

PRIVACY POLICY

Chestnut Compute Corp | Kola Inventory Management System

Effective Date: February 1, 2026

Version 1.0

1. Introduction and Accountability

Chestnut Compute Corp (“Chestnut Compute,” “we,” “us,” or “our”) is committed to protecting the privacy of information entrusted to us in connection with the Kola inventory verification service. This Privacy Policy (“Policy”) describes how Chestnut Compute Corp collects, uses, retains, and discloses information in the course of providing the Kola service to its business clients and in connection with the Kola website and associated digital properties.

Chestnut Compute Corp is a corporation registered in the Province of Ontario, Canada. We are subject to the **Personal Information Protection and Electronic Documents Act (PIPEDA)** and applicable provincial privacy legislation. A designated Privacy Officer is accountable for Chestnut Compute Corp’s compliance with this Policy and applicable privacy law. Contact details for our Privacy Officer are set out in Section 14 of this Policy.

This Policy is binding on all employees, contractors, and service providers of Chestnut Compute Corp who handle personal information in the course of their responsibilities.

2. About Kola

Kola is a stationary, cloud-processed artificial intelligence inventory event verification system developed and operated by Chestnut Compute Corp. Kola uses a fixed camera array installed at a client’s facility to monitor designated inventory scenes and generate structured event classifications — such as REMOVED, ADDED, MOVED, UNCHANGED, or UNCERTAIN_HOLD — through AI analysis of real-time scene changes. Processed results are delivered directly and automatically to the client’s enterprise resource planning (ERP) or warehouse management system (WMS).

The Kola system operates using a processing architecture in which visual input from on-site cameras is analyzed in real time within Chestnut Compute’s cloud infrastructure. No visual imagery is extracted, stored, or transmitted from the client’s facility at any stage.

3. Scope of This Policy

This Policy applies to:

- (a) All clients that have entered into a Service Agreement with Chestnut Compute Corp for access to the Kola service;
- (b) Trial participants operating under a Trial Agreement with Chestnut Compute Corp; and
- (c) Visitors to the Kola website and any associated digital properties operated by Chestnut Compute Corp.

This Policy governs information processed through the Kola system and information collected in connection with the Kola website. Trial participants are additionally subject to the terms of their executed Trial Agreement. Where the Trial Agreement conflicts with this Policy, the Trial Agreement governs for the duration of the trial period. This Policy otherwise applies universally.

4. What Kola Collects — and What It Does Not

4.1 What the Kola System Does Not Collect

The Kola system does not capture, store, transmit, or retain any visual imagery or video footage of any kind. No photographic images, video recordings, or continuous visual streams from any camera are collected, stored, or transmitted by Chestnut Compute Corp at any stage of the Kola process. The cameras installed at a client's facility function solely as real-time input sensors for AI scene analysis. No visual output from those cameras is preserved in any form by Chestnut Compute Corp.

This is a defining architectural feature of the Kola system and a fundamental commitment of Chestnut Compute Corp. It is not a matter of policy discretion — it is a structural characteristic of how the system operates.

4.2 What the Kola System Does Collect

The Kola system generates and processes the following categories of structured data:

- (a) **Inventory event classifications:** Structured records indicating whether a monitored inventory item has been REMOVED, ADDED, MOVED, or remains UNCHANGED, or is in an UNCERTAIN_HOLD state pending further analysis. These records contain no visual content and no personal information.
- (b) **System operational data:** Logs of system activity, processing timestamps, error records, and diagnostic information generated in the ordinary course of service delivery. This data is used exclusively for system maintenance, error resolution, and service quality assurance.
- (c) **Client account and configuration data:** Contact details, account credentials, and system configuration data provided by the client in connection with the setup and operation of the Kola service.

4.3 Website and Inquiry Information

In connection with the Kola website and digital properties, Chestnut Compute Corp may collect:

- (a) Contact information submitted through inquiry forms, including name, email address, company name, and message content;
- (b) Technical information generated by your browser or device during site visits, including IP address, browser type, operating system, and pages visited, collected through standard web analytics tools; and
- (c) Cookies and similar tracking technologies, subject to your consent and applicable law, to support website functionality and usage analysis.

5. How Information Is Processed

AI-based analysis of inventory scenes occurs entirely within Chestnut Compute Corp's cloud computing infrastructure. The system processes real-time visual input from on-site cameras and outputs only structured event classification data. At no point is a visual image extracted, stored, or transmitted from the client's facility to any external system.

