Bonterms Standard Agreement
AI Addendum v2.0
(Cover Page Version)

This Bonterms Standard AI Addendum Version 2.0 (Cover Page Version) ("**AI Addendum**") is a set of standard terms that is entered into between Customer and Provider by executing a Cover Page.

1. **Definitions**. To the extent any of the following terms are defined in the Main Agreement (or the Main Agreement uses an equivalent defined term, e.g., "Client Data" for "Customer Data"), the Main Agreement definitions (and such equivalent terms) will control.

1.1. "**Additional Terms**" means any additions to, or modifications of, this AI Addendum agreed by the parties.

1.2. "**AI Addendum Effective Date**" means the effective date of this AI Addendum.

1.3. "**AI Features**" means all generative artificial intelligence, large language model (LLM) or similar features provided as part of the Cloud Service that generate content, code or data in response to Input. AI Features exclude machine-learning features used solely for classification, ranking or non-generative analysis.

1.4. "**AUP**" means Provider's standard Acceptable Use Policy, Code of Conduct or similar policies for the Cloud Service as incorporated into the Main Agreement.

1.5. "**Cloud Service**" means the cloud service, SaaS, software, platform, API or other technology provided by Provider to Customer under the Main Agreement.

1.6. "**Cover Page**" means a document that (a) incorporates this AI Addendum by reference, (b) specifies the Key Terms and any Additional Terms and (c) is executed by Customer and Provider.

1.7. "**Customer**" is identified on the Cover Page.

1.8. "**Customer Data**" means any data, content or materials that Customer (including its authorized users) submits to the Cloud Service, including Input.

1.9. "**Documentation**" means Provider's standard usage manuals, specifications or technical documentation for the Cloud Service.

1.10. "**Input**" means data, content or materials (including prompts or queries) submitted by Customer to the AI Features, whether directly or through an API or other connections.

1.11. "**Key Terms**" means the AI Addendum Effective Date and Main Agreement specified by the parties on the Cover Page.

1.12. "**Main Agreement**" means the separate agreement under which Provider provides the Cloud Service to Customer.

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1.13. "**Model Provider**" means any third-party provider of artificial intelligence models, model hosting, inference or related services utilized by Provider in providing the AI Features.

1.14. "**New AI Feature**" means an AI Feature added by Provider after the AI Addendum Effective Date that is materially different from, or processes Customer Data in a materially different manner than, the AI Features made available to Customer as of the AI Addendum Effective Date.

1.15. "**Output**" means the content, data or results generated by the AI Features in response to Input.

1.16. "**Provider**" is identified on the Cover Page.

1.17. "**Provider-Covered Claim**" means the defined scope of third-party claims for which Provider is obligated to indemnify Customer under the Main Agreement.

1.18. "**Retention Period**" means 30 days.

2. **AI Features.**

2.1. AI Features. This AI Addendum applies to AI Features included in the Cloud Service. Provider will identify AI Features in the Documentation or promptly upon Customer's written request.

2.2. New AI Features. If Provider adds New AI Features:

(a) *Notice*. Provider will give Customer reasonable prior written notice (email or in-product notification to an administrator is sufficient) before enabling by default any New AI Feature for Customer.

(b) *Opt-Out*. Customer will have the ability to decline or disable any New AI Feature through administrative controls in the Cloud Service (or other reasonable measure made available by Provider) at the account, organization or equivalent administrator level.

(c) *Functionality*. Customer's election to decline or disable a New AI Feature will not materially reduce the core non-AI functionality of the Cloud Service as it existed prior to the introduction of such New AI Feature. For clarity, the absence of specific automations, efficiencies or enhancements uniquely provided by the disabled New AI Feature will not constitute a material reduction of the Cloud Service.

3. **Data Handling**.

3.1. No Training. Provider will not access, use or retain Input or Output to train, retrain or fine-tune AI Features, any Model Provider models or other AI or machine-learning models.

3.2. Operational Monitoring.

(a) *Purpose*. Notwithstanding Section 3.1 (No Training), Provider may retain and internally review Input and Output for no longer than the Retention Period solely to detect, prevent and remediate abuse, misuse, security incidents, malfunctions or abnormal performance relating to the AI Features ("**Operational Monitoring**").

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(b) *Safeguards*. Data retained for Operational Monitoring will be: (i) kept logically separated from other production data; (ii) accessible only to authorized personnel on a need-to-know basis; and (iii) automatically deleted upon expiration of the Retention Period, unless otherwise required by applicable law or to the extent reasonably necessary in connection with a specific, ongoing security, abuse or technical investigation, in which case such data will be deleted promptly upon the conclusion of that investigation.

3.3. Inference and Processing. Customer acknowledges that Provider must process Input and Output to operate the AI Features (including via its Model Providers). During such inference-time processing, Provider represents and warrants that:

(a) *Tenant Isolation*. Any caching, indexing or retrieval systems (such as vector databases) used to optimize or contextualize the AI Features are logically separated on a per-customer basis. Provider will not use Customer's Input or Output to populate a shared context window, cache or retrieval system that is accessible to or used for the benefit of any other customer.

(b) *Ephemeral Processing*. Except as permitted under Section 3.2 (Operational Monitoring) or as elected by Customer through administrative controls, any processing for content filtering or real-time execution is transient, and such systems will not retain Input or Output beyond the time necessary to generate the applicable session or interaction.

