**AI SOFTWARE AS A SERVICE AGREEMENT**

This AI SaaS Agreement (referred to as the “**Agreement**”) is entered into as of [INSERT DATE] (the “**Effective Date**”), by and between [CUSTOMER COMPANY NAME], a [STATE/COUNTRY] [corporation/LLC/other entity type] with its principal place of business at [ADDRESS] (the “**Customer**”), and [SERVICE PROVIDER COMPANY NAME], a [STATE/COUNTRY] [corporation/LLC/other entity type] with its principal place of business at [ADDRESS] (the “**Provider**”). The Customer and the Provider may be referred to individually as a “**Party**” and collectively as the “**Parties**”.

The Provider has developed and operates an AI software-as-a-service platform that enables users to [briefly describe purpose, e.g., manage projects, analyze data, etc.]

The Customer desires to access and use the Platform (as defined below) on a subscription basis, and the Provider is willing to provide the Platform under the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the Parties agree as follows.

1. **PURPOSE AND SCOPE**
	1. The purpose of this Agreement is to outline the terms and conditions under which the Provider shall provide the Customer with the Services and the Platform in consideration of the Fees (as defined below). For the purposes of this Agreement: (i) “**Platform**” means [INSERT DESCRIPTION OF PLATFORM AND/OR LINK TO PLATFORM]; (ii) “**Services**” means the provision of the Platform to the Customer, as further detailed in the Order Form; and (iii) “**Order Form**” means the order form in the nature and form outlined in Schedule 1.
	2. The Platform will be provided to the Customer on a non-exclusive basis. Accordingly, the Customer will be entitled to use platforms in the nature of the Platform from persons other than the Provider, and the Provider will be entitled to provide the Platform to other customers.
2. **PREREQUISITES**
	1. The Parties shall cooperate in good faith and exchange any documents or information that may be useful for the proper performance of the Agreement.
	2. In particular, each Party shall, upon request, promptly provide the other Party with all information, assistance, materials, and resources that the other Party may reasonably require from time to time in connection with the performance of its obligations under this Agreement.
3. **REPRESENTATIONS AND WARRANTIES**
	1. Each Party represents and warrants to the other that:
		1. it has full legal right, power, and authority to enter into this Agreement, and has taken (or will take) all necessary actions to execute, deliver, and perform its obligations hereunder; and
		2. its performance under this Agreement constitutes a binding obligation and does not conflict with or result in a breach of any other agreement, instrument, or obligation to which it is a party, nor does it violate any applicable law, court order, or government regulation.
	2. The Provider makes no warranty regarding the compatibility, fitness, or performance of the Customer’s equipment with the Platform. The Provider further disclaims any express or implied warranties regarding the results the Customer may obtain from using the Platform, including, without limitation, any implied warranties of merchantability, fitness for a particular purpose, or non-infringement. The Platform is provided "as is" and "as available."
	3. All warranties, conditions, and other terms implied by law—whether by statute or otherwise—are expressly disclaimed.
4. **CUSTOMER OBLIGATIONS**
	1. The Customer shall:
		1. secure and maintain all necessary licenses, permissions, legal and regulatory authorizations, consents, and permits required for the Customer to receive the Services and to enable the Provider to deliver the Services and fulfill its obligations under this Agreement;
		2. ensure that all information provided to the Provider is accurate, complete, and sufficient for the proper delivery of the Services;
		3. refrain from any acts, omissions, or permissions that could weaken, damage, or harm the reputation or goodwill associated with the Provider’s Intellectual Property Rights;
		4. regularly review and update its Authorized User information to ensure accuracy and compliance with this Agreement;
		5. adhere to all usage rights, limitations, and restrictions outlined in this Agreement;
		6. comply with all applicable laws and the Provider’s mandatory policies; and
		7. upon request, certify that the Customer is in full compliance with the terms of this Agreement.
5. **PROVISION AND USE OF THE PLATFORM**
	1. The Customer acknowledges and agrees that:
		1. the Provider does not guarantee that the Platform will operate uninterrupted, in a timely manner, securely, error-free, or free from viruses, vulnerabilities, or other malicious software. No information or advice obtained from the Provider or through the Platform shall create any warranty not expressly stated in this Agreement;
		2. if the Customer is dissatisfied with the Platform, the Customer’s sole and exclusive remedy is to discontinue its use; and
		3. where the Platform includes links to other websites and resources provided by third parties, those sites and resources are offered solely for informational purposes. Such websites and any content contained therein are not endorsed by the Provider, and the Provider has no control over their content.
	2. The Customer acknowledges that the Provider may need to perform maintenance on the Platform or on its related equipment and systems from time to time. While the Provider will use reasonable efforts to provide the Customer with advance notice and minimize disruption, the Customer understands that continuous availability cannot be guaranteed. In no event shall the Customer be entitled to any discount, rebate, or refund of Fees due to interruptions or maintenance activities.
