keisan Kisoku</i> , Ministry of Justice Order No. 13 of 2006] and, in addition, any other person, company, joint venture or other legal entity that is directly or indirectly controlled, through one or more intermediaries, by KARL MAYER Holding GmbH & Co. KG, Industriestr. 1, 63179 Obertshausen, Germany. For the purposes of this definition, "control" means the power to direct the management and policies of an enterprise, or cause them to be directed, whether by virtue of ownership of the shares or voting rights, by contract or otherwise.
"k.ey device"	As defined in Scope and version described above.
"Delivery Data"	As defined in Section 3.1.
"Japanese Data Processing"	As defined in Appendix 3 .
"Japanese Personal Customer Information"	As defined in Section 3.6 and Appendix 3 .
"Machine"	As defined in Scope and version described above.
"myKM.ON"	As defined in the preamble (B).
"Outsourced Data Processing"	As defined in Appendix 3 .
"Parties"	As defined in Scope and version described above
"Party"	As defined in Scope and version described above.
"Personal Customer Data"	As defined in Section 3.6 and Appendix 2 .
"Platform"	As defined in the preamble (B).
"Solutions"	As defined in the preamble (B).
"SLA"	Service Level Agreement – Dashboard Lite and Remote Services.
"Statistics Function"	As defined in Appendix 1 Annex A Section 2.5.
"Overview Page"	As defined in Appendix 1 Annex A .
"Transfer"	As defined in Section 6.2.
"Networkable Machine"	As defined in Appendix 1 Annex B Section 3.1.
"Networked Machine"	As defined in Appendix 1 Annex A .

Preamble

- (A) On the hardware side, the Customer may already use one or more gateways for its Machines, which KARL MAYER STOLL will now replace by one or more k.ey device(s) to adapt to increased performance requirements on the part of the KARL MAYER Group.
- (B) On the software side, KARL MAYER STOLL will in future provide the Customer with various cloud-based communication and support options ("**Solutions**") via a platform (the "**Platform**", also called "**myKM.ON**") as part of package offers ("**Connectivity Packages**").
- (C) Services which KARL MAYER STOLL will provide according to this Agreement will partly be provided by other companies of the KARL MAYER Group, in particular by the KM.ON GmbH.
- (D) The Parties are aware that it may become necessary, at any time, to adapt this Agreement because of the dynamic developments within the field of the "Industry 4.0".

A.

General regulations; Solutions; Use of the Platform

1. Solutions; Platform

- 1.1 The Customer can obtain services of the KARL MAYER Group via the Platform. For the purchase of goods and services from other companies of the KARL MAYER Group as well as via the web shop, separate respective provisions referenced there apply. The Customer can view the respective status of the Solutions booked with the Connectivity Packages on the Platform.

2. Confidentiality

- 2.1 In the course of the contractual relationship between the Customer and KARL MAYER STOLL, information to be kept confidential will be disclosed and exchanged. "Confidential Information" comprises
 - (a) all information of an economic, commercial, technical or other confidential nature, in particular all specifications, descriptions, sketches, drawings, designs, sections, samples, data, inventions, formulae, procedures, plans, programmes, models, findings, experience and know-how (relating to the k.ey device, for example);
 - (b) the contents of this Agreement and the Solutions provided under other agreements and as part of the Connectivity Packages;
 - (c) Functioning, layout and design of the area of the Platform accessible only to the Customer;
 - (d) Information that KARL MAYER STOLL expressly designates as confidential, with the exception of information that falls under Section 2.5.
- 2.2 The Parties shall not disclose the Confidential Information or make it accessible to third parties. Copies may be made only for proprietary use; all Confidential Information must be stored in such a way that third parties cannot gain knowledge of it.
- 2.3 The Customer shall use the Confidential Information exclusively for the use of the k.ey devices, Platform and Solutions, but not for other business purposes, in particular not for its own Platform-related projects; to develop products similar to the k.ey devices, Platform and Solutions; or to promote Platform-related projects or develop third party products similar to the k.ey devices, Platform and Solutions.
- 2.4 The confidentiality obligations stipulated according to Section 2.2 and 2.3 shall apply – without prejudice to the provision in

- Section 2.5 – without limitation as to time and place. In particular, they shall also apply after the end of the contractual relationship based on the Agreement.
- 2.5 The confidentiality obligations do not apply to knowledge or information
- that was already obvious or known to the general public at the time of their communication to the Customer or to KARL MAYER STOLL;
 - that was already known at the time of the disclosure to the person receiving the information;
 - that subsequently becomes obvious or known to the general public or state of the art, without any responsibility on the part of the person who originally received the Confidential Information;
 - that was disclosed or made accessible to KARL MAYER STOLL or the Customer by a third party authorised to do so;
 - to whose transfer, disclosure or provision to third parties KARL MAYER STOLL or the Customer has previously consented in writing;
- The burden of proof for the existence of an exception according to the provisions of this Section shall be on the person who invokes the existence of the exception.
- 2.6 During the term of this Agreement and after its termination, the Customer and KARL MAYER STOLL shall not reverse engineer, analyse and/or reconstruct Confidential Information that has been disclosed to them (ban on reverse engineering).
- 3. Rights to data; Processing of data; Protection of secrets**
- 3.1 KARL MAYER STOLL is entitled to use the non-personal data received from the Customer during the term of this Agreement in connection with the business relationship. This data includes, exemplarily but without limitation, machine data (such as usage type and duration, load, condition, and status and error messages), environmental data (temperature, humidity, and air pressure) and machine-related network data (access, bandwidth usage, communication, and interaction) and k.ey device-related data (network information, access information, and utilisation) (collectively the **"Delivery Data"**).
- 3.2 The Customer hereby grants KARL MAYER STOLL and all the entities of the KARL MAYER Group the worldwide, exclusive, irrevocable, sublicensable right to use the Delivery Data anytime and anywhere, with no restrictions of content. This includes in particular the right to access the Delivery Data regardless of their storage location, to process them, and to store them beyond the termination and/or expiry of this Agreement. In particular, the Customer acknowledges that KARL MAYER STOLL and all the companies of the KARL MAYER Group may
- access the Delivery Data regardless of the data's location (Machine, k.ey device, the Customer's network, Platform, or transmission paths);
 - evaluate Delivery Data with algorithms and train machine learning models;
 - use Delivery Data for advertising and marketing purposes;
 - provide other companies of the KARL MAYER Group with the Delivery Data;
 - provide suppliers of KARL MAYER STOLL with Delivery Data to the extent that their respective supplier products (components, software, etc.) are affected by the Delivery Data.
- 3.3 With this Agreement, the Customer also expressly grants the rights specified in Section 3.1 and 3.2 to the KM.ON GmbH, registered in the Commercial Register of the Local Court of Frankfurt am Main under HRB 110267.
- 3.4 The Customer may use the Delivery Data itself to achieve the purposes of use described in this Agreement in accordance with the following conditions, insofar as the Delivery Data is provided to the Customer by KARL MAYER STOLL. The Customer shall not transfer the Delivery Data to any third party for independent use. In particular, the Customer shall not provide the Delivery Data to any competitor of KARL MAYER STOLL or any competitor of the companies of the KARL MAYER Group. The Customer shall not extract or reuse content from the Platform and the Solutions without KARL MAYER STOLL's express written consent.
- 3.5 The servers used by the KARL MAYER Group are secured in accordance with the state of the art, particularly by firewalls. Each time KARL MAYER STOLL uses cloud services for the fulfilment of this Agreement, it shall make sure or cause a relevant company of the KARL MAYER Group make sure, as far as reasonable, that the respective cloud services ensure they use servers which are protected according to the state of the art. KARL MAYER STOLL 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.
- 3.6 KARL MAYER STOLL and the Customer acknowledge that, to the best of their knowledge, the Delivery Data transmitted within the scope of this Agreement (via the Platform or the k.ey device, for example) do not contain any personal data. Insofar as and to the extent that KARL MAYER STOLL and/or any company of KARL MAYER Group is subject to the European General Data Protection Regulation (EU Regulation 2016/679; **"GDPR"**) and collects the Customer's personal data in the sense of Art. 4(1) GDPR (**"Personal Customer Data"**) in connection with the provision, operation, support and maintenance of the Solutions and the Platform, KARL MAYER STOLL does so or causes the company do so on behalf of the Customer (cf. Art. 28 GDPR) in accordance with the provisions set forth in more detail in **Appendix 2**. With regard to Personal Customer Data, the Customer remains "master of the data" in the sense of data protection law. The Customer is responsible for the lawfulness of the processing of the Personal Customer Data in accordance with the order (cf. Art. 4(7) GDPR). Insofar as KARL MAYER STOLL and/or any company of KARL MAYER Group collects the Customer's personal information in the sense of Article 2, Section 1 of the Act on the Protection of Personal Information (**"Japanese Personal Customer Information"**) in connection with the provision, operation, support and maintenance of the Solutions and the Platform, KARL MAYER STOLL does so or causes the company do so on behalf of the Customer (cf. Article 25 of the Act) in accordance with the provisions set forth in more detail in **Appendix 3**.
- 4. Information on Solutions and k.ey devices; Quality specifications; 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 legally required labels (such as CE or WEEE labels) on or relating to the Solutions or k.ey devices, as well as batch numbers or other identification features, do not constitute quality specifications or guarantees vis-à-vis the Customer,

but are affixed by KARL MAYER STOLL on the basis of statutory provisions in compliance with KARL MAYER STOLL's or the KARL MAYER Group company's regulatory obligations.

4.3 The Customer shall read all relevant product information carefully before using the Solutions and the key devices and shall use the Solution and the key devices with due care.

