

Explanatory Summary:

This Artificial Intelligence Addendum (“**Addendum**”) contains tailored standard contractual clauses which have been drafted (as amended) for organisations procuring technology that includes an AI System developed by Protex AI. These standard clauses are based on standard EU model contractual AI clauses which have been drafted by legal experts and have been peer-reviewed. More information available here <https://living-in.eu/group/16/commitments/standard-eu-model-contractual-ai-clauses>.

The standard contractual clauses presented are based on the requirements and obligations for high-risk AI Systems included in Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence (the “**EU AI Act**”)

Protex AI has carried out a FRIA and has determined that the Protex AI Systems are classified as non-high risk. For non-high risk AI, the application of these requirements is not mandatory under the EU AI Act, but is recommended to improve trustworthiness of AI applications procured by organisations. This version of the standard contractual clauses targets, in particular, non-high risk AI systems, such as Protex AI’s AI Systems.

The standard contractual clauses contain provisions specific to AI Systems and on matters covered by the EU AI Act and are distinct to the standard contract clauses pertaining to data transfers and Data Protection Laws. For obligations relating to Data Protection Laws, please see Exhibit B (Data Processing Addendum) of the MSA. Any conditions concerning intellectual property, acceptance, payment, Term, applicable law, confidentiality, or liability are set out in the MSA.

Section A – Definitions**Article 1 Definitions**

1.1 Capitalised terms used in the Clauses shall have the meanings ascribed to them in the MSA, unless otherwise defined in the Clauses below:

- (a) **Agreement:** the entire agreement of which the Clauses, as a schedule, are an integral part;
- (b) **AI System:** the AI system(s) as referred to in Annex A, including any new versions thereof;
- (c) **Clauses:** these standard contractual clauses for the procurement of artificial intelligence by Client;
- (d) **Data Sets:** all data sets used in the development of the AI System;
- (e) **Intended Purpose:** the use for which an AI System is intended by the Client, considering the specific context and conditions of use, as well as the technical Documentation;
- (f) **Reasonably Foreseeable Misuse:** the use of the AI System in a way that is not in accordance with its Intended Purpose, but which may result from reasonably foreseeable human behaviour or interaction with other systems; and
- (g) **Substantial Modification:** a change to the AI System during the Term which affects the compliance of the AI System with the material requirements set out in these Clauses.

Section B – Essential requirements in relation to the AI-system**Article 2 Risk management system**

Protex AI takes reasonable steps so that a risk management system shall be established and implemented in relation to the AI System.

2.1 The risk management system will comprise the following steps:

- (a) identification, estimation and evaluation of the known and reasonably foreseeable risks to the fundamental rights of the European Union that are likely to arise in the light of the Intended Purpose of the AI System and Reasonably Foreseeable Misuse
- (b) evaluation of other possibly arising risks; and
- (c) adoption of appropriate and targeted risk management measures designed to address the risks identified pursuant to points (a) and (b) of this paragraph in accordance with the provisions of the following paragraphs.

2.2 Protex AI will review the relevant residual risks associated with each material hazard (as well as the overall residual risk) of the AI system. Such risks may be judged to be acceptable by Protex AI, provided that the AI System is used in accordance with the Intended Purpose or under conditions of Reasonably Foreseeable Misuse.

2.3 In identifying the most appropriate risk management measures referred to in paragraph 2.1, point (c), Protex AI will include:

- (a) elimination or reduction of identified risks as far as technically feasible through adequate design and development of the AI System; and
- (b) where appropriate, implementation of adequate mitigation and control measures in relation to risks that cannot be eliminated.

2.4 Protex AI takes reasonable steps so that the AI System is tested appropriately in order to verify whether the AI System complies with the Clauses and whether the risk management measures referred to in paragraph 2.1, point (c) are effective in light of the Intended Purpose and Reasonably Foreseeable Misuse.

2.5 Protex AI will document risks identified, measures taken, and tests performed in the context of compliance with this article.

2.6 The risk management system shall consist of a continuous and iterative process run throughout the entire duration of the Agreement. After the MSA Effective Date, Protex AI will regularly review and update the risk management process, to ensure its continuing effectiveness.

2.7 If reasonably required for the proper execution of the risk management system by Protex AI, the Client will provide Protex AI, on request, information insofar as this is not of a confidential nature.

Article 3 Data Sets

3.1 Protex AI takes reasonable steps so that the Data Sets used in the development of the AI System, including training, validation and testing, are subject to data governance appropriate for the Intended Purpose of the AI System. Those measures will include:

- (a) transparency as regards the original purpose of data collection;
- (b) relevant design choices;
- (c) data collection processes;
- (d) data preparation for processing operations, such as annotation, labelling, cleaning, enrichment and aggregation;
- (e) the formulation of relevant assumptions, notably with respect to the information that the data are supposed to measure and represent;
- (f) examination in view of possible biases that are likely to affect health and safety of natural persons or lead to discrimination prohibited by the laws of the European Union;
- (g) appropriate measures to detect, prevent and mitigate possible biases; and
- (h) the identification of relevant data gaps or shortcomings that prevent compliance with these Clauses, and how those gaps and shortcomings can be addressed.

