# Contract Analysis Report

Generated: 2025-09-10 12:01  
**Total Contracts Analyzed: 12**

## Classification Summary

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| --- | --- | --- |
| Category | Present | Absent |
| Acceptable Clauses | 38 | 68 |
| Unacceptable Clauses | 26 | 27 |
| Neutral Clauses | 182 | - |
| Total | 246 | 95 |

## Detailed Contract Review

### MASTER\_SERVICES\_AGREEMENT\_excluding\_Travel\_2018\_update-\_Verterim\_FINAL\_11302020.pdf

**Key Sections:** No specific sections identified

**Clause Status:** Unacceptable *(Present)*

**Clause Text:** This Agreement and any disputes arising out of or relating to this Agreement will be governed by, construed and interpreted in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to any choice of law principle that would require the application of the law of another jurisdiction. The Parties expressly reject any application to this Agreement of (a) the United Nations Convention on Contracts for the International Sale of Goods; and (b) the 1974 Convention on the Limitation Period in the International Sale of Goods, as amended by that certain Protocol, done at Vienna on April 11, 1980.

**Document Location:** GOVERNING LAW

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The governing law clause specifies Pennsylvania rather than Massachusetts. As per the instructions, if the governing state is not Massachusetts, it is advisable to highlight this and attempt to renegotiate or seek explicit approval from senior management. Additionally, ensure that the International Sale of Goods is addressed separately and distinctly, as it is not mentioned in the current clause."*

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### Final\_clean\_MSA\_Verterim-\_Borg\_Warner\_-\_12052018\_-\_Verterim\_Executed.pdf

**Key Sections:** 3. Term; Termination

**Clause Status:** Unacceptable *(Present)*

**Clause Text:** This Agreement and any disputes arising out of or relating to this Agreement will be governed by, construed and interpreted in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to any choice of law principle that would require the application of the law of another jurisdiction. The Parties expressly reject any application to this Agreement of (a) the United Nations Convention on Contracts for the International Sale of Goods; and (b) the 1974 Convention on the Limitation Period in the International Sale of Goods, as amended by that certain Protocol, done at Vienna on April 11, 1980.

**Document Location:** General

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The governing law clause specifies New York instead of Massachusetts, which is not beneficial to Verterim as per the provided criteria. It is recommended to renegotiate this clause to have the agreement governed by the laws of Massachusetts. Additionally, the exclusion of the United Nations Convention on Contracts for the International Sale of Goods is present, which aligns with the desired terms. However, ensure that the exclusion of the 1974 Convention on the Limitation Period in the International Sale of Goods is also explicitly stated if it is a requirement. Engage with senior management to discuss the implications of the current governing law and seek their approval or guidance on renegotiation."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** This Agreement will remain in full force and effect until

**Document Location:** 3. Term; Termination

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause is clear in defining the duration and renewal terms of the agreement, which is beneficial for both parties. It is recommended to implement an aging function as noted, to alert when the contract is within six months of expiration. This will allow for timely decisions regarding termination or renewal. Establishing a workflow for these actions will ensure that all necessary steps are taken efficiently and in compliance with the contractual terms."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** With <client's> prior written consent, Service Provider may subcontract the performance of specific obligations of Service Provider under a Statement of Work to a qualified Affiliate of Service Provider or to a qualified non-Affiliate third party including, but not limited to, consultants; provided, that (a) such Affiliate or third party performs those Services in a manner consistent with the terms and conditions of this Agreement; (b) Service Provider notifies <client> of the specific Services to be performed by the subcontractor and (c) Service Provider remains liable for the performance of such Affiliate or third party.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The specified clause regarding subcontracting with prior written consent and notification to the client is not present in the contract text. It is recommended to include such a clause to ensure clarity and compliance regarding subcontracting practices. This will protect both parties by clearly defining the conditions under which subcontracting is permissible and ensuring the client is informed and retains oversight of subcontracted work. Additionally, defining a workflow or alert system for the notification process would enhance operational efficiency and compliance."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** Any Service Provider Personnel (as defined in Section 3.4) identified in a Statement of Work as “Key Service Provider Personnel” will remain assigned to perform Services covered by the applicable Statement of Work as long as such individuals remain employed by or under contract with Service Provider, unless (a) an individual is unavailable for reasons of disability, illness or promotion; or (b) <client> has requested the replacement of any individual who is not performing to <client>’s reasonable satisfaction. Service Provider will cooperate with <client> in periodically reviewing the performance of the Key Service Provider Personnel and will promptly remedy any concerns to <client>’s reasonable satisfaction. Service Provider will promptly select a qualified replacement should any Key Service Provider Personnel resign or become otherwise unavailable as specified above or if <client> requests the replacement of any such Key Service Provider Personnel. <client> will have the right to approve any such replacement, which approval will not be unreasonably withheld.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The specific clause regarding 'Key Service Provider Personnel' as described in the prompt is not present in the provided contract text. It is recommended to include a clause that outlines the assignment and replacement of key personnel, ensuring that the client has the right to approve replacements and is notified of any changes. This will align with best practices and provide clarity and assurance to both parties regarding personnel changes. Additionally, consider defining any costs associated with onboarding new personnel to avoid potential disputes."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Service Provider may terminate this Agreement or any Statement of Work if <client> fails to cure a material breach of this Agreement or of a Statement of Work within thirty (30) days after receiving written notice from Service Provider of such breach.