	3. The Provider reserves the right, without liability, to suspend or restrict the Customer’s access to the Platform if the Provider reasonably believes that:
		1. the Customer is in breach of this Agreement or the Provider’s policies; and/or
		2. there is a reasonable suspicion or detection of viruses, vulnerabilities, malware, Trojan horses, time bombs, or other harmful software associated with the Customer’s account or usage of the Platform.
	4. Except as expressly permitted by this Agreement, the Customer shall not, nor allow any Authorized User or any third party to:
		1. reproduce, alter, adapt, modify, arrange, extract, reutilize, exploit, translate, recompile, decompile, disassemble, reverse-engineer, distribute, mix with any other data, or create derivative works from all or part of the Platform;
		2. share, redistribute, sell, sublicense, rent, lease, lend, store, or otherwise make available (including free of charge) the Platform or any content found on it, in any format or medium, without the Provider’s prior written consent;
		3. post, access, store, distribute, transmit, or upload to the Platform any materials that are corrupt, contain viruses or vulnerabilities, impersonate, offend, disparage, damage the reputation or goodwill of either Party, interrupt the Service, restrict other customers’ use, or are unlawful, harmful, defamatory, obscene, infringing, or otherwise objectionable;
		4. remove or obscure any copyright or other proprietary notices contained in the Platform;
		5. access or use the Platform in any manner intended to bypass account limitations or controls, or that violates any applicable laws, third-party privacy rights, or Intellectual Property Rights;
		6. use the Platform for development purposes or to create applications, software, or technology that interacts with, interferes with, or distorts the performance or integrity of the Platform;
		7. cache, store, or otherwise utilize any portion of the Platform or its content in a way that competes with or reproduces its features, functions, or graphical attributes;
		8. conduct tests or performance evaluations of the Platform without the Provider’s prior written consent;
		9. engage in any conduct that may damage the reputation of the Provider or the Platform;
		10. use the Platform to transmit malicious code or unlawful material, or otherwise use the Platform in any manner inconsistent with this Agreement;
		11. share, modify, interface, copy, broadcast, reproduce, port, or route the Platform or any part of it to any other equipment, network, or software without the Provider’s prior written consent; and
		12. use the Platform for any purpose other than as expressly permitted by this Agreement.
	5. The Provider reserves the right, at its sole discretion, to modify the Services and/or the Platform without prior notice, provided that such modifications do not materially degrade the overall functionality of the Platform.
	6. For the purposes of this Agreement, “**Authorized Users**” means the natural persons (employees) of the Customer who are authorized by the Customer to access and use the platform for the purposes outlined in this Agreement.
6. **INTELLECTUAL PROPERTY RIGHTS**
	1. All Intellectual Property Rights in the Platform are and shall remain the exclusive property of the Provider. For the purposes of this Agreement, “**Intellectual Property Rights**” means: (i) patents, registered trademarks, registered designs, applications and rights to apply for any of those rights; (ii) unregistered trademarks, copyright, topography rights, database rights, moral rights, know-how, rights in designs and inventions, discovery or process, and applications for and rights to apply for any of the foregoing; (iii) trade, business and company names, domain names and email addresses; (iv) rights to prevent passing off or unfair competition and copyright (whether in drawings, plans, specifications, designs and computer software or otherwise); (v) the goodwill attaching to any of the aforementioned rights; and (vi) any forms of protection of a similar nature and having equivalent or similar effect to any of them; in all the above cases, throughout the world, including countries which currently exist or are recognized in the future.
	2. All Intellectual Property Rights in the data, materials, and content that the Customer uploads, submits, or otherwise provides ("**Customer Data**") remain the exclusive property of the Customer.
	3. The Provider hereby grants the Customer a non-exclusive, non-transferable, non-sublicensable license to access and use the Platform during the Subscription Term, solely for the Customer’s internal business operations.
	4. The Customer grants the Provider a limited, non-exclusive license to use, process, and store Customer Data solely for the purpose of delivering and improving the Service, in accordance with the Customer’s instructions and applicable privacy policies.
	5. Any third-party software or components integrated into the Platform are subject to their own licensing terms, and the Provider makes no additional grant of rights in such materials beyond those expressly provided by the third-party licensors.
	6. Any feedback, suggestions, or recommendations provided by the Customer regarding the Service is hereby deemed non-confidential and is granted to the Provider as a perpetual, irrevocable, worldwide, royalty-free license to use, modify, and incorporate such feedback into the Service without any obligation to the Customer.