5. Liability; Limitation of liability; Statute of limitations

- 5.1 Unless this Agreement states otherwise, the liability provisions of this Section 5 shall apply.
- 5.2 KARL MAYER STOLL is liable only for intent and gross negligence as well as for the breach of a material obligation, the compliance with which is essential for the implementation of this Agreement and on the compliance with which the Customer may rely ("**Cardinal Duty**").
- 5.3 KARL MAYER STOLL is not liable for subcontractors, as they do not act as vicarious agents.
- 5.4 If a Cardinal Duty is breached through ordinary negligence, the liability of KARL MAYER STOLL is limited to damage that was foreseeable when the Agreement was concluded and is typical of this type of agreement.
- 5.5 KARL MAYER STOLL is not liable for breaches through ordinary negligence of a secondary obligation that is not a Cardinal Duty.
- 5.6 KARL MAYER STOLL is liable for initial impossibility only if it knew (or KARL MAYER STOLL's lack of knowledge is based on gross negligence), of the impossibility to perform, or if the initial impossibility is a breach of a Cardinal Duty.
- 5.7 KARL MAYER STOLL is liable for defects that exist when the Agreement is concluded only if (i) it knew (or KARL MAYER STOLL's lack of knowledge is based on gross negligence) about the defect or (ii) KARL MAYER STOLL is responsible for the existence of the defect when the Agreement is concluded.
- 5.8 Insofar as the liability of KARL MAYER STOLL is excluded or limited, the liability for culpability of that Party's representatives, employees and vicarious agents is also limited or excluded.
- 5.9 With the exception of claims in tort, the Customer's claims for damages for which KARL MAYER STOLL's liability is limited according to this Section 5 shall become time-barred after one (1) year calculated from the statutory commencement of the limitation period.

6. Service provision by the KARL MAYER Group; Transfer

- 6.1 In order to provide the Customer with the benefits of a single point of contact, KARL MAYER STOLL is the Customer's contract partner with respect to the services under this Agreement. Particularly regarding the provision of individual software components contained on the key device and regarding the services included in the Connectivity Packages, however, KARL MAYER STOLL cannot take action itself. Due to the structure and organisation of the KARL MAYER Group, individual companies of the KARL MAYER Group and/or suppliers of the KARL MAYER Group take action. The Customer therefore consents to the direct provision of services by companies of the KARL MAYER Group and by suppliers of the KARL MAYER Group.
- 6.2 KARL MAYER STOLL may transfer the rights and obligations under this Agreement to third parties, be replaced as a contracting party, and withdraw from the Agreement ("**Transfer**"), and, unless the Customer objects to a Transfer pursuant to this Section 6.2 within fifteen (15) business days from the day when KARL MAYER STOLL notifies the Customer of such

Transfer, the Customer agrees with such Transfer. The Customer may object to a Transfer if good causes to oppose such Transfer are present. A good cause is given if the interests of the Customer are endangered by the Transfer to such an extent that it becomes unreasonable for the Customer to adhere to the Agreement in case of a Transfer. A Transfer of KARL MAYER STOLL to a company of the KARL MAYER Group shall not be construed as good cause according to the sentence before.

7. Applicable law; Arbitration clause; Severability clause; Singular and plural formulations; Contract amendments and written form

- 7.1 This Agreement shall be governed by the laws of Japan excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG) and the conflict of laws rules.
- 7.2 The registered office of KARL MAYER STOLL as shown in the commercial register is the exclusive place of performance for all delivery and payment obligations.
- 7.3 All disputes arising out of or in connection with the present Agreement shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (ICC). The place of arbitration shall be Fukui-City, Japan. The arbitral tribunal shall consist of one (1) sole arbitrator for amounts in dispute up to EUR 400.000,00 (including) and three (3) arbitrators for greater amounts in dispute. The language of the proceedings shall be English. The applicable law in the matter shall be the laws of Japan to the exclusion of private international law and other conflict of law provisions.
- 7.4 If any provision of this Agreement is or becomes invalid, unimplementable 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 ascertaining 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 comes as close as the law allows to the original level or point in time. The same applies to any gap in this Agreement.
- 7.5 An invalid provision shall be replaced by a valid provision that comes closest to the intended economic purpose. The same shall apply if the implementation of this Agreement reveals a gap that needs to be filled.
- 7.6 Terms and definitions in the singular include the corresponding definitions and terms in the plural and vice versa.
- 7.7 Individual Agreements made in individual cases between the Customer and KARL MAYER STOLL (including ancillary agreements to this Agreement) take precedence over this Agreement. For the content of such agreements, a written agreement or the written confirmation of KARL MAYER STOLL is decisive – subject to proof to the contrary. 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 using the written form, 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.

B.

Provision and maintenance of the k.ey device

8. Subject of the Agreement

- 8.1 This part of the Agreement governs the provision of the k.ey devices by KARL MAYER STOLL and the obligations arising for the Parties in this context.
- 8.2 In order to use the Platform and to provide the Solutions in accordance with the Connectivity Packages, the Customer's Machines must be connected to the internet via a k.ey device.

9. Hardware-related obligations and rights of KARL MAYER STOLL within the scope of the transfer of the k.ey device

- 9.1 KARL MAYER STOLL shall transfer the required number of k.ey devices to the Customer free of charge. KARL MAYER STOLL shall provide the software belonging to the k.ey device on a temporary basis in accordance with the Section 10.
- 9.2 KARL MAYER STOLL shall at its own dutiful discretion determine the number of k.ey devices required by the Customer. The number depends on the number, type and use of the Networkable Machines.
- 9.3 KARL MAYER STOLL may exchange k.ey devices for newer versions or another comparable product during the term of the Agreement. KARL MAYER STOLL will announce an exchange with reasonable notice (one week). The Customer shall grant KARL MAYER STOLL access to the affected Machines and k.ey devices during the Customer's normal business hours.

10. Software-related obligations and rights of KARL MAYER STOLL within the scope of the transfer of the k.ey device

- 10.1 KARL MAYER STOLL shall provide the Customer with the software belonging to the k.ey device temporarily and free of charge for the term of the Connectivity Packages according to **Appendix 1**.
- 10.2 KARL MAYER STOLL shall grant the Customer the non-exclusive, non-transferable and non-sublicensable right, limited in time to the term of the Connectivity Packages according to **Appendix 1** and in place to the installation site of the Machines to be networked via k.ey device, to use the software to achieve the contractual purpose of this Agreement.
- 10.3 KARL MAYER STOLL is entitled to make changes and adjustments to the software as well as to replace individual (software) components both by means of remote maintenance access and by replacing the k.ey device, in particular,
- (a) insofar as KARL MAYER STOLL and/or a company of the KARL MAYER Group is obliged to do so on the basis of its own licence and/or contractual software agreements;
 - (b) if such modification or adaptation is necessary for the maintenance of the software in accordance with the state of the art; or
 - (c) a further development, improvement, upgrade or new release status of the software or individual (software) components is available.

11. Obligations of the Customer within the scope of the provision and maintenance of the k.ey device

- 11.1 The Customer shall accept the k.ey devices provided in accordance with Section 9.1 and put them into operation promptly.
- 11.2 The Customer shall handle and operate the k.ey devices provided in accordance with Section 9.1 carefully and in accordance with the instructions of KARL MAYER STOLL, with the

Customer's normal diligence, but at least with the diligence of a prudent merchant.

- 11.3 If the Customer does not comply with the standard of care set out in Section 11.2, it shall bear the expenses incurred by KARL MAYER STOLL and/or a company of the KARL MAYER Group for inspecting a k.ey device (and the costs for a new k.ey device, if the Customer requests one).

12. No warranty extension through surrender of the k.ey device; Liability

- 12.1 The delivery of the k.ey device shall not affect any warranty claims still existing at the time of commissioning of the k.ey device from the separately concluded purchase contract(s) for the Machine(s), whose scope of delivery included the previous gateway, which is now replaced by the k.ey device, and shall also not establish any new warranty claims for the Machine(s). The foregoing shall apply mutatis mutandis to contracts of sale of the individual gateway which have not included delivery of machinery.
- 12.2 Deviating from Section 5, the following liability and warranty provisions shall apply to the transfer of k.ey devices:
- (a) KARL MAYER STOLL is responsible only for intent and gross negligence.
 - (b) KARL MAYER STOLL is not required to pay interest on arrears.
 - (c) KARL MAYER STOLL is liable only for material defects and defects of title that KARL MAYER STOLL has fraudulently concealed from the Customer.
 - (d) Warranty claims with regard to the k.ey device shall become time-barred one year after the date of commissioning of the k.ey device, but not later than the expiry of the eighteenth (18th) month after delivery of the k.ey device to the Customer's place of business.

C.

Connectivity Packages

13. Object of the Connectivity Packages

- 13.1 The object of the Connectivity Packages are various Solutions that the Customer can access via the Platform with the help of an internet-enabled smartphone or computer.
- 13.2 The content and scope of the Connectivity Packages, such as possibly included Solutions, are set out in **Appendix 1** to this Agreement. Machine-related support and maintenance contracts are to be concluded separately with regard to the Machine's hardware components. Such support and maintenance contracts and/or respective repair and service works are not included in the Connectivity Packages and not the object of the Solutions but are governed by the purchase or service contract for the Machines or hardware components.

14. Customer's obligations

- 14.1 The Customer shall be responsible for providing all necessary information as well as for providing and maintaining the hardware and network environment as well as the necessary system environment; the Customer shall oblige its users accordingly. The hardware and network environment requirements are set out in **Appendix 1 Annex B**, unless otherwise stipulated in this Agreement. For the installation and maintenance of the k.ey devices, the Customer shall grant KARL MAYER STOLL access to the installation site of the k.ey devices during normal business hours after KARL MAYER STOLL has given reasonable notice in advance.