**Document Location:** 3. Term; Termination

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause is present and categorized as acceptable, providing Verterim with the right to terminate the agreement if the client fails to cure a material breach within the specified timeframe. It is recommended to ensure that mechanisms are in place to alert Verterim when a client is late on payments or has defaulted, as well as when work product review and approval are delayed beyond defined timeframes. This will help in timely identification and rectification of potential breaches, thereby reducing risks associated with contract enforcement."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** Provided that Supplier has provided to <client> (i) the Services and/or Deliverables in accordance with this Agreement (including, the applicable Statement of Work) and (ii) all the information required by Section 14, <client> shall pay all undisputed Fees on an invoice within thirty (30) days of receipt of the invoice. The obligations set forth in this Section 3 are in addition to Supplier’s other obligations with respect to Fees and is not meant limit any other restrictions on the Fees that Supplier may charge <client> set forth in this Agreement. Payment for the Services and/or Deliverables shall not constitute Customer’s approval or acceptance of such Services and/or Deliverables.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The specific clause requiring payment within thirty (30) days of receipt of the invoice is not present in the contract text. It is recommended to review the payment terms in the contract to ensure they align with the desired 30-day payment period. Additionally, consider implementing a system to highlight and track payment terms that exceed 30 days to ensure compliance and timely communication with Accounts Receivable."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Service Provider agrees that pricing for any particular type of Services is firm for the period of twenty four (24) months from the date on which a Statement of Work is agreed to by the Parties and following such 24-month period, prices for similar Services (whether or not performed pursuant to the same Statement of Work) may be increased in any calendar year no more than the lesser of (a) the change in the Consumer Price Index (CPI), published by the United States Bureau of Labor Statistics from the previous calendar year and (b) three percent (5%).