	7. The rights and obligations under this Section 6 shall survive the termination or expiration of this Agreement, ensuring that all Intellectual Property Rights and restrictions continue to be enforced even after the Agreement ends.
7. **FEES AND PAYMENT**
	1. In consideration of the Services, the Customer shall pay the Provider the fees (the “**Fees**”). The Fees and the invoicing process are set forth in the Order Form. Any amount payable under this Agreement is exclusive of any sales tax (or similar taxes), duties, fees, and levies imposed by any government or other authority from time to time, which shall be paid by the Customer in addition to the Fees in the manner and at the rate prescribed by law.
	2. All undisputed payments due from the Customer to the Provider under this Agreement shall be made in full without any offset, deduction, or withholding, including, without limitation, for any counterclaims.
	3. Unless otherwise stated in the Order Form, each invoice that is not subject to a bona fide dispute shall be payable by the Customer within thirty (30) days of the invoice date. For clarity, time is of the essence for all Fee payments by the Customer to the Provider. All payments shall be made in U.S. Dollars ($) in cleared funds by wire transfer to the bank account designated by the Provider from time to time.
	4. In the event of any disagreement or dispute regarding an invoice amount, the Parties agree to use reasonable efforts to reach an amicable resolution. Any adjustment mutually agreed upon in writing by the Parties shall be reflected by the Provider on a revised invoice, enabling the Customer to fulfill its payment obligations. Any invoice not disputed in writing, along with the supporting documentation, within ten (10) calendar days of receipt shall be deemed accepted without reservation.
8. **CONFIDENTIALITY**
	1. From time to time during the duration of this Agreement, either Party (as the "**Discloser**") may disclose or make available to the other Party (as the "**Recipient**"), non-public, proprietary, and confidential information of Discloser [whether or not marked or labeled as "confidential"/that, if disclosed in writing or other tangible form is clearly labeled as "confidential," or if disclosed orally, is identified as confidential when disclosed and within [NUMBER] days thereafter, is summarized in writing and confirmed as confidential] ("**Confidential Information**"); provided, however, that Confidential Information does not include any information that: (i) is or becomes generally available to the public other than as a result of the Recipient's breach of this Section 8; (ii) is or becomes available to the Recipient on a non-confidential basis from a third-party source, provided that such third-party is not and was not prohibited from disclosing such Confidential Information after due inquiry; (iii) was in the Recipient's possession prior to the Discloser's disclosure hereunder; or (iv) was or is independently developed by the Recipient without using any Confidential Information.
	2. The Recipient shall: (i) protect and safeguard the confidentiality of the Discloser's Confidential Information with at least the same degree of care as the Recipient would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care; (ii) not use the Discloser's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and (iii) not disclose any such Confidential Information to any person or entity, except to members of the Recipient's Group who need to know the Confidential Information to assist the Recipient, or act on its behalf, to exercise its rights or perform its obligations under this Agreement. For purposes of this Section 8, "**Recipient's Group**" means the Recipient's affiliates and its or their employees, officers, directors, shareholders, partners, members, managers, agents, independent contractors, service providers, sublicensees, subcontractors, attorneys, accountants, and financial advisors.
	3. If the Recipient is required by applicable law or legal process to disclose any Confidential Information, it shall, prior to making such disclosure, use commercially reasonable efforts to notify the Discloser of such requirements to afford the Discloser the opportunity to seek, at the Discloser's sole cost and expense, a protective order or other remedy.
	4. The Recipient shall be responsible for any breach of the foregoing obligations by any member of the Recipient’s Group.
9. **LIMITATION OF LIABILITY**
	1. THE CUSTOMER IS RESPONSIBLE FOR THE ACTIONS AND OMISSIONS OF ALL AUTHORIZED USERS OF THE PLATFORM UNDER THIS AGREEMENT.
	2. NOTHING IN THIS AGREEMENT LIMITS OR EXCLUDES THE LIABILITY OF EITHER PARTY—OR ITS EMPLOYEES, PRINCIPALS, OR CORPORATE OFFICERS—FOR DEATH OR PERSONAL INJURY RESULTING FROM NEGLIGENCE, OR FOR FRAUD, FRAUDULENT MISREPRESENTATION, GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR ANY OTHER LIABILITY THAT CANNOT BE LIMITED BY LAW.
	3. IN NO EVENT SHALL ANY PARTY BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, OR SPECIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFIT, LOSS OF BUSINESS OR CONTRACTS, LOST PRODUCTION OR OPERATING TIME, LOSS OF GOODWILL, OR ANTICIPATED SAVINGS), HOWEVER ARISING (WHETHER FROM BREACH OF CONTRACT, TORT—INCLUDING NEGLIGENCE—BREACH OF STATUTORY DUTY, OR OTHERWISE), EVEN IF SUCH LOSS WAS FORESEEABLE OR THE PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
	4. TO THE EXTENT PERMITTED BY APPLICABLE LAW AND SUBJECT TO SECTIONS 9.2 AND 9.3, EACH PARTY'S TOTAL AGGREGATE LIABILITY SHALL BE LIMITED TO THE TOTAL AMOUNT OF FEES PAID BY THE CUSTOMER TO THE PROVIDER FOR THE SERVICES GIVING RISE TO THE CLAIM DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE FIRST EVENT GIVING RISE TO SUCH LIABILITY.
10. **TERM**