- 14.2 If the Customer does not fully comply with its cooperation obligations, KARL MAYER STOLL shall become free from its obligations arising from this Agreement until the Customer has duly fulfilled its cooperation obligations, insofar it is significant for the obligations of KARL MAYER STOLL that the Customer fulfils the respective cooperation obligation. If KARL MAYER STOLL or a company of the KARL MAYER Group incurs additional expenses due to a breach of the Customer's cooperation obligations, the Customer is obliged to reimburse these expenses.
- 15. Obligations of KARL MAYER STOLL**
- 15.1 KARL MAYER STOLL shall provide and maintain the Connectivity Packages described in **Appendix 1** with the content and scope defined therein and shall keep it in orderly condition to prevent malfunctions or shall repair it in case of malfunctions.
- 16. Default in payment; Setoff; Right of retention**
- 16.1 During the default of payment of the Customer, KARL MAYER STOLL is entitled to claim the statutory default interest in the amount of currently nine (9) percentage points above the respective base interest rate as well as a lump sum in the amount of EUR 40.00. KARL MAYER STOLL reserves the right to claim higher damages for delay.
- 16.2 The Customer may set off his liabilities only against a counterclaim that has become res judicata, is ready for a decision, or is uncontested.
- 16.3 The Customer may assert a right of retention only insofar as its counterclaim is determined with legally binding effect, ready for a decision, or uncontested, and is based on the same contractual relationship.
- 17. Delivery time; Force majeure; Reservation of self-delivery; Early or partial deliveries; Amendments**
- 17.1 KARL MAYER STOLL must confirm delivery and provision deadlines in writing in order for them to be binding. Delivery and provision periods shall commence on the date of the order confirmation, 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.
- 17.2 If KARL MAYER STOLL is in default with the delivery or provision, the Customer must grant KARL MAYER STOLL a reasonable period of grace, which may not be less than two (2) weeks. The Customer is only entitled to withdraw from or terminate the Agreement, if this grace period expires to no avail.
- 17.3 Force majeure (including without limitation an act of God, war, riot, civil war, strikes, pandemics, epidemics (including unforeseeable events with regard to COVID-19), enactment, revision or abolishment of any law or regulation, accident or difficulty with communication lines, limited supply of electricity, cyber terrorism, instruction or request from a governmental agency, or any other event not attributable to a party) that prevents KARL MAYER STOLL from delivering or providing through no fault of its own will result in an extension of the relevant delivery or provision period for as long as this circumstance persists. If a delivery becomes unreasonable due to these circumstances, KARL MAYER STOLL may terminate the Agreement.
- 17.4 If KARL MAYER STOLL does not receive its own deliveries or does not receive them on time, it will not be deemed in default unless KARL MAYER STOLL is responsible for not being (timely) delivered. If it is certain that KARL MAYER STOLL has not been supplied with the Solutions it has ordered or with the supplier products and services required for the production or provision of the Solutions, despite the conclusion of a congruent covering transaction, for reasons for which it is not responsible, KARL MAYER STOLL may terminate the Agreement. Any statutory rights of withdrawal and termination shall remain unaffected.
- 17.5 Early or partial deliveries are permissible unless they are unreasonable for the Customer.
- 18. Notice of defects; Claims for defects; No right of withdrawal; Use of the Remote Service Connection**
- 18.1 Deviating from Section 5, the following provisions of this Section shall apply to the Solutions to be provided according to the Connectivity Packages.
- 18.2 The Customer shall inspect the key devices and Solutions immediately after delivery or provision and – if foreseen by KARL MAYER STOLL in the individual case – test them. The key devices and the Solutions shall be deemed to have been approved by the Customer if the Customer has not notified KARL MAYER STOLL of a defect (i) in the case of obvious defects without undue delay, but at the latest within seven (7) calendar days after delivery or provision of the Solution to the Customer or (ii) in the case of hidden defects also without undue delay, but at the latest within ten (10) calendar days after discovery of the defect.
- 18.3 If within the framework of this Agreement KARL MAYER STOLL is owed the provision or transfer of a service or an item temporarily, and a defect arises during the term of the Agreement, the Customer shall notify KARL MAYER STOLL of the defect within seven (7) calendar days after it arises.
- 18.4 The Customer must describe defects in detail so that KARL MAYER STOLL is able to identify and remedy the defect.
- 18.5 With this Agreement, the Customer and KARL MAYER STOLL are driving forward the digitalisation of the industry. The Customer will notify KARL MAYER STOLL of a defect exclusively by using the Remote Service Connection. For this purpose, the Customer shall comply with the process set out in **Appendix 1** for making warranty claims and for other maintenance requests. The Customer shall use this process for all defects and regarding all support or maintenance requests with regard to the Solutions, the key devices and the Networked Machines.
- 18.6 If there is actually a defect and the Customer gives notice of this defect in due form and time in accordance with Sections 18.2 to 18.5, KARL MAYER STOLL is initially obliged, at its own discretion, to rectify the defect or to deliver or provide a defect-free Solution (subsequent performance).
- 18.7 If KARL MAYER STOLL takes action on the basis of a notice of defect without a defect having existed, the Customer shall compensate KARL MAYER STOLL separately for any expenses incurred.
- 18.8 With the exception of claims for damages due to defects, claims based on defects shall become time-barred twelve (12) months after delivery or provision of the Solutions to the Customer.
- 18.9 The Customer is entitled to claims for damages due to defects only insofar as the liability of KARL MAYER STOLL is not excluded or limited in accordance with Section 18.1 to 18.8.
- 18.10 The provisions of this Section 18 do not affect claims for defects which KARL MAYER STOLL has fraudulently concealed or which are covered by a guarantee of quality or durability.

List of Appendices and Annexes

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

Content and scope of the Connectivity Packages

Summary Framework Connectivity Packages

Costs	EUR 15.00 net per Networked Machine per month for mechanical machines (N-drive). EUR 22.00 net per Networked Machine per month for electronic machines (ON, EL, EN drive, etc.) with bidirectional data transfer
Term	Beginning with registration of the Machines on the Platform for the Connectivity Packages, but no later than three (3) months after the Customer has received the order confirmation or any other confirmation leading to the conclusion of the Agreement: Twelve (12) months (" Accounting Year "). The Agreement will renew tacitly for twelve (12) months each time if no notice of termination is given.
Termination	The Agreement may be terminated through ordinary termination at the end of any month with three (3) months' notice. Termination for good cause remains unaffected from provisions herein.
Invoicing	Per Accounting Year (12 months).
Payment	Bank name: Mizuho Bank, Fukui Branch (みずほ銀行/福井支店) Address: 3-5-1, Ohte, Fukui City, 910-0005 (福井市大手3-5-1) SWIFT CODE: MHCBJPJT Account type : Checking account (当座預金) Account number : 0102800 Account holder : Nippon Mayer Ltd. (ニッポンマイヤー (カ)) Payments in the year the Agreement is concluded by cash in advance, in the further Accounting Years annually after invoicing and according to the due date stipulated in the invoice by KARL MAYER STOLL at the beginning of the Accounting Year; the timely receipt of payment on the account of KARL MAYER STOLL is decisive for timely payment by the Customer.
Price adjustments	KARL MAYER STOLL may notify the Customer of price adjustments four (4) weeks before the expiry of the ordinary termination period. If the Customer stays silent to such notification, the price adjustment shall be deemed to have been approved by the Customer. KARL MAYER STOLL will point out this approval by staying silent in the price adjustment letter. If the producer price index determined by Consumer Price Index 2020-Base Consumer Price Index Monthly Report File Browse Statistics Portal Site of Official Statistics of Japan (e-stat.go.jp) changes by more than ten (10) per cent compared to the level in the first month of the closing year, the costs per Networked Machine according to this table shall automatically change, without the need for a request, by seventy (70) per cent of the index change that has occurred. The price changes from the beginning of the next month following the first attainment of the percentage change, for the first time at the beginning of the first Accounting Year. If the price change leads to a short or over payment by the Customer, KARL MAYER STOLL will settle this by invoice. The right of KARL MAYER STOLL to terminate the Agreement due to changes remains unaffected.
Components of the Connectivity Packages	key device(s), if required, see Section 9 of the Agreement. SaaS solution Dashboard Lite, in accordance with Section 19 of this Appendix 1. Remote Service Connection, in accordance with Section 20 of this Appendix 1. Remote Set-Up and Installation Support for Connectivity, in accordance with Section 21 of this Appendix 1.
Hardware requirements, network requirements, and necessary system environment	<i>Annex B</i>

19. SaaS Solution Dashboard Lite

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

20. Remote Service Connection

20.1 The Customer shall follow the following process when making warranty claims and otherwise requesting maintenance:

- *Step 1:* The Customer triggers a service request with KARL MAYER STOLL via the myKM.ON Platform. There is a "Remote Service" button on the Platform for this purpose. After its activation, the Customer is shown all the Machines for which it has entered into a Connectivity Packages.
- *Step 2:* The Customer generates a ticket at KARL MAYER STOLL and confirms the permission of the companies of the KARL MAYER Group for remote access with regard to the Networked Machines concerned.
- *Step 3:* The Customer accepts the feedback from the service-providing unit of a company of the KARL MAYER Group. Service Level Specifications relating to the Dashboard Lite are set out in *Annex C* to this Appendix 1.

20.2 The access authorisation regarding Networked Machines within the scope of the Remote Access is not limited to KARL MAYER STOLL. The 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 authorisation is a necessary prerequisite for the respective company of the KARL MAYER Group to be able to fulfil warranty claims or maintenance orders requested by the Customer.

20.3 The Remote Service Connection does not include any troubleshooting/maintenance or repair service by KARL MAYER STOLL, but creates the prerequisite for a company of the KARL MAYER Group to be able to provide the Customer with the services contractually owed by other contracts that may have to be concluded (e.g. remote instructions for troubleshooting within the scope of the warranty or outside of the warranty (separate service subject to a charge).

21. Remote Set-Up and Installation Support for Connectivity

21.1 KARL MAYER STOLL provides remote support for networking the Networkable Machines for which the Connectivity Packages exists. KARL MAYER STOLL will instruct the Customer remotely on how the Customer can establish a connection of the k.ey device with the Machines to be networked and the Platform. Included in Remote Set-Up and Installation Support for Connectivity is support by phone, email or chat (Microsoft Teams) from service representatives. KARL MAYER STOLL is not obliged to directly connect to the Networkable Machines concerned via Remote Access.

21.2 To enable a company of the KARL MAYER Group to provide the service described in Section 21.1 of this Appendix 1, KARL MAYER STOLL and the Customer will arrange an appointment. KARL MAYER STOLL shall respond to the Customer's appointment request within one (1) working day (by e-mail / telephone).

Annex A:

Product data sheet; k.management; Dashboard Lite

Preliminary remarks: What follows is an abstract scope of services for the "Dashboard Lite" 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 Connectivity Packages in **Appendix 1** to this Agreement.

1. Dashboard Lite – Overview

- 1.1 Dashboard Lite is a cloud-based k.management Solution within the Machine data visualisation Platform ("**Dashboard Lite**" or "**Dashboard**").
- 1.2 Access to the dashboard is browser-based via login through the myKM.ON Platform.
- 1.3 Displayable are, in principle, processed machine data from Networkable Machines. Details of the hardware requirements and network requirements are set out in Annex B to this Agreement's **Appendix 1**. 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 Lite 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 Section 2 of this *Annex A*.