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause regarding firm pricing for 24 months with subsequent price adjustments based on CPI or a fixed percentage is not present in the provided contract text. As such, the contract does not contain the potentially unfavorable terms for Verterim as described in the prompt. It is advisable to review any related Schedules or Statements of Work that might include such terms. If the intention is to include a similar clause, it should be carefully negotiated to allow for flexibility in pricing adjustments to account for market conditions, and should require explicit approval from senior management to ensure alignment with strategic objectives."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** If at any time Supplier fails to obtain insurance (or provide proof of insurance) in accordance with this Agreement, or as otherwise required by Customer, Customer may obtain the coverage specified in this Agreement and charge all associated premiums and costs to Supplier. Supplier will reimburse Customer the cost thereof within fifteen (15) days of receipt of an invoice therefor from Customer.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause regarding insurance obligations and the customer's right to obtain coverage and charge the supplier is not present in the provided contract text. Therefore, the contract is categorized as 'acceptable' in this context. It is recommended to ensure that any insurance requirements and related financial responsibilities are clearly outlined in the contract to avoid potential disputes. If such a clause is deemed necessary, it should be drafted with explicit terms and conditions, and reviewed by senior management for approval."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** In the event that any Services do not meet the specifications or other performance criteria agreed to by Service Provider and <client> in writing, then Service Provider will, at <client>’s option, promptly (a) re-perform such Services at Service Provider’s cost; or (b) refund to <client> all amounts paid by <client> to Service Provider in connection with such Services. The provisions of this Section 7.5 are not exclusive, and <client> may seek any other right or remedy that it may have under this Agreement or otherwise.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause described in the prompt is not present in the provided contract text. Therefore, it is categorized as 'acceptable'. However, it is advisable to ensure that any clauses related to performance criteria and remedies for non-conformance are clearly defined in the contract to avoid potential disputes. Service Delivery should be alerted to review the contract for any similar clauses that may require accountability for conforming to all statement of work (SOW) requirements. Additionally, consider implementing a process to regularly review and update contract templates to align with best practices and mitigate risks associated with non-conforming services."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Failure to Cure. If Supplier fails to make such changes or, notwithstanding such changes, the Services or Deliverables still contain deficiencies, then Customer may, in its sole discretion and in addition to any other remedies it may have: (i) provide, in writing, additional time for Supplier to make changes; or, (ii) terminate all or part of this Agreement or a Statement of Work pursuant to Section 8 upon written notice to Supplier. Upon Customer’s election to terminate, Customer will have no further obligation to make payments to Supplier and Supplier will refund to Customer all of the Fees paid to Supplier for the non-conforming Services and/or Deliverables.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause regarding 'Failure to Cure' as described in the prompt is not present in the provided contract text. Therefore, the contract does not contain the potentially overreaching terms that would allow the customer to receive a refund for all work associated with a non-conforming deliverable, which is particularly contentious in the context of Time and Material work in Massachusetts. As the clause is not present, no immediate modifications are necessary. However, it is recommended to ensure that any future amendments or Schedules to this Master Services Agreement do not inadvertently introduce similar terms that could conflict with Massachusetts' payment requirements for Time and Material work. Regular reviews of contract terms against applicable state laws should be conducted to maintain compliance and avoid potential disputes."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Minor Deficiency Correction. Notwithstanding Acceptance of any Services and/or Deliverables, Supplier, at no additional charge to Customer, will correct or develop a work around for any minor deficiencies identified by Customer. Supplier will correct or develop a work around for each minor deficiency within thirty (30) days after Customer provides notice to Supplier of the minor deficiency.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause regarding 'Minor Deficiency Correction' was not found in the provided contract text. It is recommended to ensure that any clauses related to deficiency corrections include language that addresses potential platform limitations to protect the supplier, in this case, Verterim. This could involve specifying that any workarounds required due to platform limitations should not incur additional costs to the supplier. Including such provisions would mitigate the risk of unexpected expenses and clarify responsibilities."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** the Fees payable by <client> hereunder are as low or lower than amounts charged by Supplier to any other customer purchasing the same type and quantity of services and/or deliverables provided by Supplier hereunder;

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause stating that the fees payable by the client are as low or lower than amounts charged to any other customer is not present in the provided contract text. Therefore, the contract does not contain the identified risk associated with guaranteeing the lowest fees across all customer engagements. It is advisable to ensure that any future amendments or negotiations do not introduce such a clause without careful consideration of its implications. Additionally, it is important to maintain vigilance regarding any price increase restrictions to avoid potential conflicts in future agreements."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** To the extent any Supplier Existing IP is included in, or is otherwise necessary for the use of, the Work Product, Supplier hereby grants to Customer and each of its Affiliates a perpetual, irrevocable, transferable, non-exclusive, royalty-free, fully paid up, world-wide license to (a) use, reproduce, distribute, display, prepare derivative works, modify and develop the Work Product, and (b) make, have made, import, and sell and offer to sell and otherwise distribute or exploit the Supplier-Existing IP and/or Third Party IP, as applicable, to the extent either is embodied in any Work Product, or necessary to use any portion(s) of any Work Product, in each case without any accounting or additional consideration to Supplier or any third party. Supplier shall not include any Supplier Existing IP in any Work Product without the express prior written consent of Customer, which prior written consent may be given by Customer in a Statement of Work. For the avoidance of doubt, Supplier Existing IP alone shall not be deemed Work Product; however, any derivative works of Supplier Existing IP that are contained in and/or comprise the Work Product shall be deemed part of the Work Product and owned solely and exclusively by Customer.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"Since the specific unacceptable term is not present in the contract, it is categorized as acceptable. However, it is advisable to review the contract for any similar clauses that might impose restrictions on the use of Verterim's existing IP. Consider negotiating terms that allow for the use of existing IP without requiring express written consent from the customer, thereby streamlining service delivery and leveraging existing resources efficiently. This could include adding a clause that explicitly states the customer's agreement to the use of existing IP as part of the service provision."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** • reimburse <client> for the reasonable expenses that <client> may incur as a result of such Data Breach caused by their acts or omissions or those of any of their authorized subcontractors, including but not limited to, the expenses incurred in investigating the Data Security Breach and notifying affected individuals, and providing these individuals with the support necessary under the circumstances, such as credit monitoring.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specified term regarding reimbursement for expenses related to a data breach caused by acts or omissions of Verterim or its subcontractors is not present in the provided contract text. As such, the contract does not currently obligate Verterim to reimburse BorgWarner Inc. for such expenses. It is recommended to review the contract with BorgWarner Inc. to determine if the inclusion of such a clause is necessary to protect their interests. Additionally, Verterim should ensure that their Service Delivery team is informed of potential liabilities and that Security Awareness Training is updated to mitigate risks of data breaches."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Rejection and Cure. If Customer determines that any portion of the Services or Deliverables fails to meet the Acceptance Criteria, Customer will notify Supplier in writing with a description of deficiencies. Without limiting Customer’s other remedies, in such event, Supplier will, at no additional charge to Customer, make any necessary changes to the Services or Deliverables to correct any deficiencies. Supplier will resubmit the corrected Services or Deliverables within the timeframe requested by Customer or if no timeframe is requested, within fifteen (15) days after Customer notifies Supplier of the deficiencies of the Services or Deliverables. The Acceptance process in this Section 5(a) will apply to any resubmitted Services, including a new Acceptance Period.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"Since the specified 'Rejection and Cure' clause is not present in the provided contract text, the contract can be categorized as 'acceptable' with respect to this clause. However, it is advisable to ensure that any similar clauses in the contract are thoroughly reviewed to assess their impact on the parties' obligations and rights. If the clause is critical to the agreement, consider negotiating its inclusion with terms that are mutually agreeable. Additionally, ensure that any acceptance criteria and review periods are clearly defined in the contract to avoid potential disputes."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Service Provider will send all invoices, which will reference this Agreement and the relevant Purchase Order (PO) number, to the attention of “Accounts Payable” at the following address:

