

# TERMS OF USE

Chestnut Compute Corp | Kola Inventory Management System

Effective Date: February 1, 2026]

Version 1.0

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IMPORTANT — PLEASE READ THESE TERMS OF USE CAREFULLY BEFORE ACCESSING OR USING THE KOLA SERVICE. BY EXECUTING A SERVICE AGREEMENT REFERENCING THESE TERMS, ACCESSING THE KOLA SERVICE, OR OTHERWISE SIGNALING ACCEPTANCE, YOU AGREE TO BE BOUND BY THESE TERMS IN FULL. IF YOU DO NOT AGREE TO THESE TERMS, DO NOT ACCESS OR USE THE SERVICE.

## 1. Agreement to These Terms

These Terms of Use (“Terms”) constitute a legally binding agreement between **Chestnut Compute Corp**, a corporation registered in the Province of Ontario, Canada (“Chestnut Compute,” “we,” “us,” or “our”), and the entity accessing or using the Kola service (“Client,” “you,” or “your”).

These Terms apply to all clients and users of the Kola service, including trial participants. Trial participants are additionally subject to the terms of their executed Trial Agreement. Where the Trial Agreement conflicts with these Terms, the Trial Agreement governs for the duration of the trial period. These Terms otherwise apply universally and without exception.

If you are accepting these Terms on behalf of a corporate entity, you represent and warrant that you have the authority to bind that entity to these Terms.

## 2. Description of the Kola Service

Kola is a stationary, cloud-processed artificial intelligence inventory event verification system developed and operated by Chestnut Compute Corp. The Kola service uses a fixed camera array — referred to as the Full-Field AI-daptive Array — installed at the Client’s facility to monitor designated inventory scenes. Through AI analysis, Kola generates structured event classifications indicating whether monitored inventory items are REMOVED, ADDED, MOVED, UNCHANGED, or in an UNCERTAIN\_HOLD state, and delivers those results directly to the Client’s designated enterprise resource planning (ERP) or warehouse management system (WMS).

**The Kola system does not capture, store, or transmit any visual imagery or video footage at any stage of the service.** The service is provided on a subscription basis pursuant to a Service Agreement executed between the parties.

### 3. Intellectual Property

#### 3.1 Ownership

All intellectual property rights in and to the Kola service — including, without limitation, all software, source code, algorithms, data processing architecture, system design and methodology, the Full-Field AI-daptive Array technology, the Signature Dashboard, all visual design elements, brand identity, trademarks, trade names, and associated documentation — are and remain the exclusive property of Chestnut Compute Corp. Nothing in these Terms transfers, assigns, or licenses any intellectual property right to the Client beyond the limited license expressly set out in Section 3.3.

#### 3.2 Patent-Pending Technology

The technology underlying the Kola service, including the Full-Field AI-daptive Array, is the subject of a **patent application currently pending examination** in Canada. Use of the Kola service does not grant the Client any license, right, or interest in any pending or future patent. No rights to any patent application, or to any patent if and when granted, are transferred or implied by the Client's use of the service.

All references to Kola technology in Chestnut Compute Corp's materials, including this document, describe patent-pending technology. No representation is made that a patent has been granted.

#### 3.3 License Grant

Subject to the Client's full compliance with these Terms and the Service Agreement, Chestnut Compute Corp grants the Client a limited, non-exclusive, non-transferable, non-sublicensable license to access and use the Kola service solely for the Client's own internal business operations during the term of the active Service Agreement. This license terminates automatically and immediately upon expiry or termination of the Service Agreement.

#### 3.4 Restrictions

The Client shall not, and shall not permit any third party to:

- (a) Reverse engineer, decompile, disassemble, or otherwise attempt to derive the source code, architecture, algorithms, or methodology of any component of the Kola system;
- (b) Copy, reproduce, modify, adapt, translate, or create derivative works based on any component of the Kola service or associated materials;

- (c) Resell, sublicense, assign, or otherwise transfer access to the Kola service or any rights under these Terms to any third party without the prior written consent of Chestnut Compute Corp;
- (d) Remove, obscure, or alter any proprietary notices, patent-pending designations, trademarks, or other markings on the Kola service or related materials; or
- (e) Use the Kola service in any manner that violates applicable law, these Terms, or the Service Agreement.

