SCELTA TERMS OF SERVICE

Welcome to Scelta. Our Terms of Service are crafted to mirror the essence of our business operations, the legal landscape we navigate, and our ethical stance in our relationships with clients and users. These terms delineate the contractual framework within which you engage with our services, underscoring our commitment to transparency, respect for privacy, and adherence to regulatory standards.

These <u>Terms of Service</u> are posted on our website and are updated from time to time. Our dedication to safeguarding your privacy is further detailed in our <u>Privacy Policy</u>, which is also posted on our website.

1. DEFINITIONS

Scelta: refers to Scelta Customs Inc., an Ontario Business Corporation governed by the laws of Canada and the Province of Ontario.

We, Us: refers to Scelta.

You, Your: refers to the client and its authorized users, including entities and individuals who have entered into a contract for services with Scelta that remains in effect.

Privacy Policy: The policy outlines the rules that govern how Scelta, its clients, and their users collect, use, and protect the personal information of Scelta, its clients, users, and individuals in compliance with PIPEDA and other applicable privacy laws.

Client: a legal entity or individual who has entered into a contract with Scelta that has yet to expire.

Account: a client's or user's registered access point to Scelta's digital services, encompassing personal settings, service entitlements, and activity history.

Service: The service that Scelta provides to the client, including any software, application, implementation, or service detailed in the contract.

Subprocessors: Third-party services engaged by Scelta to process information on behalf of Scelta and its Clients in alignment with the definitions and obligations outlined in these Terms of Service and the Privacy Policy.

2. USE OF SERVICE

Client & User Responsibilities: You are responsible for all activities conducted under your user account by yourself and your users and for ensuring that all your use of the service complies with these terms. You must safeguard the confidentiality of your account information and are responsible for any use or misuse of your account resulting from any third party using a password or other security code provided to you.

Acceptable Use Policy: You agree to use the service only for lawful purposes and in a manner that does not infringe on the rights of or restrict or inhibit any third party's use and enjoyment of the service. Your use of the service is subject to all applicable laws and regulations.

Prohibited Activities: You may not use the service to: (a) transmit any content that is unlawful, harmful, threatening, abusive, harassing, defamatory, vulgar, obscene, invasive of another's privacy, hateful, or racially, ethnically, or otherwise objectionable; (b) harm minors in any way; (c) impersonate any person or entity or falsely state or otherwise misrepresent your affiliation with a person or entity; (d) forge headers or otherwise manipulate identifiers to disguise the origin of any content transmitted through the service; (e) transmit any material that contains software viruses or any other computer code, files, or programs designed to interrupt, destroy, or limit the functionality of any computer software or hardware or telecommunications equipment.

Continuing Consent: By continuing to use the account and the service, the client and the users consent to Scelta's continued use of client data. This consent includes consent to any updates to the Terms of Service and Privacy Policy.

3. SCELTA DATA AND INTELLECTUAL PROPERTY

Scelta Data: Scelta retains all right, title, and interest in its data, registered and unregistered, including but not limited to:

- the full array of digital and non-digital records, facts, and statistics collected, generated, processed, or stored by Scelta; and
- data collected in connection with its commercial activities, or through its services utilized by clients and users; and
- data acquired pursuant to a license from a Scelta client; and
- raw, unprocessed data devoid of immediate context or meaning, anonymized data, structured and unstructured data, and any meaningful information, whether processed or not.

Scelta Intellectual Property: Scelta retains all rights, titles, and interests in its intellectual property, registered and unregistered, including but not limited to:

- Registered Intellectual Property: Patents, Designs, Trademarks.
- Copyright and Trademark Material: Original works and brand identifiers created by Scelta, governed by copyright and trademark laws, respectively.
- Scelta Confidential Information and Trade Secrets: including proprietary processes, methods, know-how and practices, business strategies, and software development methods, whether or not protected by confidentiality agreements.
- Software: any software, apps or programs Scelta has authored, customized, assembled, integrated, or implemented including, APIs, low-code, no-code and artificial intelligence software, apps, or programs.
- Work Product: including cleanups, implementation, workflow plans, documentation, content, scientific research & experimental development, industrial development, technological advances, and all unregistered intellectual property, such as business

know-how, business methods, and confidential information, remain its exclusive property.