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The contract does not contain the specific clause regarding invoicing to 'Accounts Payable' with reference to the Agreement and Purchase Order (PO) number. It is recommended to include a clause specifying the invoicing procedure to ensure clarity and proper accounting practices. This should include the requirement for invoices to reference the Agreement and PO number and be directed to the appropriate department, such as 'Accounts Payable'. Additionally, it would be prudent to notify the Accounts Receivable department to ensure all invoices are correctly referenced and sent to the designated address."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Service Provider will maintain all materials, data and documentation obtained or generated by Service Provider in the course of preparing for and providing Services, including computerized records and files (collectively, the “Records”) in a secure area reasonably protected from fire, theft and destruction, and <client> shall have reasonable access to such Records and the right to obtain photocopies of such Records. All Records will be the property of <client>. Service Provider will not transfer, deliver or otherwise provide any Records to any party other than <client> or its Affiliates, without the prior written approval of <client>.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The contract does not contain the specified clause regarding the secure storage and protection of client data, nor the provision for client access to such data. It is recommended to include a clause that explicitly addresses data security and client access rights to ensure clarity and compliance with data protection standards. This addition would mitigate potential risks related to data handling and client rights, aligning with best practices for service agreements."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** All Records will be retained by Service Provider for a minimum period of two (2) years following completion of the applicable Statement of Work, or longer if required by applicable law or regulation. Service Provider will, at the direction and written request of <client>, promptly deliver Records to <client> or its designee, or dispose of the Records, unless the Records are required to be retained by Service Provider by applicable law or regulation or for insurance purposes. In no event will Service Provider dispose of any Records without first giving <client> sixty (60) days’ prior written notice of its intent to do so.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific data retention clause is not present in the provided contract text. It is recommended to include a clause that clearly outlines the data retention policy, similar to the one described, to ensure compliance with data protection regulations and to provide clarity on data handling procedures. Additionally, implementing a data retention flag and alert mechanism for each client contract, as suggested in the notes, would be beneficial for managing data lifecycle and compliance."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will carry, with financially sound and reputable insurers, insurance coverage (including worker’s compensation at or above the applicable statutory limits, comprehensive liability and professional liability/errors and omissions coverage) with respect to the conduct of its business against loss from such risks and in such amounts as is customary for well-insured companies engaged in similar businesses and sufficient to support its obligations under this Agreement. Upon the request of <client>, Service Provider will provide <client> with a Certificate of Insurance evidencing such coverage and providing that thirty (30) days advance written notice will be given to <client> of any material change or cancellation in coverage or limits.