- 3.2 Protex AI takes reasonable steps so that the Data Sets used in the development of the AI System are relevant, representative, and free of errors (once categorised and reviewed, as far as reasonably possible) and be as complete as possible in view of the Intended Purpose. These characteristics of the Data Sets may be met at the level of individual data sets or a combination thereof.
- 3.4 The obligations under this article apply not only to the development of the AI System, prior to the MSA Effective Date, but also to any use of Data Sets by Protex AI that may affect the functioning of the AI System at any other time during the term of the Agreement.

Article 4 Technical documentation and instructions for use

- 4.1 The instructions for use shall include clear and user-friendly information.
- 4.2 The technical Documentation and instructions for use will be drawn up in English.
- 4.3 Subject to the terms of the MSA, the Client may make copies of the technical Documentation and instructions for use to the extent necessary for internal use within the organisation of the Client.

Article 5 Record-keeping

- 5.1 Protex AI takes reasonable steps so that the AI System is designed and developed with proportionate and technically appropriate capabilities enabling the automatic recording of events ("logs") while the AI System is operating. Those logging capabilities will reasonably conform to industry standards.
- 5.2 The logging capabilities shall ensure a level of traceability of the AI System's functioning throughout its lifecycle that is appropriate to the Intended Purpose of the system and Reasonably Foreseeable Misuse. In particular, they shall enable the recording of events relevant for the identification of situations that may:
 - (a) result in the AI System presenting a risk to the health or safety or to the protection of fundamental rights of persons; or
 - (b) lead to a Substantial Modification.
- 5.3 Protex AI shall keep the logs automatically generated by the AI System, to the extent such logs are under its control, for the duration of the applicable Subscription Term.

Article 6 Transparency of the AI System

- 6.1 Protex AI takes reasonable steps so that the AI System is designed and developed in such a way that the operation of the AI System is sufficiently transparent to enable the Client to reasonably understand the system's functioning.
- 6.2 To maximise appropriate transparency appropriate technical and organisational measures will be implemented by Protex AI. These measures should result in the Client being able to understand and use the AI System appropriately.

Article 7 Human oversight

- 7.1 Protex AI takes reasonable steps so that the AI System is designed and developed in such a way, including with appropriate human-machine interface tools.
- 7.2 Protex AI takes reasonable steps so that appropriate measures shall be embedded in the AI System and taken to facilitate human oversight. Protex AI may provide Client with support (as further set out in the Order Form), which may include (a) information on how to sufficiently understand the relevant capacities and limitations of the AI System; (b) being able to duly monitor its operation; and (c) managing the characteristics of the system and the tools and methods of usage available.

Article 8 Robustness and cybersecurity

- 8.1 Protex AI takes reasonable steps so that the AI System is designed and developed following the principle of security by design and by default. In the light of the Intended Purpose, it should achieve an appropriate and reasonable level of robustness, safety and cybersecurity, and perform consistently in those respects throughout the lifecycle of the AI System.
- 8.2 In order to facilitate an appropriate and reasonable level of robustness, safety and cybersecurity, Protex AI shall at least implement the technical and organisational measures described in Annex B before the MSA Effective Date.

Article 9 Compliance

- 9.1 Protex AI will take reasonable steps so that from the MSA Effective Date until the end of the term of the Agreement the AI System complies with these Clauses.
- 9.2 If during the term of the Agreement Protex AI considers or has reason to consider that the AI System is not in conformity with these Clauses, whether in response to a comment by the Client or not, it will take the corrective actions to bring the system into conformity.

Article 10 Obligation to explain the functioning of the AI System on an individual level

- 10.1 In addition to the obligations described in Article 6, during the term of the Agreement Protex AI may provide reasonable assistance to the Client, on request, to explain (if reasonably possible and without compromising any trade secrets or proprietary processes) how the AI System arrived at a particular decision or outcome. This assistance may include an indication of the key factors that led the AI System to arrive at a particular result and the changes to the input which may be made in order for it to arrive at a different outcome.

Annex A – The AI System and the Intended Purpose

Description of the AI System.

Within the scope of these Clauses are the following systems or components of systems:

Protex AI's proprietary AI-powered workplace safety and operational analytics platform, including computer vision models, pattern recognition, and LLM-assisted analytics, enabling end users to detect safety events, monitor operational conditions, generate reports, and leverage intelligent insights. Functionality may include machine learning, edge processing, and supporting workflows.

Intended Purpose.

Protex AI delivers a service to the Client, which includes the AI System. The Intended Purpose aims to facilitate and enhance workplace safety, safety reporting, operational monitoring, and data-driven workflow support as the product capability expands. The AI System is intended to support analysis, event detection, trend identification, and human decision-making relating to workplace safety and operational conditions. Where activated or ordered, Protex Intelligence may support predictive analytics or natural language insights, and Real-Time Alerts or Real-Time Interventions may support safety notifications or machine signalling in accordance with Client configuration.

Annex B – Measures to ensure an appropriate level of robustness, safety and cybersecurity (General Technical and Organizational Security Measures)

See Schedule 1 (TOMs) to Exhibit B (Data Processing Addendum) of the MSA.