4. SCELTA GRANT OF LICENSE

Scelta Grant of License: Scelta grants clients a limited, non-exclusive, non-transferable license to access and use Scelta's service, in accordance with the terms of its contract, for as long as the client's account is in good standing, and as long as Scelta has agreed to provide the service. Scelta reserves the right to revoke this licence, for any reason, on 30-days written notice, along with a pro-rated refund of fees paid.

Feedback: This license includes the authority to employ client feedback, suggestions, and pertinent information to augment Scelta's service offerings. Client feedback is deemed non-confidential and non-proprietary, granting Scelta the liberty to utilize this information freely, without any restrictions or obligations for compensation to clients or any third party.

Use for Service Improvement and Research: Scelta is dedicated to continuously improving its services and contributing to advancing industry knowledge. In this context, anonymized Client Data may be leveraged for internal R&D. Scelta commits to respecting the confidentiality of client data and adhering to all relevant legal and ethical standards concerning privacy and intellectual property rights during such activities.

Proprietary Rights in Anonymized Data: Scelta maintains proprietary rights over anonymized or aggregated data derived from client data. This anonymized data, devoid of any personally identifiable information, may be utilized for diverse purposes, including analytics, gaining industry insights, and improving services, without any further obligations to the client. Scelta commits to applying stringent anonymization techniques to prevent the possibility of reidentifying clients.

Client Acknowledgement: By accepting these Terms, clients explicitly acknowledge and consent to the use of their data by Scelta as outlined above. Clients confirm their authority to grant this license and assure that such utilization by Scelta will neither infringe upon third-party rights nor contravene any prevailing laws.

5. CLIENT GRANT OF LICENSE

Client Grant of License: The client grants Scelta a global, perpetual, non-exclusive, royalty-free license to use, reproduce, modify, anonymize, adapt, publish, create derivative works from, and distributing client data for the purpose of delivering, enhancing, and developing Scelta's services delivered to all clients. This license includes but is not limited to, the uses set out in the Scelta Grant of Licence section above and for applications in analytics, research, modelling, product development and the development and training of AI models.

Ethical Use and Confidentiality: Adhering to the highest ethical standards for the use and confidentiality of client data, Scelta ensures that all utilization of client data under this license is

conducted in a way that foremost protects client privacy rights. Scelta will refrain from using client data in any manner that would unjustly benefit Scelta to the client's detriment.

6. CLIENT RIGHTS ON CANCELLATION

Client Data: refers any proprietary, non-public data generated by the Client and reasonably necessary for and connected to the client's commercial activities that has been inputted and processed through Scelta's Service.

Return or Deletion of Client Data: Clients can request the return and/or deletion of their Client Data stored by Scelta. Subject to Scelta's rights in these Terms of Service, Scelta commits to complying with such requests promptly, to the best of its ability, subject to any legal and regulatory requirements that may necessitate data retention for a specified period.

Confidentiality: Scelta will continue to treat all confidential information provided by the Client as confidential, adhering to the confidentiality obligations outlined in these Terms, after Service cancellation.

7. COMMITMENT TO PRIVACY

Scelta is steadfast: in its commitment to safeguarding the privacy and protection of personal and business information. This dedication is reflected in our Privacy Policy, which outlines our comprehensive practices for handling client data in compliance with the Personal Information Protection and Electronic Documents Act (PIPEDA) and other applicable privacy laws.

We encourage all: users to review our Privacy Policy to fully understand their rights and our practices regarding data protection. The Policy is integral to these Terms of Service and is incorporated herein by reference. By agreeing to these Terms, you acknowledge and consent to the processing of your data in accordance with the Policy.

8. SUBPROCESSORS

Role and Disclosure: Scelta may engage third-party services, known as subprocessors, to assist in providing our services to clients. These subprocessors are carefully selected and required to comply with data protection standards consistent with those outlined in our Privacy Policy. The Appendix of our Privacy Policy maintains a current list of Scelta's subprocessors, including their roles and locations. This list is not exclusive and subject to change without notice.