2. Specification and description of the Dashboard Lite

Where a Machine is covered by this Section, the Dashboard Lite shall include the following functions:

- 2.1 Overview of all Networked Machines
In Dashboard Lite, the Overview Page displays the following Machine information of all Networked Machines as live data at the respective displayed Networked Machine:
 - Machine name as stored in the respective KAMCOS system;
 - Machine status (running, stopped, or offline);
 - Remaining time until the source material is completely processed;
 - Remaining time until completion of the piece currently in production;
 - Number of stops during the production of the current piece;
 - Percentage information on the running time of the respective Machine in production operation in the last 24 hours (rolling: e.g. 11.01. 15:00 until 12.01. 14:59).
- 2.2 Filter function
By 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 the respective Networked Machines.
- 2.3 Sorting functions
The Customer can sort all Networked Machines on the Overview Page by "Machine name A-Z".
- 2.4 Individual evaluation of the live data of a Networked Machine
By clicking on a specific Networked Machine on the Overview Page, the following further information on the specific Networked Machine can be called up as live data:
 - Information on 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);
- Selected information about the Customer's order currently being produced on the Networked Machine (e.g. Customer's article and order number; number of pieces per order). The prerequisite is that this information has been entered in the respective KAMCOS system beforehand, whereby there may be restrictions depending on the KAMCOS system (e.g. order data not possible with KAMCOS 1);
- Information on the warp beams of the respective Networked Machine;
- Information on goods take-off and roll-up.

2.5 Statistics function

In addition, 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:

- Last 1 h;
- Last 8 h.

Annex B:

Hardware requirements, network requirements, and necessary system environment

1. k.ey device

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

The k.ey device:

(a) Technical data k.ey device:

(i) Dimensions and weight:

Dimension: 180 x 134 x 50 mm

Weight: approx. 1.0 kg

(ii) Operating conditions:

The installation site of the k.ey device must be chosen so that it is operated under IT conditions.

This particularly concerns the following requirements:

Operating temperature: 0–40 degrees Celsius;

Relative humidity: 10–90% at 39 degrees Celsius

(non-condensing).

(b) Network requirements

The trouble-free operation of the k.ey device requires that the Customer maintains 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.

(i) General requirements (LAN and WLAN):

- CAT-5e cable (or higher category);
- Machine network (LAN), Ethernet recommendation, WiFi 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.

(ii) Special requirements:

Depending on the type of networking chosen, the 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. The provisions of Section 10 of this Agreement shall apply to the software, in particular its transfer.

(d) Electrical equipment:

- Power supply unit: 110 V / 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 commissioning of the k.ey device

For the initial commissioning of the k.ey device, a one-time registration with the personal company email address of an employee of the customer on the myKM.ON Platform of KM.ON GmbH is necessary (currently accessible at <https://go.kmon.net> or for PRC <https://go.kmon.net.cn>). The corresponding processing of Personal Customer Data is carried out on behalf of the Customer (see Art. 28 GDPR) in

accordance with **Appendix 2**, and the corresponding processing of Japanese Personal Customer Information is carried out on behalf of the Customer (see Article 25 of the Act on the Protection of Personal Information) in accordance with **Appendix 3**. 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/quick-startguide>) for instructions on commissioning the k.ey device. The Quick Start Guide also contains suggestions for setting up the network environment to be created by the Customer as well as the URLs and ports to be released by the Customer. For the onboarding process, the Customer needs, in addition to the network requirements to be created by the 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/>.

2. Customer terminal

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

3. 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 the existence of a Networkable Machine. Furthermore, depending on the Solutions included in the respective Connectivity Packages, they have different requirements.

3.1 Networkable Machine

The following Machines can be networked in principle:

- Warp knitting Machines of the KARL MAYER Group, provided they are operated 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 the Customer [adapter or WiFi antennas (per Machine potentially to be networked)]. In addition, the Customer may have to commission a KM service technician to carry out any necessary software updates (when operating with a WiFi antenna), for which a charge will be made.
- In the case of warp knitting Machines with an older KAMCOS 1 operating system, clarify in advance with KARL MAYER STOLL whether and under what conditions networking of the Machine is possible.
- For all other machines of the KARL MAYER Group as well as machines from third-party manufacturers, it must be clarified in advance with KARL MAYER STOLL whether and under what conditions networking of the respective machines is possible.

3.2 Dashboard Lite

The requirements for the k.ey device according to Section 1 of this Annex B apply.

3.3 Remote Set-Up and Installation Support for Connectivity:

The requirements for the k.ey device according to Section 1 of this Annex B apply.

Annex C:

Service Level Agreement – Dashboard Lite and Remote Services

1. Scope of this Service Level Agreement – Dashboard Lite; Relationship to the Agreement

- 1.1 This SLA contains specifications on the availability of the Services provided by KARL MAYER STOLL via the myKM.ON Platform of KM.ON GmbH, on the performance of Maintenance Work, the Remote Services and the Incident Management.
- 1.2 This SLA applies exclusively to the Service made available to the Customer for productive use and not to non-productive, free and/or test versions of the Service and the integration or test systems with unreleased functions.
- 1.3 All obligations of KARL MAYER STOLL in this SLA apply only to the Service provided to the Customer at the Transfer Point. KARL MAYER STOLL is not responsible for the data transmission from the Transfer Point to the Customer and/or in the area of the Customer's IT system.
- 1.4 In the event of any conflict between this SLA and the Agreement, the provisions of the Agreement shall prevail.

2. Definitions

- 2.1 Besides the definitions in the Agreement, the definitions set out in this Section shall apply for the purposes of this SLA. In the event of any inconsistency between the definitions in this SLA and the definitions in the Agreement, the definitions in the Agreement shall prevail.
- 2.2 "**Downtime**" means the total number of hours during which the essential functions of the Service, as defined in the contract, are not available during the system term
- 2.3 "**Dashboard Lite**" as defined in Appendix 1 Annex A.
- 2.4 "**Incident Management**" refers to the processing of Faults.
- 2.5 "**Response Time**" is the time period in which KARL MAYER STOLL starts to process a Fault reported by the Customer.
- 2.6 "**Remote Services**" as described in Appendix 1, Section 20 and 21.
- 2.7 "**Service**" is the umbrella term for the Dashboard Lite *and the Remote Services, unless one of the two Services is explicitly addressed in this SLA.*
- 2.8 "**Service Provision Time**" as defined in Section 3.1 of this Annex.
- 2.9 "**SLA**" This Service Level Agreement
- 2.10 "**Fault**" means any impairment of the Service, such as Downtime, errors or quality degradation.
- 2.11 "**Transfer Point**" Regarding the Dashboard Lite: Point at which the data transfer from the Platform to the Customer's system takes place. Regarding Remote Services: Point at which the Remote Service leaves the network of KARL MAYER STOLL or the company providing the Remote Service.
- 2.12 "**Availability**" means that the Customer can perform and use the essential functions of the Service at the Transfer Point. The Service is also available if the Customer can use the essential functions of the Service by means of a work-around provided by KARL MAYER STOLL at the Transfer Point.
- 2.13 "**Maintenance Work**" refers to all maintenance activities required to keep the Service running, remedy Faults, 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

- 3.1 KARL MAYER STOLL owes 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 with respect to the Dashboard Lite and with respect to the Remote Services as agreed in Section 4.1 of this SLA (each the **“Service Provision Time”**).

3.2 3.2 KARL MAYER STOLL is not obliged to make the Service available for use by the Customer during planned Maintenance Work in the Service Provision Time in accordance with Section 6 of this SLA. If the Service is available during scheduled Maintenance Work pursuant to Section 6, use of the Service shall be at the Customer’s own risk. The 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, the Customer shall not be entitled to any warranty or compensation.

3.3 3.3 The availability of the Service is calculated as a percentage of time over the course of a calendar month during the Service Provision Time.

3.4 When calculating the actual availabilities, Downtimes that cannot be attributed to KARL MAYER STOLL are considered as available times. These harmless Downtimes are:

- (a) Downtime due to planned or unplanned Maintenance Work in accordance with Section 6;
- (b) Downtime due to Maintenance Work agreed in advance with the Customer;
- (c) Downtimes due to operational disruptions caused by an event of force majeure or other unavoidable events outside the sphere of influence of KARL MAYER STOLL and which could not be averted with reasonable effort and which could not be foreseen even with careful application, which make the obligations of KARL MAYER STOLL under this SLA considerably more difficult or impossible in whole or in part, such as epidemics, pandemics (including further unforeseeable events of COVID-19), strikes, lockouts, extraordinary weather conditions, power failures, operational or traffic disruptions and transport hindrances, and which release KARL MAYER STOLL from its obligations under this SLA for the duration of such event;
- (d) Downtimes due to virus or hacker attacks, insofar as KARL MAYER STOLL has not taken the agreed protective measures or, in the absence of an agreement, the usual protective measures;
- (e) Downtimes due to a Fault caused by the Customer;
- (f) Downtimes due to software errors in the Customer’s applications or due to errors in the system and system-related software triggered by the Customer’s applications or data;
- (g) Downtimes caused by Faults in the Customer’s hardware, with the exception of Faults in the key device or in the Networked Machine;
- (h) Downtimes caused by third parties (persons not attributable to KARL MAYER STOLL).

3.5 The Customer must notify KARL MAYER STOLL of any impairment of the availability of the Service.

4. Remote Services

4.1 The Service Provision Time of the Remote Services, which depends on the location of the Networked Machine, is shown in the following table:

	Asia (without People’s Republic of China 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

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

5. Incident Management

5.1 Incident Management includes all activities between the Customer and KARL MAYER STOLL in connection with the notification and management of Faults until their resolution.

5.2 The following Fault classes apply:

- (a) 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, for example).	<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, for example).	<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 the Customer asks questions or requests improvements, for example).	<24h during the Service Provision Time of the Remote Services

- (b) KARL MAYER STOLL shall prioritise and classify Faults at its own discretion, taking into account the aforementioned definitions.

5.3 Incident Management Process

- (a) The Customer shall inform KARL MAYER STOLL immediately of any Faults via the Platform, email, or ticket system (depending on which option KARL MAYER STOLL offers the Customer).