**Document Location:** 11. On-Site Policies and Insurance

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding insurance requirements is present and categorized as neutral. It is advisable to ensure that Verterim has a robust process in place to request and provide Certificates of Insurance (COI) upon client request. Additionally, Verterim should maintain a profile of existing insurance coverages to compare against client requirements. If discrepancies arise, initiate a redline and renegotiate coverage terms as necessary. Implementing a workflow or alert system to manage these processes efficiently is recommended."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Supplier agrees to maintain the following minimum limits of insurance with respect to, but not limited to, the coverages required hereunder:

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The term regarding the maintenance of minimum limits of insurance is not explicitly present in the provided contract text. Given its categorization as 'neutral', there is no immediate concern regarding its absence. However, it is advisable to review the insurance requirements in Exhibit C – Insurance, as referenced in Section 11, to ensure that the necessary insurance obligations are adequately covered. If specific insurance requirements are not outlined or if they do not meet your needs, consider renegotiating or redlining the contract to include comprehensive insurance terms. Additionally, ensure that any insurance requirements align with industry standards and the specific needs of the services provided."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** In the event of a breach of this Agreement by Service Provider which cannot be cured (e.g., breach of confidentiality obligations under Section 6), <client> may terminate this Agreement or any Statement of Work with immediate effect, at any time upon written notice to Service Provider. Further, <client>a may terminate this Agreement or a Statement of Work at any time upon thirty (30) days’ prior written notice to Service Provider.

**Document Location:** 3. Term; Termination

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is present and categorized as neutral, allowing termination for uncured breaches. It is advisable to implement a system to track and confirm receipt of termination notices, such as an acknowledgment checkbox for emails or a receipt confirmation for mailed notices. This will ensure clarity and prevent disputes regarding notice delivery. Additionally, consider specifying the method of notice delivery to avoid ambiguity."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Service Provider will perform all Services in accordance with the applicable Statement of Work, (b) with requisite care, skill and diligence and (c) in accordance with all applicable laws, rules, regulations, orders and industry standards. If specified in a Statement of Work, Services will be rendered in accordance with

