

Addendum to GTCs (AI Act and AI in general)

(Version 1)

This Addendum to MYZEL Software as a Service General Terms & Conditions (GTCs) outlines respective rights and responsibilities of Customer and Provider in relation to the use of Artificial Intelligence in the Hosted Services or the Platform AI System, in line with the AI Act and in general.

Definitions.

The terms defined in this Addendum are supplemental to the GTCs (including any other Annexes/Addenda) but will carry the following meanings for the purpose of this Addendum:

"Agreement" means the written agreement between the Parties in respect of the provision of the Hosted Services including any purchase order, subscription, the General Terms and Conditions and any amendment thereof or supplement thereto, as well as all acts related to performance of the Agreement(s).

"Hosted Services" or "Platform" as defined in the Agreement.

"Customer" as defined in the Agreement, which as the context may require, include Customer users.

"Provider" as defined in the Agreement

"AI System" means machine-based system that is designed to operate with varying levels of autonomy and that may exhibit adaptiveness after deployment, and that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments.

"Provider AI System" AI system that is provided or deployed on the Platform or in the Hosted Services by Provider for use by Customer.

"Customer AI System" AI system that is provided, deployed or used by Customer in connection with its use of the Platform or Hosted Services.

"AI Act" means the EU Artificial Intelligence Act (Regulation (EU) 2024/1689)

1. Provider AI System

1.1. Data Governance

The Provider shall ensure that all training and operational data used in the Provider AI system are sourced, processed, and stored in accordance with applicable data protection laws, including the GDPR.

1.2. Human Oversight

The Customer retains full control over decisions informed by the Provider AI system. The Provider may, where possible, implement features that allow the Customer to review, override, or disregard AI-generated outputs.

1.3. Monitoring and Updates

The Provider shall monitor system performance the Customer shall be notified of material changes that affect system functionality or compliance.

1.4. Security

The Provider shall implement appropriate technical and organisational measures to ensure the security, resilience, and reliability of the Provider AI system, including protection against cyber-attacks and data breaches.

1.5. Compliance and Cooperation

The Provider shall comply with all applicable laws and regulations, including the EU AI Act, GDPR, and relevant international standards. The Provider shall cooperate with the Customer in responding to regulatory inquiries or audits related to the Provider AI system.

1.6. Liability, Indemnification and Limitations

The Provider shall not be liable for decisions made by the Customer based on Provider AI-System generated outputs or Customer AI System outputs. Customer should at all times ensure human oversight of outputs used for any decision-making.

Provider shall not be liable for the quality of the outputs of the Provider AI System based on Customer inputs or prompts. Customer retains all responsibility for accuracy and clarity of inputs.

1.7. Termination and Exit

At Termination of the Agreement Provider shall assist in the secure decommissioning of the Provider AI system and deletion of Customer data, unless retention is required by law.

1.8. Ownership of AI Intellectual Property

Provider retains all right, title, and interest, including all intellectual property rights Provider AI System.

For Provider AI systems that incorporate any third-party AI technologies which Provider the Provider ensures it has appropriate rights to use such technologies and Customer acknowledges and agrees that all intellectual property rights in such third-party technologies are with their respective owners and licensors.

Customer shall own the IP rights in outputs generated by the Provider AI systems through its lawful use of the Provider AI System but not to the underlying models, algorithms, or training data.

Customer shall not:

- (a) reverse-engineer, decompile, or attempt to derive the source code or underlying models of the Provider AI System; or
- (b) remove, tamper with or obscure any proprietary notices or disclaimers on the Provider AI System.

2. Customer AI System

- 2.1. The Customer represents and warrants that Provider AI System shall comply with all applicable obligations under the AI Act and other relevant laws.
- 2.2. Provider shall not be responsible for any non-compliance by the Customer with the EU AI Act in relation to the Customer AI systems.
- 2.3. The Customer shall not use Customer AI Systems that:
 - (a) Is classified as a prohibited AI practice under Article 5 of the EU AI Act;
 - (b) Engages in manipulative, deceptive, or exploitative practices;
 - (c) Performs real-time biometric identification or emotion recognition in violation of applicable law;
 - (d) Uses the Hosted Service's outputs or data to train or fine-tune AI models without the Provider's prior written consent.
 - (e) Otherwise use AI in the Platform or the Hosted Services that is prohibited by the AI Act or other relevant laws.
- 2.4. If the Customer AI System interacts with end-users or third parties through or as a result of use of the Platform or Hosted Service, the Customer must ensure that:
 - (a) End-users are clearly informed that they are interacting with an AI system;
 - (b) Any AI-generated content is appropriately labelled as such;
 - (c) The AI system does not mislead users into believing they are interacting with a human.
- 2.5. The Customer shall indemnify, defend, and hold harmless the Provider from and against any claims, damages, fines, or liabilities arising out of or related to:
 - (a) The Customer's use of Customer AI Systems in breach of the EU AI Act;
 - (b) Any failure to comply with transparency, data protection, or risk management obligations;

(c) Any use of AI that results in harm to individuals, their rights and freedoms.

2.6. Provider reserves the right to request reasonable documentation from the Customer demonstrating compliance with the EU AI Act in relation to provision, deployment and use of AI systems in connection with the Platform or Hosted Service and Customer agrees to cooperate in good faith with any such request.