- (b) The Customer shall ensure that the notification of a Fault contains the following required information:

- (i) Name of the user account and Networked Machines concerned as well as the Service;
- (ii) Detailed description of the Fault so it can be reproduced;
- (iii) Date and time when the Fault occurred;
- (iv) Which troubleshooting measures have already been carried out by the Customer and what behaviour has been shown as a result of the Customer’s troubleshooting measures.

- (c) As soon as the Customer has provided KARL MAYER STOLL with all the necessary information, the solution process begins. KARL MAYER STOLL will then provide the

Customer with an initial response within the Response Times specified in Section 5.2. KARL MAYER STOLL will inform the Customer about the elimination of the Fault. Faults are processed during the Service Provision Time of the Remote Services.

6. Maintenance Work

- 6.1 KARL MAYER STOLL may interrupt the provision of the Service for Maintenance Work.
- 6.2 KARL MAYER STOLL shall schedule Maintenance Work in such a way that the Customer's use of the Service is affected as little as possible.
- 6.3 KARL MAYER STOLL shall notify the Customer of planned Maintenance Work in the Platform at least five calendar days in advance.
- 6.4 KARL MAYER STOLL may perform unscheduled maintenance of the Service for an important reason (if the Service operation is endangered, for example). This includes without limitation emergency changes, such as the installation of security patches, which are necessary to secure and maintain operations and require immediate implementation. KARL MAYER STOLL shall notify the Customer of such unscheduled Maintenance Work without delay and carry it out in such a way that disruptions to the operating process are kept to a minimum.

Appendix 2:

Data Processing Agreement for the Connectivity Terms and Conditions (Art. 28 GDPR)

1. Definitions, starting point and ranking

- 1.1 The definitions in the Connectivity Terms and Conditions shall apply mutatis mutandis to this Appendix 2 (including the Annexes), subject to the following variation: The Customer is also referred to as the "**Client**" and KARL MAYER STOLL is also referred to as the "**Contractor**". In this Appendix 2, KARL MAYER STOLL refers to NIPPON MAYER LTD., 27-33 Kamikitano 1-Chome, 918-8522 Fukui-City, Japan, or an affiliate or any other entity of the KARL MAYER Group, as the case may be. The Connectivity Terms and Conditions are referred to as the "**Main Contract**".
- 1.2 The provision of services in the form of the provision, operation, support and maintenance of the Solutions and the Platform in accordance with the provisions of the Main Contract requires the processing of personal data of the Customer within the meaning of Art. 4(1) GDPR ("**Personal Customer Data**"). This Appendix 2 ("**Commissioned Data Processing**") sets out, as an agreement on commissioned processing pursuant to Art. 28 GDPR between the Parties, the data protection obligations of KARL MAYER STOLL (as a processor within the meaning of Art. 4(8) GDPR) resulting from the processing of Personal Customer Data in the context of the contractual provision and use of the Solutions and the Platform ("**Data Processing**"). As the controller, the Customer is solely responsible for the lawfulness of the disclosure of Personal Customer Data to KARL MAYER STOLL as well as the lawfulness of the Data Processing under the data protection laws applicable to the Customer.
- 1.3 If there is any inconsistency or ambiguity between a provision contained in the main body of this Commissioned Data Processing and a provision contained in its Annexes, the provision contained in the main body shall prevail. If there are contradictions or ambiguities between provisions of this Commis-

sioned Data Processing and the provisions of the Main Contract, the provisions of this Commissioned Data Processing shall take precedence as far as data protection matters are concerned. If there is any inconsistency or ambiguity between any provision of the concluded EU standard contractual clauses and any provision of this Commissioned Data Processing (including Annexes), the provision of the EU standard contractual clauses shall prevail.

2. Object, duration, and specification of the Data Processing

- 2.1 The object of the Data Processing is the provision, operation, support and maintenance of the Solutions and the Platform by KARL MAYER STOLL for the Customer and its users in accordance with the provisions of the Main Contract. The details are specified in the Main Contract.
- 2.2 The term of this Commissioned Data Processing corresponds to the term of the Main Contract. This Commissioned Data Processing ends with the termination of the Main Contract.
- 2.3 The scope, type, and purpose of the Data Processing is the provision, operation, support and maintenance of the Solutions and the Platform in accordance with the provisions of the Main Contract by KARL MAYER STOLL as well as the enabling of the contractual use of the Solutions and the Platform by the Customer and its users. The details are specified in the Main Contract.
- 2.4 The types of Personal Customer Data and the categories of data subjects are as follows:
 - (a) Types of Personal Customer Data are (a) the user's name and email address, (b) the user's role with the Customer, (c) the user's IP address, and (d) an authentication token (~ individual characteristic that identifies the user for authentication purposes within the Solutions and the Platform).
 - (b) Categories of data subjects are employees and workers of the Customer.
- 2.5 The Solutions and Platform is a global software solution. Against this background, Data Processing occurs both (a) within the European Union ("**EU**") or the contracting states to the Agreement on the European Economic Area ("**EEA**") and (b) outside the EU or the EEA. Data Processing outside the EU or the EEA takes place only if the special protection provisions of Art. 44 et seq. GDPR are fulfilled in order to ensure an adequate level of data protection. KARL MAYER STOLL sees an appropriate adequate level of data protection on the basis of an adequacy decision of the European Commission (Art. 45 GDPR) and/or by entering into EU standard contractual clauses (Art. 46(2)(c) and (d) in conjunction with Art. 47 GDPR). If EU standard contractual clauses are entered into, KARL MAYER STOLL shall provide the Customer with a copy of those clauses on request.

The retransfer of Personal Customer Data from KARL MAYER STOLL to the Customer takes place in accordance with Art. 44 et seq. GDPR based on the adequacy decision (Art. 45 GDPR) for Japan by the European Commission.

The Customer authorises a data transfer to countries outside the EU or EEA to the sub-processors/recipients listed in *Annex 2*. *Annex 2* specifies the measures approved by the Customer to ensure an adequate level of data protection in the context of subcontracted processing.
3. **Technical and organisational measures**
 - 3.1 KARL MAYER STOLL takes all necessary technical and organisational measures in its area of responsibility in accordance with Art. 32 GDPR on the protection of Personal

- Customer Data. The technical and organisational measures are specified in *Annex 1*. *Annex 1* shall be handed over to the Customer for review and, if accepted by the Customer, shall become the basis of this Commissioned Data Processing.
- 3.2 Insofar as a review or inspection of the Customer reveals a need to adapt the technical and organisational measures listed in *Annex 1*, the Parties shall implement this by mutual agreement.
- 3.3 The technical and organisational measures listed in *Annex 1* are subject to technical progress and further development. KARL MAYER STOLL may implement alternative adequate measures, although the security level of the technical and organisational measures specified in *Annex 1* must be met or exceeded. The Customer must be informed in writing or text form of any significant changes.
- 4. Rights of data subjects**
- 4.1 KARL MAYER STOLL supports the Customer within its area of responsibility and as far as possible by means of suitable technical and organisational measures in responding to and implementing requests from data subjects under the data protection laws applicable to the Customer. KARL MAYER STOLL may not disclose, port, rectify, erase or restrict the processing of Personal Customer Data on its own authority, but only after receiving documented instructions from the Customer. If a data subject contacts KARL MAYER STOLL directly, KARL MAYER STOLL shall forward that request to the Customer without undue delay. KARL MAYER STOLL may demand appropriate remuneration for the support of the Customer in the case of enquiries from data subjects.
- 4.2 Insofar as this is possible within the scope of the functionalities of the Solutions and the Platform, the Customer itself shall correct, erase or restrict Personal Customer Data to the extent that this is required under data protection laws applicable to the Customer.
- 5. Quality assurance and other obligations of KARL MAYER STOLL**
- Furthermore, KARL MAYER STOLL has the following obligations:
- 5.1 KARL MAYER STOLL and anyone subordinate to them who has legitimate access to Personal Customer Data shall process those data exclusively in accordance with the provisions of the Main Contract, this Commissioned Data Processing, and the instructions of the Customer in order to provide the Solutions and the Platform in accordance with the Agreement, unless they are legally obliged to process it differently.
- 5.2 To maintain confidentiality in accordance with Art. 28(3)(2)(b), 29, and 32(4) GDPR, KARL MAYER STOLL uses only employees in the performance of its activities who have been obligated to confidentiality and have been familiarised with the data protection provisions relevant to them. KARL MAYER STOLL employees are informed that the confidentiality obligation pursuant to this Section 5.2 shall survive the termination of their employment. A statutory duty of disclosure remains unaffected.
- 5.3 KARL MAYER STOLL supports the Customer, taking into account the nature of the Data Processing, to the necessary and appropriate extent in ensuring compliance with the Customer's legal obligations.
- 5.4 KARL MAYER STOLL's data protection officer can be reached at the following contact details: Karl Mayer Verwaltungsgesellschaft mbH, Olaf Nothdurft (Data Protection Officer), Industriestr. 1, D-63179 Obertshausen, <mailto:dataprotection@karlmayer.com>
- 5.5 KARL MAYER STOLL shall inform the Customer without undue delay about measures and inspections by a supervisory authority regarding the Data Processing. The same applies in the event of investigations by a competent supervisory authority in the context of administrative offence or criminal proceedings.
- 5.6 To the extent that the Customer is exposed to (a) the control of a supervisory authority, (b) an administrative offence or criminal proceedings, (c) the liability claim of a data subject or a third party or (d) another claim or a request for information in connection with this Commissioned Data Processing, KARL MAYER STOLL shall support the Customer to the necessary and reasonable extent.
- 5.7 KARL MAYER STOLL regularly monitors its internal processes as well as the technical and organisational measures (cf. *Annex 1*) to ensure that the Data Processing in its area of responsibility is carried out in accordance with the requirements of the GDPR.
- 5.8 KARL MAYER STOLL supports the Customer in its area of responsibility and, as far as possible, within the scope of existing duties to provide information to supervisory authorities and data subjects to the necessary and appropriate extent and provides the Customer with all relevant information in this context.
- 5.9 KARL MAYER STOLL shall provide the Customer in its area of responsibility with all information necessary to prove compliance with the GDPR and enable and support controls regarding the Data Processing within the scope of this Commissioned Data Processing (cf. Section 7).
- 6. Sub-processing relationships**
- 6.1 For the purposes of this Section 6, subcontracting relationships shall be understood to mean those services which relate directly to the provision of the Solutions and the Platform. This does not include any ancillary services that KARL MAYER STOLL makes use of (such as telecommunications, transport, or cleaning or security services). However, KARL MAYER STOLL shall make appropriate and legally compliant contractual agreements and take control measures to guarantee the data protection and the data security of the Personal Customer Data, including in the case of outsourced ancillary services.
- 6.2 The sub-processors approved by the Customer when the agreement was entered into are listed in Annex 2.
- 6.3 A further commissioning of sub-processors or the replacement of existing sub-processors in accordance with Annex 2 is permissible under the following conditions:
- (a) KARL MAYER STOLL notifies the Customer of the involvement of the sub-processor in advance in writing or text form within a reasonable period of time, which must be at least fourteen (14) days, and the Customer does not object to this within a reasonable period, whereby the Customer may object only for good cause. Insofar as the Customer objects for good cause and the Parties cannot reach an amicable solution regarding the sub-processor in question, the Customer shall be granted a special right of termination.
- (b) KARL MAYER STOLL enters into agreements with the sub-processors in accordance with Art. 28 GDPR, which contain data protection provisions that are comparable in principle to the Commissioned Data Processing applicable between the Parties. In particular, KARL MAYER STOLL shall ensure