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause regarding the performance of services with requisite care, skill, and diligence, and in accordance with applicable laws and industry standards, was not found in the provided contract text. It is recommended to ensure such a clause is included to clearly define the Service Provider's obligations and align with best practices. This would enhance the clarity of the Provider's responsibilities and ensure compliance with relevant standards. Additionally, addressing any incomplete sentences or aligning language with specific frameworks could further strengthen the contract."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Without limiting any existing confidentiality obligations between the Parties as of the Effective Date, this Agreement, together with the attached Appendix A and any fully-signed Statements of Work, each of which are incorporated into this Agreement by reference, constitute the entire agreement between the Parties with respect to the specific subject matter of this Agreement, and all prior agreements, oral or written, with respect to such subject matter are superseded. If there is any conflict, discrepancy or inconsistency between the terms contained in the body of this Agreement and any Statement of Work, the terms set forth in the body of this Agreement will govern, control, and take precedence. No provision included in any purchase order, quotation, invoice or other communication between the Parties that is different than, in conflict with or in addition to any provision of this Agreement (including any Statement of Work) shall have any force or effect and each Party hereby gives notice of its objection to any such proposed additional, different or conflicting provision.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific term provided in the prompt was not found within the contract text. However, the contract does contain a similar clause in Section 12, which addresses the exclusivity of the agreement and the precedence of terms. It is recommended to ensure that all referenced documents, such as Appendix A and any Statements of Work, are thoroughly reviewed to confirm their consistency with the main agreement. Additionally, ensure that any external communications or documents that may affect the agreement are clearly addressed to prevent any potential conflicts or discrepancies."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** All invoices submitted by Supplier must identify the Purchase Order number of the Purchase Order under which <client> authorized the applicable Fees. If the Statement of Work expressly states that the Fees will be calculated on a time and materials basis, the invoice must also set forth the following information: (i) the names of Supplier’s Personnel who performed work under the Statement of Work; (ii) documentation of the expenses of each of its Personnel, with receipts; (iii) for each of its Personnel, the number of hours worked (which for the avoidance of doubt, excludes time for lunch) and a description of the work performed; (iv) the hourly rate of each individual; and (v) any other information reasonably requested by <client> or as may be requested in the Purchase Order. <client> shall be responsible for the payment of all taxes in connection with this Agreement that are legally required to be paid by <client>, and not for any taxes based on Supplier’s income or taxes that are not legally required to be paid by <client>. If <client> is required to withhold taxes from any payments due to Supplier, then <client> will forward any withholding receipts to Supplier at [address/email address]. <client> shall be entitled to return incomplete invoices unpaid.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific invoicing clause as described is not present in the provided contract text. It is recommended to ensure that the contract includes detailed invoicing requirements, particularly for time and materials invoices, as outlined in the term description. This will aid in compliance with invoicing standards and facilitate smoother processing by Accounts Receivable. Consider adding a clause that specifies the necessary details for invoices, including Purchase Order numbers, personnel details, and tax responsibilities, to align with best practices and the client's requirements."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** If <client> wishes to dispute any of the Fees invoiced by Supplier, no later than thirty (30) days from receipt of the invoice in question, <client> shall notify Supplier of the amount in dispute and the basis of such dispute. Upon receipt of notice from <client>, Supplier shall work with <client> in good faith to promptly resolve the dispute on Fees. With respect to disputed Fees, <client> shall pay the resolved amount within thirty (30) days following mutual written resolution of the dispute by the Parties. <client> shall not be in default of its obligation to pay the invoice while the dispute remains unresolved.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The contract does not contain the specific clause regarding the dispute of fees within thirty (30) days and the subsequent payment terms adjustment. It is recommended to include such a clause to provide clarity on the process for disputing fees and to ensure that the payment terms are reset following the resolution of any disputes. This addition would help both parties manage their financial expectations and obligations more effectively."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Acceptance Testing. Customer has the right to inspect, review, test and otherwise evaluate the Services or Deliverables after delivery for compliance with the applicable Acceptance Criteria. Such inspection and testing will be performed within the Acceptance Period in order to identify and resolve all errors, defects, and nonconformities with the Services or Deliverables. Upon completion of such evaluation, Customer will issue to Supplier a notice of Acceptance or rejection of the Services or Deliverables. Customer’s failure to reject the Services and/or Deliverables within the Acceptance Period will constitute Customer’s rejection of the applicable Services and/or Deliverables. The Acceptance Criteria and the Acceptance Period may be defined within each Statement of Work. In the event no Acceptance Criteria and/or Acceptance Period is defined in the Statement of Work, this MSA shall prevail.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding 'Acceptance Testing' is not present in the provided contract text. If the intention is to include such a clause, it is recommended to clearly define the Acceptance Criteria and Acceptance Period within the contract or the relevant Statement of Work. This will ensure that both parties have a mutual understanding of the evaluation process and the timeframe for acceptance or rejection of the deliverables. Additionally, consider specifying any performance metrics or review period timeframes to avoid ambiguity and potential disputes."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** it shall comply with all descriptions and specifications set forth in each Statement of Work (including performance capabilities, accuracy, completeness, uniformity, characteristics, configurations, standards, functions and requirements) and will use individuals with suitable training, education, experience, and skill to fulfill its obligations under a Statement of Work;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific term regarding compliance with descriptions and specifications in each Statement of Work is not explicitly present in the provided contract text. However, the contract does contain general provisions regarding the responsibilities and obligations of the Provider (Verterim, Inc.) in delivering services. It is advisable to ensure that any specific requirements related to performance capabilities, accuracy, and the use of suitably qualified individuals are clearly detailed in the Statements of Work referenced in the contract. This will help in mitigating any potential ambiguities and ensure that both parties have a clear understanding of the expectations and standards required. Additionally, reviewing the Statements of Work for alignment with any relevant frameworks or standards could be beneficial."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** it has the skills, qualifications and experience necessary to perform its obligations under this Agreement and Supplier shall devote all the necessary time and attention for the proper performance of its obligations set out in a Statement of Work;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The term in question, which pertains to the responsibility for skills, qualifications, and diligence in performing obligations, is not explicitly present in the provided contract text. Given its categorization as 'neutral', there is no immediate concern regarding its absence. However, it may be beneficial to ensure that the contract includes a clause that clearly outlines the responsibilities and expectations regarding the skills and diligence required for the performance of obligations. This can help prevent potential disputes over performance standards. Consider reviewing the contract to ensure that all parties' expectations are clearly documented, particularly in the sections detailing the scope of work and performance obligations."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** it shall comply with all Applicable Law in the performance of its obligations under this Agreement (including, but not limited to, all applicable anti-corruption and discrimination in employment laws, rules, regulations, legislation or conventions and in connection with its sole obligation to withhold and report taxes on payments made to its Personnel, and make payments into pension schemes, social security plans, or similar arrangements for the benefit of its employees);

