

June 17, 2024

AI Software Performance Warranty Sample Term Sheet

This is a sample term sheet that will demonstrate additional details regarding the AI Warranty product. It is not a complete list of terms and specified terms are subject to change.

Named Insured	The purchaser of the AI model
Policy Period	One year – renewable
Limit of Liability	Annual cost of the model
Deductible	\$0
Coverage Grant	We hereby provide this Software Performance Warranty to you that the Vendor’s services will perform in accordance with the performance and fairness metrics set forth in the assessment.
Reimbursement Payments	Reimbursement – A reimbursement request filed directly with Armilla AI at www.armilla.ai/warranty/claim after first notifying the Vendor as specified in Appendix A, and allowing the Vendor a remediation period as specified in Appendix A
Key Exclusions	<ul style="list-style-type: none"> • Use of the Vendor’s model with missing, inaccurate, incomplete, or misleading data relative to the training and test data evaluated by Armilla AI as specified in the AI Verification Report. • Use of the Vendor’s model that is inconsistent with the Vendor’s Terms of Service, inconsistent with the AI Verification Report, or intended use as specified in Appendix A. • Use of the Vendor’s model that falls within the specified limitations in the Vendor’s Terms of Service, the AI Verification

	<p>Report, or limitations as set forth in Appendix A.</p> <ul style="list-style-type: none"> • The user’s inability to access the Vendor’s model due to the unavailability of the system(s) that host the model and provide access to the model. • Failures of the model resulting from a cyber-attack, adversarial attack, or an incident that is covered by your cyber-insurance policy. • The Vendor’s modification to the Vendor’s model that changes the performance relative to the AI Verification Report or evaluation of the Vendor’s performance metrics as set forth in Appendix A. • Failures of the model arising from the occurrence of a force majeure event, including without limitation earth movement; fire; disease; war; nuclear reaction, radiation or contamination; or terrorist activity; or any activity involving the use or threatened use of any nuclear, biological, chemical, or radioactive agent, material, device or weapon excluding nation state cyber-attacks. Furthermore: • The Software Performance Warranty does not include faults caused by pre-processing or post processing steps outside of the scope of your agreement with the Vendor or the Vendor’s Terms of Service, as applicable, or the AI
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	<p>Verification Report set forth in Appendix A.</p> <ul style="list-style-type: none"> • Armilla AI is only warranting the effectiveness and accuracy of the AI Verification Services provided to the Vendor (resulting AI Verification report and evaluation for the specified use case and metrics specified in Appendix
remium	3% to 5% of the model subscription
Assessment Fee	Varies - \$10,000 to \$20,000 – Do not have to pay multiple fees if multiple clients purchasing the same model. volume pricing available for customers purchasing multiple assessments and/or warranties".

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