Client Consent: By agreeing to these Terms, clients consent to Scelta engaging Subprocessors as necessary to deliver the services. Scelta will notify clients of any new subprocessors, giving clients the opportunity to object to the engagement of new subprocessors based on reasonable data protection concerns.

9. SERVICE WARRANTY; INDEMNIFICATION

Service Warranty: For paying subscribers, Scelta guarantees that the Service will function substantially as described in the Documentation during the Subscription Term under normal use. If this warranty is breached, your sole remedy is either the correction of the service deficiency

by Scelta or, if correction is not feasible, the termination of your Scelta Account and a prorated refund of your prepayment. Please report any service deficiencies in writing within ten (10) days of occurrence.

Disclaimers: THE SERVICE IS PROVIDED "AS IS" AND ON AN "AS AVAILABLE" BASIS WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED. SCELTA DISCLAIMS ALL WARRANTIES, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT. YOU BEAR THE ENTIRE RISK OF USING THE SERVICE. SCELTA IS NOT LIABLE FOR ANY DAMAGES OR LOSSES RESULTING FROM YOUR USE OF THE SERVICE AND DOES NOT GUARANTEE UNINTERRUPTED SERVICE, ERROR-FREE PERFORMANCE, OR THE CORRECTION OF ALL ERRORS.

Your Indemnification Obligations: You must defend, indemnify, and hold harmless Scelta and its affiliates, directors, officers, employees, and agents from any claims, damages, liabilities, and expenses (including attorney's fees) arising from your violation of these Terms or related to your Customer Content.

Scelta's Indemnification Obligations: For paying subscribers, Scelta will defend you against third-party claims that the Service infringes their intellectual property rights, covering all related costs and damages. This does not cover claims related to misuse of the Service, your Customer Content, or service modifications not provided by Scelta. Scelta may, at its discretion, obtain a license, modify the Service, or replace it to address infringement claims. If these options are not viable, Scelta may terminate the service and provide a pro-rata refund.

Sole Rights and Obligations: This section outlines the exclusive remedies available for third-party infringement claims under these terms without affecting termination rights.

10.LIMITATION OF LIABILITY

Scelta's liability: under these Terms is limited to the fullest extent permitted by applicable law. Specifically, Scelta's liability shall not exceed the total fees paid by you for the service during the twelve (12) months preceding the claim. Scelta and its licensors, including any extended team, are not liable for indirect, incidental, consequential, punitive, special, exemplary, or statutory damages, regardless of the legal theory under which damages are sought. This includes, without limitation, loss of business, profits, revenue, data, goodwill, or for any cost of procurement of substitute goods or services, even if advised of the possibility of such damages.

The limitations of liability: outlined here apply to all forms of action, whether based in contract, tort (including negligence), strict liability, or otherwise, and remain in effect even if a limited remedy specified in these Terms fails of its essential purpose. This encompasses failures or delays in performance attributed to acts or omissions of subprocessors or carriers, for which Scelta assumes no liability. While Scelta strives to ensure the reliability of its subprocessors and carriers, there are no warranties regarding their performance.

Scelta is committed: to the continuous improvement and update of its service. However, we reserve the right to modify, suspend, or discontinue any part of the service without prior notice.

Scelta will not be liable for any modifications, price changes, suspensions, or discontinuation of the service, aiming to minimize any impact on your user experience.

By agreeing: to these Terms, you acknowledge these limitations and agree that they are reasonable and necessary for Scelta to provide its services effectively.

11. CONFIDENTIAL INFORMATION

Confidential Information Definition: Confidential Information refers to any non-public business, product, technology, and marketing information disclosed between Scelta (the "Disclosing Party") and the recipient (the "Receiving Party") during the provision of services. This includes explicitly labeled "Confidential" materials. However, Confidential Information does not cover publicly available information previously known to the Receiving Party without confidentiality obligations, received from a third party without breaching confidentiality, or independently developed by the Receiving Party.