that sufficient guarantees exist for implementing technical and organisational measures. The sub-processor further grants the Customer audit and control rights essentially comparable to Section 7, including the right of the Customer, on written request, to receive information from KARL MAYER STOLL on the content and implementation of relevant data protection obligations within the scope of the sub-processing relationship (if applicable, by inspecting the related documentation).

6.4 If the sub-processor provides the agreed service outside the EU or the EEA, Section 2.5 shall apply accordingly.

6.5 KARL MAYER STOLL remains responsible to the Customer for the fulfilment of the obligations of the commissioned sub-processor.

7. Control rights of the Customer

7.1 The Customer may verify compliance with (a) the obligations under the GDPR as well as (b) this Commissioned Data Processing, particularly regarding the technical and organisational measures. The Parties have the common understanding that checks of the Customer and the provision of information and evidence by KARL MAYER STOLL for compliance with the obligations under the GDPR and this Commissioned Data Processing will primarily be carried out in such a way that KARL MAYER STOLL provides the Customer with current test certificates, reports or report extracts from independent third parties (such as auditors, auditing departments, data protection officers, IT security department, data protection auditors or quality auditors) or suitable certifications by IT security or data protection auditing. This will not affect the Customer's rights under Sections 7.2 or 7.3.

7.2 To the extent necessary in individual cases, during the term of this Commissioned Data Processing and after consultation with KARL MAYER STOLL, the Customer may perform or have others perform appropriate inspections of the relevant KARL MAYER STOLL business premises in which the Data Processing occurs, either itself or through suitable inspectors to be named in individual cases who are obliged to maintain confidentiality. The inspections are limited to the Data Processing of Personal Customer Data and must be performed without avoidable disturbances at KARL MAYER STOLL's premises. KARL MAYER STOLL may object to the selection of the inspector for good cause (such as lack of reliability or a competitive relationship with KARL MAYER STOLL or the KARL MAYER Group). Except in the case of urgent, objectively justified reasons, which are to be documented accordingly by the Customer, inspections will be carried out at the business premises of KARL MAYER STOLL after reasonable advance notice of at least one (1) month, during the normal business hours of KARL MAYER STOLL, and at most every twelve (12) months. KARL MAYER STOLL may demand proper remuneration for assistance in carrying out an inspection. The expenditure of an inspection is generally limited to one (1) day per calendar year for KARL MAYER STOLL.

7.3 KARL MAYER STOLL shall provide the Customer with the relevant and necessary information upon request and make the relevant evidence available.

8. Reports of infringements on the part of KARL MAYER STOLL

8.1 KARL MAYER STOLL designs the data processing, its operational procedures and the associated processes, systems and installations in such a way that it can record, recognise and report any Data Protection infringements.

8.2 KARL MAYER STOLL shall notify the Customer immediately if (a) a security breach results in the accidental or unlawful destruction, loss, alteration or unauthorised disclosure of or access to Personal Customer Data or (b) KARL MAYER STOLL, its employees or agents have breached any data protection regulations or the obligations set out herein which relate to Personal Customer Data.

KARL MAYER STOLL shall document the relevant information and make it available to the Customer for further measures.

9. Authority of the Customer to issue instructions

9.1 Data Processing shall be governed exclusively by (a) this Commissioned Data Processing, (b) possible instructions within the functionalities of the Solutions and the Platform (such as login, change of user name, change of password and logout, etc.) and support requests of the Customer as well as (c) any other instructions of the Customer, each of which shall be documented in writing or in text form.

9.2 The Customer shall immediately confirm verbal instructions in writing or text form.

9.3 KARL MAYER STOLL shall inform the Customer immediately if it believes an instruction violates the GDPR. KARL MAYER STOLL is entitled to suspend the execution of the relevant instruction until it is confirmed or amended by the Customer.

10. Erasure of Personal Customer Data and return of data carriers

10.1 Copies or duplicates of Personal Customer Data must not be made without the Customer's knowledge. This does not apply to backup copies, insofar as they are necessary to ensure proper Data Processing, as well as data that are required to be compliant with statutory retention obligations.

10.2 After completion of the contractually agreed activities, or earlier on the Customer's request – but at the latest on termination of the Main Contract – KARL MAYER STOLL shall return to the Customer all documents, created processing and utilisation results, and data files that are connected with this Commissioned Data Processing, or destroy them in accordance with data protection law after obtaining consent. The same applies to test and waste material. The record of the erasure shall be submitted to the Customer upon request.

Appendix 2 Annex 1 Technical and organisational measures

A. General

1. Confidentiality (Art. 32(1)(b) GDPR)

1.1 Physical access control

Measures that prevent unauthorised persons from accessing Data Processing systems with which Personal Data are processed or used:

- The access protection (building) to the Contractor's systems is secured by a locking system (key in connection with transponder). A distinction is made between outdoor areas (buildings) and indoor areas. The individual zones are subject to different security requirements.
- Access by visitors is organisationally regulated in detail within the framework of the access concept. Visitors must ring the bell at the main entrance, sign in, and picked up where applicable.
- Before entering the floor, the visitor must ring the bell again and register once more.

- Visitors are accompanied by employees of the Contractor for the duration of their visit.
 - Emergency exits are only accessible from the inside.
 - The issue of keys and the allocation of access authorisations are regulated in an organisational guideline.
 - The HR department of the Contractor is centrally responsible for the administration of the keys.
- 1.2 System access control
- Measures that prevent Data Processing systems from being used by unauthorised persons:
- User accounts are checked regularly, i.e. at least annually.
 - User accounts are blocked promptly as part of the off-boarding process.
 - User accounts are password protected. All passwords must be created and updated in accordance with the "KARL MAYER Group IT User Policy". This policy addresses aspects of complexity, handling, custody and record keeping.
 - It is ensured that each employee of the Contractor has only the rights they need for their activity (need to know principle).
 - The principle of the tidy workplace applies.
- 1.3 Memory access control
- Measures which ensure that those authorised to use a Data Processing system can only access the data for which they have access authorisation and that Personal Data cannot be read, copied, modified or removed without authorisation during processing and use and after storage:
- Access management for operating system and database management:
- Access is regulated organisationally.
 - Access to the operating system and applications is logged on a personal basis.
 - Access authorisations are only granted after approval by the person responsible for information.
 - A check is made before the permissions are assigned.
- 1.4 System measures
- The Contractor uses up-to-date antivirus solutions and carries out centralised and automatic pattern and software updates.
 - Firewall systems are used as central security components in various places at the Contractor's place of business.
 - Changes to the Client's data shall be recorded.
 - Remote access is via VPN and is encrypted and protected via a second factor.
 - Encrypted hard disks on local terminals.
 - Software and security updates are carried out promptly as part of the data centre maintenance.
 - Access authorisations are only granted after written approval by the supervisor.
 - A check is made before permissions are given.
 - Fire alarm system and UPS in the data centre and at central infrastructure nodes.
- 2. Integrity (Art. 32(1)(b) GDPR)**
- 2.1 Transfer control
- The Contractor has implemented the requirements as follows:
- VPN connections with second factor.
 - Special protection during physical transport of data storage devices.
- 2.2 Input control
- Traceability through personal log-in and activity logging
- 2.3 Separation control
- The Contractor shall ensure that data collected for different purposes can be processed separately.
- Separation of data by network separation (VLAN).
 - Personal Data of the respective Clients are logically separated from each other by assignment to the respective user accounts.
- 2.4 Order control
- Documentation of processing activities.
 - Careful selection of sub-processors.
 - No use of sub-processors who have not been obligated in accordance with Art. 28 GDPR.
 - Written agreement with the sub-processor on the minimum data protection standard.
 - Adequate monitoring of sub-processors.
 - Ensuring the destruction or return of the data after completion of the order in compliance with data protection regulations.
- 3. Availability and resilience (Art. 32(1)(b) GDPR)**
- 3.1 Availability Control
- Patch management for servers and End Devices.
 - Uninterruptible power supply (UPS)
 - Fire alarm system.
 - Virus protection.
 - Firewall.
 - Backup and restore strategy.
- 3.2 Timely manner restorability (Art. 32(1)(c) GDPR)
- Service agreements with contracted service providers.
- 4. Procedures for periodic test, assessment and evaluation (Art. 32(1)(d), Art. 25(1) GDPR)**
- Data protection management system
 - Incident response management.
 - Data protection by default (Art. 25(2) GDPR).
 - Regular documented mandatory training for all employees. Additional, annual classroom training for staff in particularly sensitive areas.
 - Documented employee commitment to data protection.
 - Instruction on postal and telecommunications secrecy for the relevant group of employees.
 - Nondisclosure agreements (NDA) with partners and service providers.
 - Appointment of a data protection officer and additional data protection coordinators at local sites.
- B. Cloud services / data centres in which the Solutions and the Platform are hosted (currently AWS Cloud service)**
- 1. Information Security Programme**
- Amazon Web Services Inc. ("AWS") maintains an information security programme (including the establishment and enforcement of internal policies and procedures) designed to (a) help the Customer protect Personal Customer Data from accidental or unlawful loss, access or disclosure, (b) identify reasonably foreseeable and internal risks to security and unauthorised access to the AWS Network, and (c) mitigate security risks, including through risk assessment and periodic testing. AWS will designate one or more employees to coordinate and be responsible for the information security programme. The information security programme will include the following measures:
- 1.1 Network security
- The AWS network is electronically accessible to employees, contractors and all other persons necessary for the provision of the AWS services. AWS maintains access controls and poli-

cies to govern what access to the AWS network is permitted from each network connection and user, including the use of firewalls or functionally equivalent technologies and authentication controls. AWS maintains remediation and incident response plans to address potential security threats.