**Document Location:** 5. Warranties

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding compliance with applicable laws is present and aligns with standard contractual language. It is advisable to ensure that the clause explicitly includes obligations related to anti-corruption and discrimination laws, as well as tax and social security obligations, to fully align with the term specified in the prompt. Consider reviewing the clause to ensure comprehensive coverage of all relevant legal obligations."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** it has obtained, or will obtain, any and all permits, licenses and/or governmental or third party consents, approvals or assignments in a timely manner which are required in connection with the performance of this Agreement by Supplier or in order to enable Supplier to provide and Customer to use any Services and/or Deliverables performed or delivered, as the case may be, under this Agreement;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding obtaining necessary permits, licenses, and consents is not explicitly present in the provided contract text. It is advisable to include such a clause to ensure that the Supplier is obligated to secure all necessary authorizations required for the performance of the agreement. This is a common and prudent practice to mitigate risks associated with non-compliance with regulatory requirements. Consider adding a clause that explicitly states the Supplier's responsibility to obtain all necessary permits and approvals in a timely manner to facilitate the provision and use of services and deliverables under the agreement."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Suppliers must immediately notify <client> (security.response@<client security email address>.com / privacy@<client security email address>.com) if they know, discover or reasonably believe that there has been a Data Security Breach. In the event of a Data Security Breach, Suppliers will:

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specified term regarding data security breach notification is not present in the provided contract text. It is advisable to include a clause that clearly outlines the notification process and contact details for data security breaches. This addition would ensure both parties are aware of their responsibilities in the event of a security incident, thereby enhancing the contract's clarity and enforceability. Consider drafting a clause that specifies the immediate notification requirement to the designated security and privacy email addresses of the client, as well as any subsequent actions required by the supplier."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** • immediately investigate, correct, mitigate, remediate and otherwise handle the Data Security

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific term related to data security is not present in the contract text. It is recommended to review the contract for any general data security obligations or clauses that may address similar concerns. If immediate action on data security events is a priority, consider negotiating an amendment to include a clause that explicitly requires immediate investigation, correction, mitigation, and remediation of data security incidents. Ensure that any new clause complies with applicable data protection laws and industry standards."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Breach, including without limitation, by identifying Personal Data affected by the Data Security Breach and taking sufficient steps to prevent the continuation and recurrence of the Data Security Breach;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific term regarding data security breach and personal data identification is not present in the contract text. It is advisable to include a detailed data security breach clause that addresses the identification of personal data affected, as well as measures to prevent recurrence, to ensure compliance with data protection regulations and to mitigate potential risks. This addition would enhance the contract's robustness in handling data security incidents."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** • provide information and assistance needed to enable <client> to evaluate the Data Security Breach and, as applicable, provide timely notices disclosing a Data Security Breach and comply with any obligations to provide information on the Data Security Breach to relevant regulators; and

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specified term regarding the provision of information and assistance for evaluating a Data Security Breach and timely notification to regulators is not present in the provided contract text. It is recommended to review the contract to ensure that such obligations are clearly delineated if they are intended to be part of the agreement. Consider drafting a specific clause that separates the requirements for client assistance in breach validation and timely notification to ensure clarity and compliance with data protection regulations. This will help both parties understand their responsibilities in the event of a data security breach."*

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### Contract\_ID\_8886\_-\_Verterim\_Inc\_-\_-\_Master\_Services\_Agreement\_MSA-Verterim\_Final-01152019.pdf

**Key Sections:** 2.3 Subcontracting, Expiration and Termination, Section 2.6: Key Service Provider Personnel, 9.8. Governing Law, Section 4: Compensation

**Clause Status:** Acceptable *(Present)*

**Clause Text:** This Agreement and any disputes arising out of or relating to this Agreement will be governed by, construed and interpreted in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to any choice of law principle that would require the application of the law of another jurisdiction. The Parties expressly reject any application to this Agreement of (a) the United Nations Convention on Contracts for the International Sale of Goods; and (b) the 1974 Convention on the Limitation Period in the International Sale of Goods, as amended by that certain Protocol, done at Vienna on April 11, 1980.

**Document Location:** 9.8. Governing Law

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause is beneficial to Verterim, Inc. as it specifies Massachusetts law as the governing law, which aligns with the company's interests. No further action is required unless there is a strategic decision to renegotiate the governing law clause. Ensure that the clause regarding the rejection of the United Nations Convention on Contracts for the International Sale of Goods and the 1974 Convention on the Limitation Period is maintained to avoid unintended legal obligations."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** This Agreement will remain in full force and effect until

**Document Location:** Expiration and Termination

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause defining the term of the agreement is present and acceptable as it clearly outlines the duration and conditions for the agreement's expiration. To enhance contract management, it is recommended to implement an aging function that alerts the parties when the contract is within six months of expiration. This will allow for timely decisions regarding termination or renewal. Additionally, establishing a workflow for both termination and renewal actions will ensure that all necessary steps are taken efficiently and in compliance with the agreement's terms."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** With <client's> prior written consent, Service Provider may subcontract the performance of specific obligations of Service Provider under a Statement of Work to a qualified Affiliate of Service Provider or to a qualified non-Affiliate third party including, but not limited to, consultants; provided, that (a) such Affiliate or third party performs those Services in a manner consistent with the terms and conditions of this Agreement; (b) Service Provider notifies <client> of the specific Services to be performed by the subcontractor and (c) Service Provider remains liable for the performance of such Affiliate or third party.