This Agreement shall commence on the Effective Date and continue for an initial term of [NUMBER] years, unless earlier terminated in accordance with this Agreement. Upon expiration of the initial term, this Agreement shall automatically renew on a [monthly/annual] basis unless either Party provides written notice of non-renewal at least [NUMBER] days prior to the end of the then-current term. The initial term together with any renewal term shall be deemed the “**Subscription Term**”.

1. **TERMINATION**
	1. Either Party may immediately terminate this Agreement or an Order Form upon written notice if the other Party:
		1. materially breaches this Agreement, and such breach is incapable of cure, or, if the breach is capable of cure, fails to cure such breach within [NUMBER] days after receiving written notice of the breach;
		2. becomes insolvent or is generally unable to pay its debts as they become due;
		3. files, or has filed against it, a petition for voluntary or involuntary bankruptcy, or otherwise becomes subject, voluntarily or involuntarily, to any proceeding under any domestic or foreign bankruptcy or insolvency law;
		4. makes or seeks to make a general assignment for the benefit of its creditors;
		5. applies for, or has appointed, a receiver, trustee, custodian, or similar agent by order of a court of competent jurisdiction to take charge of or sell any material portion of its property or business; or
		6. is dissolved or liquidated.
	2. Either Party may terminate this Agreement for convenience upon [NUMBER] days’ prior written notice.
	3. The expiration or termination of this Agreement shall not affect any rights or obligations that: (i) are intended to survive such expiration or termination; and (ii) were incurred by the Parties prior to such expiration or termination.
	4. Upon the expiration or termination of this Agreement for any reason, each Party shall promptly:
		1. [return to the other Party/destroy] all documents and tangible materials (including any copies) containing, reflecting, incorporating, or based on the other Party’s Confidential Information;
		2. permanently erase all of the other Party’s Confidential Information from its computer systems, [except for copies that are: (i) required to be retained under applicable laws; or (ii) maintained as archive copies on its disaster recovery or information technology backup systems, which shall be destroyed upon the normal expiration of such backup files, or as otherwise required by law]; and
		3. certify in writing to the other Party that it has complied with these requirements.
	5. Upon the expiration or termination of this Agreement:
		1. the Services shall immediately cease;
		2. the Customer and its Authorized Users shall immediately stop using the Platform;
		3. all licenses granted by the Provider to the Customer shall terminate;
		4. the Provider shall have the right to invoice for any Fees incurred but not yet invoiced or paid by the Customer in connection with the Services, and the Customer shall pay such Fees;
		5. any provision that expressly or implicitly is intended to survive the expiration or termination of this Agreement shall remain in effect; and
		6. all other rights and obligations shall immediately cease, without prejudice to any rights, obligations, claims (including claims for damages due to breach), or liabilities that have accrued prior to the date of termination or expiry.
2. **ARTIFICIAL INTELLIGENCE**
	1. The Provider has implemented and is in material compliance with policies and procedures for the ethical, trustworthy, and responsible use, implementation, and provisioning of AI technology, including for: (i) developing, implementing, and provisioning AI Technology in a way that promotes transparency, accountability, safety, security, fairness, accuracy, validity, reliability, and human interpretability; and (ii) identifying and mitigating bias in Training Data and the Services. In addition, the Provider’s management has oversight and approval over its collection and use of Training Data, including the development, implementation, and provisioning of AI Technology.