1.2 Physical security

(a) Physical access controls

The physical components of the AWS network are housed in inconspicuous facilities ("**Facilities**"). Physical access controls are used to prevent unauthorised access to Facilities at both perimeter and building entrances. Passage through the physical barriers in the Facilities requires either electronic access control (such as card access systems, etc.) or validation by human security personnel (such as contracted or internal security guards, reception staff, etc.). Photo IDs shall be assigned to employees and contractors and shall be kept while employees and contractors are in the Facilities. Visitors must register with the relevant staff, identify themselves, receive a visitor's badge to wear while in the Facilities, and be accompanied by authorised staff or contractors at all times when visiting the Facilities.

(b) Limited access for employees and contractors

AWS grants access to the Facilities to those employees and contractors who have a legitimate business need for such access rights. If an employee or contractor no longer needs the access rights assigned to him or her, the access rights will be revoked immediately, even if the employee or contractor continues to be an employee of AWS or its affiliates.

(c) Physical safeguards

All access points (with the exception of the main entrance doors) are kept in a secured (locked) state. Access points to the Facilities are monitored by CCTV cameras that record all persons entering the Facilities. AWS also maintains electronic intrusion detection systems designed to detect unauthorised access to the Facilities, including monitoring of weak points (such as main entrance doors, emergency exit doors, roof hatches, loading dock doors, etc.) with door contacts, glass break devices, interior motion detectors or other devices designed to detect individuals attempting to gain access to the Facilities. All physical access to the Facilities by staff and contractors is logged and regularly checked.

2. Ongoing assessment

AWS conducts regular reviews of the security of its AWS network and the adequacy of its information security programme, as measured against industry security standards and its policies and procedures. AWS shall continuously assess the security of its AWS network and related AWS services to determine whether additional or different security measures are needed to respond to new security risks or findings from periodic reviews .

Appendix 2 Annex 2
Authorised sub-processors

Sub-processors	Services	Seat and adequate level of data protection
KARL MAYER STOLL R&D GmbH, Industriestr. 1, D-63179 Obertshausen	Software development in relation to the Platform and the Solutions	Germany (EU)
KM.ON GmbH, Carl-Benz-Str. 21, D-60386 Frankfurt/Main	Provision, operation, support and maintenance of the Solutions and the Platform	Germany (EU)
KARL MAYER STOLL Textilmaschinenfabrik GmbH, Industriestraße 1, 63179 Obertshausen	Support activities related to Networked Machines	Germany (EU)
KM.ON Asia Ltd, 2907 Metroplaza Tower 2, 223 Hing Fung Road, Kwai Chung, New Territories, Hong Kong	Provision, operation, support and maintenance of the Solutions and the Platform	Hong Kong EU standard contractual clauses
KARL MAYER (HK) Ltd, 2907 Metroplaza Tower 2, 223 Hing Fung Road , Kwai Chung, New Territories, Hong Kong	Support activities related to Networked Machines	Hong Kong EU standard contractual clauses
KARL MAYER (China) Ltd., No. 518 Changwu South Road, Wujin District, Changzhou City 213167, China	Support activities related to Networked Machines	China EU standard contractual clauses
Amazon Web Services Inc., 410 Terry Ave. North, Seattle, WA 98109-5210, USA	Hosting of the Solutions and the Platform	USA EU standard contractual clauses Data centre Frankfurt/Main region
Auth0 Inc., 10800 NE 8th St., Suite 700, Bellevue, WA 98004, USA	Providing services for the authentication of users of the Solutions and the Platform	USA EU standard contractual clauses
Mayer Textile Machine Corp., 310 North Chimney Rock Road, 27409 Greensboro, North Carolina, USA	Support activities related to Networked Machines	USA EU standard contractual clauses
KARL MAYER STOLL INDIA PRIVATE LIMITED 103, Dimple Arcade, Asha Nagar, Kandivali East 400101 Mumbai, Maharashtra	Support activities related to Networked Machines	India EU standard contractual clauses
KARL MAYER STOLL Bangladesh Limited House – G10A (NE), Road- 79 Gulshan – 02 Dhaka – 1212, Bangladesh	Support activities related to Networked Machines	Bangladesh EU standard contractual clauses

Appendix 3:

Terms and conditions in relation to the Act on the Protection of Personal Information and other data laws and regulations related to data protection in Japan

1. Definitions, starting point and ranking

- 1.1 The definitions in the Connectivity Terms and Conditions shall apply mutatis mutandis to this Appendix 3, subject to the following variation: The Customer is also referred to as the **“Client”** and KARL MAYER STOLL is also referred to as the **“Contractor”**. In this Appendix 3, KARL MAYER STOLL refers to NIPPON MAYER LTD., 27-33 Kamikitano 1-Chome, 918-8522 Fukui-City, Japan, or an affiliate or any other entity of the KARL MAYER Group, as the case may be. The Connectivity Terms and Conditions are referred to as the **“Main Contract”**.
- 1.2 Without prejudice to provisions in the Main Contract and Appendix 2, the provision of services in the form of the provision, operation, support and maintenance of the Solutions and the Platform in accordance with the provisions of the Main Contract requires the processing of the Customer’s personal information in the sense of Article 2, Section 1 of the Act on

the Protection of Personal Information (**“Japanese Personal Customer Information”**), and the Act is hereinafter referred to as the **“APPI”**). This Appendix 3 (**“Outsourced Data Processing”**) sets out, as an agreement on outsourced processing pursuant to Article 25 of the APPI between the Parties, the data protection obligations of the Customer and KARL MAYER STOLL resulting from the processing of Japanese Personal Customer Information in the context of the contractual provision and use of the Solutions and the Platform (**“Japanese Data Processing”**). The Customer is solely responsible for the lawfulness of the disclosure of Japanese Personal Customer Information to KARL MAYER STOLL as well as the lawfulness of the Japanese Data Processing.

- 1.3 If there is any inconsistency or ambiguity between a provision contained in the main body of this Outsourced Data Processing and a provision contained in its appendices, the provision contained in the main body shall prevail. If there are contradictions or ambiguities between provisions of this Outsourced Data Processing and provisions of the Main Contract, the provisions of this Outsourced Data Processing shall take precedence as far as data protection matters are concerned.

2. Object, duration, and specification of the Japanese Data Processing

- 2.1 The object of the Japanese Data Processing is the provision, operation, support and maintenance of the Solutions and the myKM.ON Platform by KARL MAYER STOLL for the Customer and its users in accordance with the provisions of the Main Contract. The details are specified in the Main Contract.
- 2.2 The term of this Outsourced Data Processing corresponds to the term of the Main Contract. This Outsourced Data Processing ends with the termination of the Main Contract.
- 2.3 The scope, type, and purpose of the Japanese Data Processing is the provision, operation, support and maintenance of the Solutions and the myKM.ON Platform in accordance with the provisions of the Main Contract by KARL MAYER STOLL as well as the enabling of the contractual use of the Solutions and the Platform by the Customer and its users. The details are specified in the Main Contract.
- 2.4 The types of Japanese Personal Customer Information and the categories of data subjects are as follows:
 - (a) Types of Japanese Personal Customer Information are (a) the user's name and email address, (b) the user's role with the Customer, (c) the user's IP address, and (d) an authentication token (~ individual characteristic that identifies the user for authentication purposes within the Solutions and the Platform).
 - (b) Categories of data subjects are employees and workers of the Customer.
- 2.5 The Solutions and Platform is a global software solution. Against this background, Japanese Data Processing occurs both (a) within Japan and (b) outside Japan. Japanese Data Processing outside Japan takes place only if the special protection provisions of Article 28, Section 1 of APPI are fulfilled in order to ensure data protection which satisfies equivalent standards to that in Japan. KARL MAYER STOLL sees an appropriate "equivalent standards" on the basis of rules of the Personal Information Protection Commission of Japan (Public Notice No. 1 of 2019 of the Commission). The Customer authorises a data transfer to countries outside Japan to the sub-processors/recipients. KARL MAYER STOLL shall ensure that sub-processors/recipients will comply with requirements under APPI. In this regard, it is deemed that, as long as KARL MAYER STOLL and the sub-processors/recipients complies with requirements under the GDPR by complying with Appendix 2, the sub-processors/recipients comply with requirements under APPI in relation to the data transfer to and the Japanese Data Processing by the sub-processors/recipients unless the Customer reasonably requests KARL MAYER STOLL in writing to act differently or unless the Personal Information Protection Commission or any other public authority in Japan indicates differently.

3. Technical, organisational and other measures

- 3.1 KARL MAYER STOLL takes all necessary technical, organisational and other measures in its area of responsibility in accordance with Article 23 of APPI on the protection of Japanese Personal Customer Information.
- 3.2 Insofar as a review or inspection of the Customer reveals a need to adapt the technical, organisational or other measures, the Parties shall implement this by mutual agreement.
- 3.3 The technical, organisational or other measures to be taken by KARL MAYER STOLL are subject to technical progress and further development. KARL MAYER STOLL may implement alternative adequate measures. The Customer must be informed in writing or text form of any significant changes.