4. **Intellectual Property**.

4.1. Input. Input is deemed to be Customer Data for all purposes under the Main Agreement (including ownership of intellectual property).

4.2. Output.

(a) *Customer owns Output*. As between the parties, Customer owns the Output. Provider hereby assigns to Customer all of Provider's right, title and interest (if any) in and to the Output.

(b) *Provider retains its Intellectual Property*. Nothing in this AI Addendum transfers to Customer any of Provider's intellectual property rights in or to the Cloud Service.

(c) *Output Similarity*. Customer acknowledges that due to the nature of the AI Features, Output may not be unique. Different customers may receive similar or the same Output.

5. **Output Indemnification**.

5.1. Copyright Indemnity. The definition of Provider-Covered Claim is deemed to include any third-party claim alleging that Customer's use of Output infringes a third-party copyright (an "**Output Claim**").

5.2. Exclusions. In addition to any exclusions in the Main Agreement, Provider's indemnification obligations regarding Output Claims do not apply to the extent resulting from Customer:

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(a) failing to use the AI Features in accordance with the Documentation, including any failure to use provided safety filters or guardrails;

(b) providing infringing or allegedly infringing Input or Input designed to, or reasonably likely to, generate infringing Output; or

(c) modifying Output, or combining Output with other materials, where the alleged infringement would not have occurred but for such modification or combination.

5.3. Liability Cap. Output Claims are not subject to any waiver or disclaimer of consequential damages but are subject to the general limitation of liability under the Main Agreement, regardless of any exceptions or higher caps in the Main Agreement that may otherwise apply to indemnification or intellectual property claims.

6. **AI Warranties and Disclaimers**.

6.1. Safety Measures. Provider will implement and maintain commercially reasonable technical and organizational measures (such as content filtering or abuse monitoring) designed to mitigate the generation of harmful or illegal Output.

6.2. Output Disclaimer. Customer acknowledges that due to the probabilistic nature of generative AI, Output may contain errors, inaccuracies or biases. Provider makes no representations or warranties regarding the accuracy, completeness or suitability of the Output. Customer is solely responsible for independently reviewing and verifying Output before relying on, publishing or otherwise using such Output.

6.3. No High-Risk AI. Provider represents and warrants that, as made available by Provider and when used in accordance with the Documentation, the AI Features do not constitute a "High-Risk AI System" as defined under the EU Artificial Intelligence Act, unless explicitly disclosed in the Documentation along with applicable classification and compliance information.

7. **AI-Specific Use Restrictions**. In addition to any AUP in the Main Agreement, Customer will not, and will not permit any third party to, use the AI Features or Output to:

(a) train, retrain or fine-tune any third-party artificial intelligence or machine-learning models that compete with Provider or its Model Providers (e.g., model extraction or distillation);

(b) represent any Output as being approved or vetted by Provider;

(c) represent any Output as being a wholly human-generated work;

(d) make automated decisions that have a legal or similarly significant effect on individuals (e.g., housing, employment, lending or healthcare) without appropriate human review and compliance with applicable law;

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(e) use the AI Features in violation of any Model Provider acceptable use policy (or equivalent) made available to Customer in the AUP or Documentation; or

(f) engage in any practice prohibited under the EU Artificial Intelligence Act or equivalent applicable AI law.

8. **Model Providers.**

8.1. Model Providers. Customer acknowledges that the AI Features may utilize Model Providers to process Input and Output. Provider will maintain a current list of Model Providers in its Documentation and notify Customer prior to any changes to the list of Model Providers taking effect (email or in-product notification to an administrator is sufficient).

8.2. Authorization. Customer authorizes Provider to use Model Providers to process its Input and Output as necessary to provide the AI Features.

8.3. Responsibility. Use of Model Providers does not change Provider's responsibility for the Cloud Service and AI Features in accordance with the terms of the Main Agreement, including with respect to processing of Input and Output by Model Providers.

8.4. No Direct Pass-Through. Unless expressly agreed in the Main Agreement, Customer is not required to enter into separate agreements with Model Providers.

8.5. Model Provider Obligations. Provider will ensure its Model Providers are subject to contractual obligations regarding the processing of Input and Output that are materially consistent with the requirements of Section 3 (Data Handling).

8.6. Temporary Suspension. Provider may temporarily suspend or limit AI Features to the extent required by the unavailability of a Model Provider, applicable law or a material security or safety risk. Provider will promptly notify Customer of any such suspension or limitation and will use commercially reasonable efforts to restore the affected AI Features. Any suspension under this Section does not limit the rights of either party under the Main Agreement.

9. **General Terms**.

9.1. Order of Precedence. Any Additional Terms will control in a conflict with the terms of this AI Addendum.

9.2. Relationship to Main Agreement.

(a) *Incorporation into Main Agreement.* This AI Addendum (including any Additional Terms) is incorporated into the Main Agreement.

(b) *AI Addendum Controls*. In the event of a conflict between a provision of this AI Addendum (as modified by any Additional Terms) and the Main Agreement, the AI Addendum will control. Otherwise, this AI Addendum will be construed under, and in accordance with, the terms of the Main Agreement.

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