	2. The Provider confirms it is in compliance with all laws applicable to the Provider's development, implementation, and provision of AI Technology.
	3. For the purposes of this Agreement: (i) “**AI Technology**” means any and all machine learning, deep learning, and other artificial intelligence technologies, including statistical learning algorithms, models (including large language models), neural networks, and other artificial intelligence tools or methodologies, all software implementations of any of the foregoing, and related hardware or equipment [capable of generating various types of content (including text, images, video, audio, or computer code) based on user-supplied prompts]; and (ii) “**Training Data**” means any and all information, data, materials, text, prompts, images, and other content that is used to train, validate, test, retrain, or improve any AI Technology, except for Customer Data.
	4. The Provider does not warrant that AI-generated output will be free from errors, bias, or inaccuracies. All content generated by the AI Technology is provided “as is” without any express or implied warranties, including warranties of merchantability, fitness for a particular purpose, or non-infringement. The Customer acknowledges that it is responsible for reviewing AI-generated content and that the Provider shall not be liable for any damages arising from or related to its use.
	5. The Provider retains all rights in the underlying AI Technology. Unless otherwise agreed in writing, any content generated by the AI Technology remains the property of the Provider, with the Customer receiving only a limited license to use such content solely for its internal business purposes. The Provider makes no warranty that AI-generated content is original or free of infringement, and the Customer is responsible for ensuring its proper use.
	6. The Provider will periodically review and update its AI policies and procedures to comply with evolving legal standards and industry best practices. The Provider reserves the right to modify its AI Technology and related policies at its discretion, provided that such modifications do not materially degrade the Services.
	7. The Customer is advised to review AI-generated output before relying on it for critical decisions. The Provider recommends that the Customer exercise appropriate human oversight to verify the accuracy and suitability of such content for its intended purposes.
3. **GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by and construed in accordance with the laws of the State of Vermont, without regard to its conflict of laws principles. Any legal action arising out of or relating to this Agreement shall be brought exclusively in the state or federal courts located in Vermont, and each Party consents to the jurisdiction of such courts.

1. **NOTICES**

All notices under this Agreement shall be in writing and delivered by personal delivery, courier service with tracking, certified or registered mail (postage prepaid), or email (with confirmation of receipt).

1. **ENTIRE AGREEMENT**

This Agreement, including all schedules and attachments, constitutes the entire agreement between the Parties regarding the subject matter herein and supersedes all prior negotiations, communications, and agreements.

1. **AMENDMENTS**

Any amendments or modifications to this Agreement must be in writing and signed by both Parties.

1. **SEVERABILITY**

If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions shall continue in full force and effect.

1. **ASSIGNMENT**

Neither Party may assign its rights or obligations under this Agreement without the prior written consent of the other Party, except in connection with a merger or sale of substantially all of its assets.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

[CUSTOMER COMPANY NAME]
By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[PROVIDER COMPANY NAME]
By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**SCHEDULE 1**

**ORDER FORM**

[INSERT ORDER FORM DETAILS RELATING TO SERVICES, PLATFORM, FEES, ETC]