Protection and Use: The Receiving Party is obligated to:

- Implement reasonable measures to prevent unauthorized disclosure or use of Confidential Information, limiting access to personnel who require it for service provision and are bound by confidentiality obligations comparable to those in these Terms.
- Refrain from using or disclosing Confidential Information beyond the scope necessary for the service and as permitted by these Terms. This excludes sharing with financial and legal advisors who are similarly bound by stringent confidentiality obligations.

Compelled Disclosure: Should legal requirements compel the Receiving Party to disclose Confidential Information, it must notify the Disclosing Party in advance and assist in contesting the disclosure, if desired, with any related costs borne by the Disclosing Party.

Commitment to Confidentiality: Scelta commits to safeguarding any sensitive or confidential client data from unauthorized access, use, or disclosure. This commitment is integral to both these Terms and our Privacy Policy.

Exceptions: Confidentiality obligations do not apply to information that becomes publicly known through no fault of the Receiving Party, is received from third parties without confidentiality breaches, is independently developed by the Receiving Party, or is mandated by law to be disclosed, provided the Disclosing Party is notified in advance.

12. FEES, PAYMENTS, AND TERMINATION

Fees and Payments: The Service fees are detailed in the Contract for Service and are payable as per the specified payment terms. These fees do not include taxes, levies, or duties, which are the client's responsibility.

Services automatically renew: under the original terms unless the client explicitly terminates them. Scelta may adjust service pricing upon renewal, providing prior notice.

Late payments: may attract a monthly late fee of 1.5% on the outstanding balance or the maximum legal rate, whichever is lower. Service may be suspended for accounts in arrears.

Termination by Scelta: Scelta may terminate or suspend services if a client breaches these Terms, uses the service illegally or fraudulently, or for any other reason, at Scelta's discretion, with reasonable notice provided to the client.

Effects of Termination: Termination immediately revokes all client rights under these Terms and requires cessation of service use. Scelta will handle client data according to the data retention and deletion terms set out above in the cancellation section.

Survival: Provisions related to intellectual property, confidentiality, liability limitations, and others meant to survive continue beyond the Terms' termination or expiration.

13. DISPUTE RESOLUTION

Governing Law (Canada and Province of Ontario): These Terms and any disputes arising from or relating to their interpretation shall be governed by and construed in accordance with the laws of Canada and the Province of Ontario without regard to their conflict of law provisions.

Dispute Resolution Process: Any dispute arising from or related to these Terms shall first be addressed through direct negotiation. If the dispute cannot be resolved through negotiation, the parties agree to submit the dispute to binding arbitration in Ontario, Canada. The arbitration shall be conducted in English, and the arbitrator's decision shall be final and binding.

14. GENERAL PROVISIONS

Notices: All notices under these terms shall be in writing and shall be deemed given when delivered by electronic mail to the parties' last known email address.

Entire Agreement: These terms, the Privacy Policy and any other agreements expressly incorporated by reference herein constitute the entire agreement between the parties concerning the service.

Force Majeure: Neither party shall be liable for any failure to perform its obligations where such failure results from any cause beyond its reasonable control, including, but not limited to, mechanical, electronic, or communications failure or degradation.

Severability: If any provision of these terms is found to be unenforceable or invalid, that provision will be limited or eliminated to the minimum extent necessary so that these Terms shall otherwise remain in full force and effect.

Waiver: No waiver of any provision of these terms shall be deemed a further or continuing waiver of such term or any other term, and Scelta's failure to assert any right or provision under these Terms shall not constitute a waiver of such right or provision.

Assignment: These terms are not assignable, transferable, or sublicensable by the client except with Scelta's prior written consent. Scelta may transfer, assign, or delegate these Terms and its rights and obligations without consent.

15. EFFECTIVE DATE AND VERSION INFORMATION

This version of the Terms of Service Privacy Policy takes effect on June 1st, 2024, and will remain in force until future amendments are made. Any changes to this policy will become effective immediately upon their publication on our website. We encourage users to regularly review this page for the latest information on our privacy practices. If you have any questions or concerns regarding these Terms of Service, please contact us. We welcome your feedback and inquiries.