Processed inventory event data is delivered directly and automatically to the client's designated ERP or WMS system. In this capacity, Chestnut Compute Corp acts as a **data processor** on behalf of the client. The client is the **data controller** with respect to event data received into its own systems. The client's own privacy and data governance policies govern that data from the point of delivery. Chestnut Compute Corp has no control over, and assumes no responsibility for, the handling of data within the client's systems after delivery.

6. Purposes of Data Processing

Chestnut Compute Corp processes information for the following purposes only:

- (a) **Service delivery:** Generating and transmitting inventory event classifications to the client's ERP or WMS system in accordance with the Service Agreement.
- (b) **Data restore capability:** Retaining processed event data for a period of 60 days from the date of generation to enable restoration of client data in the event of a disruption, failure, or loss affecting the client's systems.
- (c) **System diagnostics and error resolution:** Using operational logs and event records to identify, investigate, and resolve system errors, processing failures, or service anomalies.
- (d) **Audit log maintenance:** Maintaining records of system activity to support accountability, service verification, and compliance with legal and contractual obligations.
- (e) **Service quality assurance:** Monitoring system performance and accuracy to assess and improve the reliability of the Kola service.

Chestnut Compute Corp does not use client data for any commercial purpose beyond service delivery as described in this Policy. Client data is not sold, licensed, or shared with third parties for commercial gain. Client data is not used to develop, train, or improve AI models for third-party commercial distribution without the express prior written consent of the client.

7. Data Retention

Processed inventory event data and system operational logs are retained by Chestnut Compute Corp for a period of **60 days** from the date of generation. Following the expiry of that 60-day period, all retained data is securely and permanently deleted from Chestnut Compute Corp's systems without further notice.

Client account and configuration data is retained for the duration of the active Service Agreement and for a period of 30 days following termination, after which it is securely deleted.

Data that has been delivered to and received by the client's ERP or WMS system is governed exclusively by the client's own data retention and governance policies from the point of delivery.

Chestnut Compute Corp has no control over or responsibility for data managed within the client's own systems.

Website inquiry and contact information is retained only for as long as necessary to respond to and follow up on the relevant inquiry, and is not retained beyond 12 months in the absence of an ongoing business relationship.

8. Data Sharing and Disclosure

Chestnut Compute Corp does not sell, rent, or commercially license any client data or personal information to third parties under any circumstances.

Disclosure of information is limited to the following circumstances:

- (a) **Cloud infrastructure providers:** Chestnut Compute Corp uses third-party cloud computing infrastructure to process and temporarily store data in the course of service delivery. Such providers are engaged under written contractual obligations of confidentiality and data processing restrictions that are equivalent to or more protective than the standards set out in this Policy. These providers act solely as subprocessors under Chestnut Compute Corp's instruction.
- (b) **Legally compelled disclosure:** Chestnut Compute Corp may disclose information if required to do so by applicable law, court order, regulatory authority, or other legally compelled process. Where permitted by law and operationally practicable, Chestnut Compute Corp will provide the client with reasonable advance notice of any such required disclosure.
- (c) **Business succession:** In the event of a merger, acquisition, or sale of substantially all of the assets of Chestnut Compute Corp, client data may be transferred to the successor entity. Clients will be notified of any such transfer in advance, and the successor entity will be required to comply with the terms of this Policy with respect to previously collected information.

No disclosure beyond the categories set out in this Section will be made without the prior written consent of the client.

9. Workplace Deployment and Employee Privacy

Kola camera arrays are installed within client facilities and may be positioned in areas where employees, contractors, or other workplace occupants are present. Chestnut Compute Corp makes the following express commitments with respect to individuals within the camera field of view:

- (a) **No personal information of individuals is collected.** The Kola system does not capture, store, or process any visual imagery in which individuals may appear. No individual is identified, located, tracked, or monitored by the Kola system in any manner.
- (b) **No biometric or behavioral data is collected.** The Kola system does not perform facial recognition, biometric identification, behavioral analysis, emotional analysis, or any form of individual-level surveillance. The system is designed solely to detect changes in the state of inanimate inventory items.

- (c) **Client responsibility for workplace notification.** The client bears sole and exclusive responsibility for informing its employees, contractors, and other workplace occupants of the presence, purpose, and nature of the Kola system, in compliance with applicable employment standards legislation, occupational health and safety law, and privacy legislation applicable to the client's jurisdiction.