## 4. Client Obligations

The Client agrees to:

- (a) Provide accurate, complete, and current account information to Chestnut Compute Corp and promptly update that information as necessary to maintain its accuracy;
- (b) Maintain a suitable physical and technical installation environment for the Kola camera array in accordance with Chestnut Compute Corp's installation and operating specifications, as communicated from time to time;
- (c) Assume full and sole responsibility for the integration of Kola output data into its ERP or WMS system, including the accuracy, completeness, integrity, and security of data within those systems from the point of delivery by Kola;
- (d) Comply with all applicable laws, regulations, and standards governing workplace monitoring, employee notification, and privacy, and ensure that all employees, contractors, and workplace occupants present in areas covered by the Kola camera array have been appropriately and lawfully informed of the system's presence, purpose, and nature prior to its activation;
- (e) Refrain from any unauthorized modification, interference with, tampering with, or misuse of the Kola system or any of its components;
- (f) Use the Kola service only for lawful purposes consistent with its intended function as an inventory event verification tool; and
- (g) Promptly notify Chestnut Compute Corp in writing of any security incident, unauthorized access, suspected breach, or system malfunction affecting the Kola service or any connected Client systems.

## 5. Service Availability

Chestnut Compute Corp will use commercially reasonable efforts to make the Kola service available on a consistent and reliable basis in accordance with the terms of the Service Agreement. Chestnut Compute Corp will use reasonable efforts to provide the Client with

advance notice of scheduled maintenance that is expected to cause a material interruption to service availability.

Chestnut Compute Corp is not liable for service interruptions or performance degradation resulting from:

- (a) Events beyond Chestnut Compute Corp's reasonable control, including but not limited to acts of God, power outages, telecommunications failures, cyberattacks on public infrastructure, natural disasters, pandemics, or other force majeure events;
- (b) The Client's failure to maintain a suitable installation environment or to comply with Chestnut Compute Corp's operating specifications;
- (c) Third-party network, infrastructure, or platform failures outside of Chestnut Compute Corp's direct control; or
- (d) Interruptions undertaken by Chestnut Compute Corp to protect the security, integrity, or stability of the Kola service.

## 6. Data Ownership and Handling

### 6.1 Client Data

Processed inventory event data generated by the Kola system and delivered to the Client's ERP or WMS system is the Client's data. The Client retains full ownership of and responsibility for such data from the point of delivery.

### 6.2 Operational Retention by Chestnut Compute Corp

Chestnut Compute Corp retains processed event data and system operational logs for a period of **60 days** from the date of generation for the following purposes only: (a) restoration of Client data in the event of a disruption, failure, or loss affecting the Client's systems; (b) error diagnostics and system resolution; and (c) audit log maintenance. Following the expiry of the 60-day retention period, all such data is securely and permanently deleted from Chestnut Compute Corp's systems.

### 6.3 No Commercial Use of Client Data

Chestnut Compute Corp will not use Client data for any commercial purpose beyond service delivery as described in these Terms and the Service Agreement. Client data will not be sold, licensed, or transferred to third parties for commercial gain, and will not be used to develop, train, or improve artificial intelligence models for third-party commercial distribution, without the express prior written consent of the Client.

## 6.4 Data Handling on Termination

Following expiry or termination of the Service Agreement for any reason, the Client has **30 days** from the effective date of termination to request retrieval of any data retained by Chestnut Compute Corp under Section 6.2. Following that 30-day period, all retained Client data will be securely and permanently deleted from Chestnut Compute Corp's systems.

## 7. Payment Terms

Fee structures, billing cycles, payment schedules, and related commercial terms for the Kola service are set out in the executed Service Agreement. Trial participants are subject to the fee deductions, exemptions, cost structures, and conditions specified in their Trial Agreement.