4. Rights of data subjects

- 4.1 KARL MAYER STOLL supports the Customer within its area of responsibility and as far as possible by means of suitable technical, organisational and other measures in answering and implementing requests from data subjects under APPI. KARL MAYER STOLL may not disclose, port, rectify, erase or restrict the processing of Japanese Personal Customer Information on its own authority, but only after receiving documented instructions from the Customer. If a data subject contacts KARL MAYER STOLL directly, KARL MAYER STOLL shall, while responding the data subject pursuant to APPI, forward that request to the Customer without undue delay. KARL MAYER STOLL may demand appropriate remuneration for the support of the Customer in the case of enquiries from data subjects.
- 4.2 Insofar as this is possible within the scope of the functionalities of the Solutions and the myKM.ON Platform, the Customer itself shall correct, erase or restrict Japanese Personal Customer Information.

5. Quality assurance and other obligations of KARL MAYER STOLL

Furthermore, KARL MAYER STOLL has the following obligations:

- 5.1 KARL MAYER STOLL and anyone subordinate to them who has legitimate access to Japanese Personal Customer Information shall process those data exclusively in accordance with the provisions of the Main Contract, this Outsourced Data Processing, and the instructions of the Customer in order to provide the Solutions and the Platform in accordance with the Agreement, unless they are legally obliged to process it differently.
- 5.2 To maintain confidentiality, KARL MAYER STOLL uses only employees in the performance of its activities who have been obligated to confidentiality and have been familiarised with the data protection provisions relevant to them (including without limitation provisions under APPI). KARL MAYER STOLL employees are informed that the confidentiality obligation pursuant to this Section 5.2 shall survive the termination of their employment. A statutory duty of disclosure remains unaffected by this.
- 5.3 KARL MAYER STOLL supports the Customer, taking into account the nature of the Japanese Data Processing, to the necessary and appropriate extent in ensuring compliance with the legal obligations, in particular in carrying out data protection impact assessments and in any necessary prior consultations with the competent supervisory authorities.
- 5.4 KARL MAYER STOLL's data protection officer can be reached at the following contact details: NIPPON MAYER LTD., 27-33 Kamikitano 1-Chome, 918-8522 Fukui-City, Japan. Responsible person at Nippon Mayer is Mr. Igarashi, (Tomokasu.Igarashi@karlmayer.com), who is taking care of all IT topics at NM.
- 5.5 KARL MAYER STOLL shall inform the Customer without undue delay about measures and inspections by a supervisory authority regarding the Japanese Data Processing. The same applies in the event of investigations by a competent supervisory authority in the context of administrative offence or criminal proceedings.
- 5.6 To the extent the Customer is exposed to (a) the control of a supervisory authority, (b) an administrative offence or criminal proceedings, (c) the liability claim of a data subject or a third party or (d) another claim or a request for information in

connection with this Outsourced Data Processing, KARL MAYER STOLL shall support the Customer to the necessary and reasonable extent.

- 5.7 KARL MAYER STOLL regularly monitors its internal processes as well as the technical, organisational and other measures to ensure that the Japanese Data Processing in its area of responsibility is carried out in accordance with the requirements of the applicable data protection law and that the protection of the rights of the data subjects is guaranteed.
- 5.8 KARL MAYER STOLL supports the Customer in its area of responsibility and, as far as possible, within the scope of existing duties to provide information to supervisory authorities and data subjects to the necessary and appropriate extent and provides the Customer with all relevant information in this context.
- 5.9 KARL MAYER STOLL shall provide the Customer in its area of responsibility with all information necessary to prove compliance with the applicable data protection laws and enable and support controls regarding the Japanese Data Processing within the scope of this Outsourced Data Processing (cf. Section 7).

6. Sub-processing relationships

- 6.1 For the purposes of this Section 6, subcontracting relationships shall be understood to mean those services which relate directly to the provision of the Solutions and the Platform. This does not include any ancillary services that KARL MAYER STOLL makes use of (such as telecommunications, transport, or cleaning or security services). However, KARL MAYER STOLL shall make appropriate and legally compliant contractual agreements and take control measures to guarantee the data protection and the data security of the Japanese Personal Customer Information, including in the case of outsourced ancillary services.
- 6.2 The sub-processors shall be approved, in advance, by the Customer when the agreement was entered into. The sub-processors which are listed in Appendix 2, Annex 2 are deemed to be approved in advance for the purpose of this Section 6.2 as well.
- 6.3 A further commissioning of sub-processors or the replacement of existing sub-processors is permissible under the following conditions:
- (a) KARL MAYER STOLL notifies the Customer of the involvement of the sub-processor in advance in writing or text form within a reasonable period of time, which must be at least fourteen (14) days, and the Customer does not object to this within a reasonable period, whereby the Customer may object only for good cause. Insofar as the Customer objects for good cause and the Parties cannot reach an amicable solution regarding the sub-processor in question, the Customer shall be granted a special right of termination.
- (b) KARL MAYER STOLL enters into agreements with the sub-processors in such a way that KARL MAYER STOLL complies with Article 25 of APPI, which contain data protection provisions which requires necessary and appropriate action to supervise the sub-processors that are comparable in principle to the Outsourced Data Processing applicable between the Parties. In particular, KARL MAYER STOLL shall ensure that sufficient guarantees exist for implementing technical, organisational and other measures. The sub-processor further grants the Customer audit and control rights essentially comparable to Section 7, including the right of the Customer, on written request, to receive information from KARL MAYER

STOLL on the content and implementation of relevant data protection obligations within the scope of the sub-processing relationship (if applicable, by inspecting the related documentation).

- 6.4 If the sub-processor provides the agreed service outside Japan, Section 2.5 shall apply accordingly.
- 6.5 KARL MAYER STOLL remains responsible to the Customer for the fulfilment of the obligations of the commissioned sub-processor.
- ## **7. Control rights of the Customer**
- 7.1 The Customer may verify compliance with (a) the applicable data protection obligations as well as (b) this Outsourced Data Processing, particularly regarding the technical, organisational and other measures. The Parties have the common understanding that checks of the Customer and the provision of information and evidence by KARL MAYER STOLL for compliance with the applicable data protection obligations and this Outsourced Data Processing will primarily be carried out in such a way that KARL MAYER STOLL provides the Customer with current test certificates, reports or report extracts from independent third parties (such as auditors, auditing departments, data protection officers, IT security department, data protection auditors or quality auditors) or suitable certifications by IT security or data protection auditing. This will not affect the Customer's rights under Sections 7.2 or 7.3.
- 7.2 To the extent necessary in individual cases, during the term of this Outsourced Data Processing and after consultation with KARL MAYER STOLL, the Customer may perform or have others perform appropriate inspections of the relevant KARL MAYER STOLL business premises in which the Japanese Data Processing occurs, either itself or through suitable inspectors to be named in individual cases who are obliged to maintain confidentiality. The inspections are limited to the Japanese Data Processing of Japanese Personal Customer Information and must be performed without avoidable disturbances at KARL MAYER STOLL's premises. KARL MAYER STOLL may object to the selection of the inspector for good cause (such as lack of reliability or a competitive relationship with KARL MAYER STOLL or the KARL MAYER Group). Except in the case of urgent, objectively justified reasons, which are to be documented accordingly by the Customer, inspections will be carried out at the business premises of KARL MAYER STOLL after reasonable advance notice of at least one (1) month, during the normal business hours of KARL MAYER STOLL, and at most every twelve (12) months. KARL MAYER STOLL may demand proper remuneration for assistance in carrying out an inspection. The expenditure of an inspection is generally limited to one (1) day per calendar year for KARL MAYER STOLL.
- 7.3 KARL MAYER STOLL shall provide the Customer with the relevant and necessary information upon request and make the relevant evidence available.

8. Reports of infringements on the part of KARL MAYER STOLL

- 8.1 KARL MAYER STOLL designs the data processing, its operational procedures and the associated processes, systems and installations in such a way that it can record, recognise and report any Data Protection infringements.
- 8.2 KARL MAYER STOLL shall notify the Customer immediately if (a) a security breach results in the accidental or unlawful destruction, loss, alteration or unauthorised disclosure of or

access to Japanese Personal Customer Information or (b) KARL MAYER STOLL, its employees or agents have breached any data protection regulations or the obligations set out herein which relate to Japanese Personal Customer Information.

KARL MAYER STOLL shall make its notification in such a way that the Customer can fulfil its legal obligations, in particular pursuant to Article 26 of APPI. Also, KARL MAYER STOLL shall make its notification to the Personal Information Protection Commission and a relevant data subject as required by that Article. KARL MAYER STOLL shall document the relevant information and make it available to the Customer for further measures.

9. Authority of the Customer to issue instructions

- 9.1 Japanese Data Processing shall be governed exclusively by (a) this Outsourced Data Processing, (b) possible instructions within the functionalities of the Solutions and the Platform (such as login, change of user name, change of password and logout, etc.) and support requests of the Customer as well as (c) any other instructions of the Customer, each of which shall be documented in writing or in text form.
- 9.2 The Customer shall immediately confirm verbal instructions in writing or text form.
- 9.3 KARL MAYER STOLL shall inform the Customer immediately if it believes an instruction violates applicable data protection law. KARL MAYER STOLL is entitled to suspend the execution of the relevant instruction until it is confirmed or amended by the Customer.

10. Erasure of Japanese Personal Customer Information and return of data carriers

- 10.1 Copies or duplicates of Japanese Personal Customer Information must not be made without the Customer's knowledge. This does not apply to backup copies, insofar as they are necessary to ensure proper Japanese Data Processing, as well as data that are required to be compliant with statutory retention obligations.
- 10.2 After completion of the contractually agreed activities, or earlier on the Customer's request – but at the latest on termination of the Main Contract – KARL MAYER STOLL shall return to the Customer all documents, created processing and utilisation results, and data files that are connected with this Outsourced Data Processing, or destroy them in accordance with data protection law after obtaining consent. The same applies to test and waste material. The record of the erasure shall be submitted to the Customer upon request.

11. Other Provisions

- 11.1 If APPI and/or any legislation and/or regulation related to data protection is amended, replaced, enacted, re-enacted or consolidated, KARL MAYER STOLL may adjust this Appendix 3 so that it will be compliant with the amended, replaced, enacted, re-enacted or consolidated legislation or regulation. KARL MAYER STOLL shall notify the Customer of this, and unless the Customer notifies KARL MAYER STOLL of its objection within fourteen (14) calendar days with good cause, this adjustment shall constitute the terms and conditions binding both Parties.