Chestnut Compute Corp strongly recommends that clients obtain independent legal advice prior to deployment to ensure full compliance with workplace monitoring obligations under Ontario law and any other jurisdiction in which the system is deployed.

10. Security Safeguards

Chestnut Compute Corp employs reasonable and appropriate physical, administrative, and technical safeguards to protect information against unauthorized access, use, disclosure, modification, loss, or destruction. These measures include, but are not limited to:

- (a) Encryption of all data in transit using current transport layer security (TLS) protocols;
- (b) Encryption of data at rest within cloud storage systems;
- (c) Role-based access controls limiting access to information to authorized personnel on a strict need-to-know basis;
- (d) Regular review of access logs, security configurations, and system vulnerabilities; and
- (e) Documented incident response procedures, including prompt investigation and, where required by law, timely notification to affected clients and regulatory authorities.

No security system is entirely impenetrable. In the event of a confirmed security incident involving personal information, Chestnut Compute Corp will notify affected clients without unreasonable delay and will take all reasonable steps to contain, investigate, and remediate the incident.

11. Individual Rights Under PIPEDA

Individuals whose personal information may be held by Chestnut Compute Corp — including client contact persons and website visitors — have the following rights under PIPEDA:

- (a) **Right of access:** To request access to personal information held by Chestnut Compute Corp about that individual, subject to limited exceptions under PIPEDA.
- (b) **Right of correction:** To request correction of personal information held by Chestnut Compute Corp that is inaccurate, incomplete, or misleading.
- (c) **Right to withdraw consent:** To withdraw consent to the collection, use, or disclosure of personal information at any time, subject to legal or contractual restrictions and with the understanding that withdrawal may affect the ability to receive the Kola service.

Requests to exercise any of the foregoing rights should be submitted in writing to the Privacy Officer using the contact information provided in Section 14. Chestnut Compute Corp will acknowledge receipt of all requests and will respond within **30 days** of receipt, as required by

PIPEDA. If additional time is required to process a complex request, the Privacy Officer will notify the individual within the initial 30-day period and provide an expected response date.

Individuals who are not satisfied with Chestnut Compute Corp's response to a privacy inquiry or complaint have the right to escalate the matter to the Office of the Privacy Commissioner of Canada. Contact information for the Commissioner is provided in Section 14.

12. Cross-Border Data Considerations

All data processing and storage currently occurs within Canada. Chestnut Compute Corp does not currently transfer client data outside of Canada for any purpose.

In the event that cross-border data transfers become a component of the service delivery model — including in connection with anticipated future service delivery to clients in the United States — Chestnut Compute Corp will implement appropriate contractual, technical, and organizational safeguards in accordance with PIPEDA requirements prior to initiating any such transfer. Active clients will be notified of material changes to cross-border data handling in accordance with Section 13 of this Policy.

13. Changes to This Policy

Chestnut Compute Corp reserves the right to update or amend this Privacy Policy from time to time to reflect changes in applicable law, regulatory guidance, business practices, or the features and architecture of the Kola service.

Material changes to this Policy will be communicated to active clients in writing with not less than **30 days'** advance notice prior to the effective date of the change. Continued use of the Kola service following the expiry of the notice period constitutes acceptance of the revised Policy. The most current version of this Policy will be maintained on the Kola website and will identify its effective date and version number.

Where a change to this Policy is required by law and cannot be implemented with 30 days' advance notice, Chestnut Compute Corp will provide notice as promptly as practicable and will communicate the reasons for the expedited change.

14. Contact and Privacy Inquiries

All questions, requests, concerns, or complaints regarding this Privacy Policy or Chestnut Compute Corp's privacy practices should be directed to our designated Privacy Officer:

Privacy Officer

Chestnut Compute Corp

Province of Ontario, Canada]

Email: info@chestnutcompute.com

Telephone 647-367-9233]

Individuals who are not satisfied with the response received from the Privacy Officer may contact the **Office of the Privacy Commissioner of Canada**:

30 Victoria Street, Gatineau, Quebec K1A 1H3
Toll-free: 1-800-282-1376
Website: www.priv.gc.ca

*This Privacy Policy is effective as of February 1, 2026 and was last reviewed on May 1, 2026.
Version 1.0 — Chestnut Compute Corp — Province of Ontario, Canada*