These Terms do not independently establish pricing but govern the legal consequences of payment default by reference to the applicable Service Agreement. In the event of any conflict between these Terms and the Service Agreement with respect to payment obligations, the Service Agreement governs.

## 8. Warranty Disclaimer

Chestnut Compute Corp will deliver the Kola service with reasonable care and skill consistent with applicable professional standards. The system is designed, tested, and maintained to provide reliable inventory event classification under normal operating conditions.

Because the Kola system is an **AI-based probabilistic classification system**, Chestnut Compute Corp does not warrant or guarantee that the system will achieve 100% detection accuracy in all operating conditions, environments, configurations, lighting conditions, or inventory arrangements.

THE CLIENT ACKNOWLEDGES THAT THE KOLA SERVICE IS AN INVENTORY VERIFICATION TOOL DESIGNED TO SUPPORT OPERATIONAL DECISION-MAKING AND IS NOT INTENDED AS THE SOLE BASIS FOR DECISIONS WITH SIGNIFICANT BUSINESS, LEGAL, SAFETY, OR FINANCIAL CONSEQUENCES. THE CLIENT IS SOLELY RESPONSIBLE FOR INDEPENDENTLY VERIFYING KOLA OUTPUT IN ALL CIRCUMSTANCES WHERE SUCH INDEPENDENT VERIFICATION IS PRUDENT.

EXCEPT AS EXPRESSLY SET OUT IN THESE TERMS, THE KOLA SERVICE IS PROVIDED WITHOUT WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW.

## 9. Limitation of Liability

### 9.1 Aggregate Liability Cap

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, CHESTNUT COMPUTE CORP'S TOTAL AGGREGATE LIABILITY TO THE CLIENT FOR ANY AND ALL CLAIMS, LOSSES, DAMAGES, COSTS, OR EXPENSES ARISING OUT OF OR RELATED TO THE KOLA SERVICE OR THESE TERMS — WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STATUTE, OR OTHERWISE — SHALL NOT EXCEED THE TOTAL FEES PAID BY THE CLIENT TO CHESTNUT COMPUTE CORP IN THE **TWELVE (12) MONTHS** IMMEDIATELY PRECEDING THE EVENT OR CIRCUMSTANCE GIVING RISE TO THE CLAIM.

### 9.2 Exclusion of Consequential Damages

IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY, OR PUNITIVE DAMAGES OF ANY KIND — INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS, LOSS OF REVENUE, LOSS OF BUSINESS OPPORTUNITY, BUSINESS INTERRUPTION, LOSS OF OR DAMAGE TO DATA, OR INVENTORY VALUE LOSS — ARISING OUT OF OR RELATED TO THESE TERMS OR THE KOLA SERVICE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE OR A PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

### 9.3 Mutual Application

The limitations set out in this Section 9 apply equally to both Chestnut Compute Corp and the Client, regardless of the form of action, the legal theory upon which the claim is based, or the characterization of the alleged loss.

### 9.4 Carve-Outs

Notwithstanding the foregoing provisions of this Section 9, the limitations on liability set out herein do not apply to, and shall not limit, any liability arising from:

- (a) **Fraud or fraudulent misrepresentation** by either party;
- (b) **Wilful misconduct** by either party; or
- (c) **Gross negligence** by either party.

No limitation on liability provided in these Terms protects any party from the legal consequences of its own dishonest, reckless, or intentionally harmful conduct.

## 10. Indemnification

### 10.1 Client Indemnification of Chestnut Compute Corp

The Client agrees to defend, indemnify, and hold harmless Chestnut Compute Corp and its officers, directors, employees, and contractors (collectively, the “**Chestnut Compute Parties**”) from and against any and all third-party claims, actions, demands, damages, losses, liabilities, costs, and expenses (including reasonable legal fees) arising out of or related to:

- (a) The Client’s breach of any provision of these Terms or the Service Agreement;
- (b) The Client’s failure to notify employees, contractors, or workplace occupants of the Kola system’s deployment as required by applicable law or these Terms;
- (c) Any unauthorized modification, interference with, or misuse of the Kola system by the Client or any person authorized by the Client; or
- (d) Any claims arising from the Client’s own business operations, decisions, or conduct that are not directly caused by a failure of the Kola service to perform as warranted.

### 10.2 Chestnut Compute Corp Indemnification of Client

Chestnut Compute Corp agrees to defend, indemnify, and hold harmless the Client from and against any third-party claim alleging that the Kola service, as delivered by Chestnut Compute Corp and used by the Client in accordance with these Terms, directly infringes a valid intellectual property right enforceable in Canada.

This indemnification obligation does not apply where the alleged infringement arises from:

- (a) Modification of the Kola service by the Client or any third party not authorized by Chestnut Compute Corp;
- (b) Combination of the Kola service with products, systems, or data not approved or specified by Chestnut Compute Corp; or
- (c) Use of the Kola service outside the scope of the license granted under Section 3.3.

## 11. Confidentiality

Each party (“Receiving Party”) agrees to hold in strict confidence all Confidential Information disclosed by the other party (“Disclosing Party”) and to use such information solely for the purpose of performing its obligations or exercising its rights under these Terms and the Service Agreement.

“**Confidential Information**” means all non-public information disclosed by one party to the other — whether in writing, orally, or in any other form — that is designated as confidential at the time of disclosure, or that a reasonable person would recognize as confidential given the

nature of the information and the circumstances of its disclosure. Confidential Information includes, without limitation: system architecture and source code; pricing and commercial terms; operational data; business plans and strategies; client lists; and technical specifications and documentation.

The obligation of confidentiality does not apply to information that:

- (a) Is or becomes publicly known through no breach of these Terms or fault of the Receiving Party;
- (b) Was rightfully known to the Receiving Party prior to disclosure, without restriction;
- (c) Is independently developed by the Receiving Party without reference to or use of the Disclosing Party's Confidential Information; or
- (d) Is required to be disclosed by applicable law, regulation, or court order, provided that the Receiving Party gives prompt advance written notice to the Disclosing Party to the maximum extent permitted by law and cooperates with any effort to seek a protective order.

The obligation of confidentiality set out in this Section 11 survives expiry or termination of the Service Agreement for a period of **three (3) years**.

## 12. Term and Termination

### 12.1 Term

These Terms remain in full force and effect for the duration of any active Service Agreement or Trial Agreement between the parties and continue to apply until all obligations under those agreements have been fulfilled.

### 12.2 Termination for Convenience

Either party may terminate the active Service Agreement, and with it these Terms, by providing not less than **30 days'** prior written notice to the other party. Termination for convenience does not relieve either party of obligations accrued prior to the termination date, including outstanding payment obligations of the Client.

### 12.3 Termination for Cause

Either party may terminate the Service Agreement with immediate effect upon written notice if the other party commits a material breach of the Service Agreement or these Terms that remains uncured for a period of **15 days** following written notice of the breach specifying its nature in reasonable detail. For trial participants, termination rights and cure periods are additionally governed by the applicable Trial Agreement.

## 12.4 Effect of Termination

Upon expiry or termination of the Service Agreement for any reason:

- (a) The license granted to the Client under Section 3.3 terminates immediately and automatically;
- (b) The Client shall promptly cease all use of the Kola service and, where applicable, cooperate with Chestnut Compute Corp in the orderly return or removal of any Chestnut Compute Corp equipment located at the Client's facility;
- (c) The Client has 30 days from the effective termination date to request retrieval of any data retained by Chestnut Compute Corp pursuant to Section 6.2, after which all retained Client data will be securely and permanently deleted; and
- (d) All accrued payment obligations of the Client under the Service Agreement remain due and payable notwithstanding termination.

## 12.5 Survival

The following provisions survive expiry or termination of the Service Agreement and continue in full force: Section 3.1 (Ownership); Section 6.3 (No Commercial Use); Section 6.4 (Data Handling on Termination); Section 9 (Limitation of Liability); Section 10 (Indemnification); Section 11 (Confidentiality); Section 13 (Governing Law and Dispute Resolution); and any other provision the nature or purpose of which requires its continued application following termination.

## 13. Governing Law and Dispute Resolution

### 13.1 Governing Law

These Terms and the Service Agreement are governed by and construed in accordance with the laws of the **Province of Ontario** and the federal laws of Canada applicable therein, without regard to any conflict of law principles that would result in the application of the laws of another jurisdiction.

### 13.2 Dispute Resolution Process

In the event of any dispute, controversy, or claim arising out of or relating to these Terms, the Service Agreement, or the Kola service, the parties agree to the following sequential resolution process:

- (a) **Good-faith negotiation:** The parties shall first attempt to resolve the dispute through good-faith negotiation between senior representatives of each party for a minimum period of 30 days following written notice of the dispute from one party to the other. Written notice shall describe the nature of the dispute and the resolution sought with reasonable specificity.

- (b) Mediation:** If the dispute is not resolved through negotiation within the prescribed period, either party may request formal mediation before a mutually agreed-upon, independent mediator. The costs of mediation shall be shared equally between the parties unless the parties agree otherwise. The mediation shall be conducted in the Province of Ontario.
- (c) Litigation:** If the dispute remains unresolved following the completion of mediation or upon either party's refusal to participate in mediation in good faith, either party may pursue resolution through the courts of competent jurisdiction in the Province of Ontario. Both parties irrevocably submit to the exclusive jurisdiction of the Ontario courts for the resolution of any dispute governed by these Terms.

### 13.3 Injunctive Relief

Notwithstanding the dispute resolution process set out in Section 13.2, either party may seek immediate injunctive or other equitable relief from a court of competent jurisdiction in Ontario at any time to prevent or restrain irreparable harm arising from an actual or threatened breach of Section 3 (Intellectual Property) or Section 11 (Confidentiality). The right to seek such relief is available without first completing the negotiation and mediation steps and without waiving the right to pursue all other available remedies.

## 14. Amendments

Chestnut Compute Corp reserves the right to amend these Terms from time to time to reflect changes in applicable law, regulatory requirements, or the nature of the Kola service. Material amendments to these Terms will be communicated to active clients in writing with not less than **30 days'** advance notice prior to the effective date of the amendment.

Continued use of the Kola service following the expiry of the 30-day notice period constitutes the Client's acceptance of the amended Terms. If the Client does not agree to the amended Terms, the Client may terminate the Service Agreement by providing written notice of termination during the notice period, which will take effect at the end of that period without further penalty.

Where an amendment is required by applicable law and cannot be implemented with 30 days' advance notice, Chestnut Compute Corp will provide notice as promptly as practicable and will communicate the reason for the expedited change.

## 15. Entire Agreement

These Terms, together with the executed Service Agreement (and the Trial Agreement, where applicable) and Chestnut Compute Corp's Privacy Policy as published from time to time, constitute the entire agreement between the parties with respect to the Kola service and the subject matter of these Terms. They supersede all prior and contemporaneous agreements,

representations, warranties, negotiations, and understandings — whether written or oral — relating to the same subject matter.

In the event of any conflict or inconsistency between these Terms, the Service Agreement, and the Trial Agreement (where applicable), the order of precedence shall be: (1) the Trial Agreement (during the trial period only), (2) the Service Agreement, and (3) these Terms.

No waiver of any provision of these Terms shall be effective unless made in writing and signed by an authorized representative of the waiving party. A waiver of any breach shall not constitute a waiver of any subsequent breach of the same or any other provision.

If any provision of these Terms is found by a court of competent jurisdiction to be invalid, illegal, or unenforceable, that provision shall be modified to the minimum extent necessary to make it enforceable, and the remaining provisions shall continue in full force and effect.

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*These Terms of Use are effective as of February 1, 2026 and were last reviewed on May 1, 2026.*

*Version 1.0 — Chestnut Compute Corp — Province of Ontario, Canada*