**Document Location:** 2.3 Subcontracting

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause is acceptable as it provides for subcontracting with prior written consent from Moderna, ensures notification of specific services to be performed by the subcontractor, and maintains the Service Provider's liability for subcontractor performance. It is recommended to define a workflow or alert system for the notification process to ensure compliance and streamline communication."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Any Service Provider Personnel (as defined in Section 3.4) identified in a Statement of Work as “Key Service Provider Personnel” will remain assigned to perform Services covered by the applicable Statement of Work as long as such individuals remain employed by or under contract with Service Provider, unless (a) an individual is unavailable for reasons of disability, illness or promotion; or (b) <client> has requested the replacement of any individual who is not performing to <client>’s reasonable satisfaction. Service Provider will cooperate with <client> in periodically reviewing the performance of the Key Service Provider Personnel and will promptly remedy any concerns to <client>’s reasonable satisfaction. Service Provider will promptly select a qualified replacement should any Key Service Provider Personnel resign or become otherwise unavailable as specified above or if <client> requests the replacement of any such Key Service Provider Personnel. <client> will have the right to approve any such replacement, which approval will not be unreasonably withheld.

**Document Location:** Section 2.6: Key Service Provider Personnel

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause is beneficial as it allows for the replacement of non-performing or unavailable personnel while ensuring client satisfaction through approval rights. However, it is recommended to include a provision for notifying the client of any new resource and confirming their satisfaction with the replacement to ensure compliance with the clause. Additionally, consider addressing the costs associated with onboarding a new resource to ensure clarity and avoid potential disputes."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Service Provider may terminate this Agreement or any Statement of Work if <client> fails to cure a material breach of this Agreement or of a Statement of Work within thirty (30) days after receiving written notice from Service Provider of such breach.

**Document Location:** Expiration and Termination

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause is beneficial and provides Verterim with the right to terminate the agreement if the client, in this case, Moderna, fails to cure a material breach within the specified timeframe. It is advisable to ensure that there are mechanisms in place to monitor potential breaches, such as late payments or failure to review and approve work products within defined timeframes. Implementing an alert system for these triggers could enhance contract management and mitigate risks associated with client breaches."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Provided that Supplier has provided to <client> (i) the Services and/or Deliverables in accordance with this Agreement (including, the applicable Statement of Work) and (ii) all the information required by Section 14, <client> shall pay all undisputed Fees on an invoice within thirty (30) days of receipt of the invoice. The obligations set forth in this Section 3 are in addition to Supplier’s other obligations with respect to Fees and is not meant limit any other restrictions on the Fees that Supplier may charge <client> set forth in this Agreement. Payment for the Services and/or Deliverables shall not constitute Customer’s approval or acceptance of such Services and/or Deliverables.

**Document Location:** Section 4: Compensation

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The payment term of thirty (30) days is clearly stated and aligns with standard industry practices. It is recommended to ensure that this payment information is communicated effectively to the Accounts Receivable department to facilitate timely processing. Additionally, consider implementing a system to highlight and track any payment terms that exceed 30 days to maintain financial oversight and compliance."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** Service Provider agrees that pricing for any particular type of Services is firm for the period of twenty four (24) months from the date on which a Statement of Work is agreed to by the Parties and following such 24-month period, prices for similar Services (whether or not performed pursuant to the same Statement of Work) may be increased in any calendar year no more than the lesser of (a) the change in the Consumer Price Index (CPI), published by the United States Bureau of Labor Statistics from the previous calendar year and (b) three percent (5%).

**Document Location:** Compensation

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"This clause is categorized as 'unacceptable' due to its potential negative impact on Verterim. It holds pricing firm for 24 months without the ability to adjust rates in response to market conditions, which could be detrimental to Verterim's financial interests. It is recommended that Verterim seek renegotiation of this clause to allow for price adjustments based on market conditions or specific cost increases. Alternatively, explicit approval from Senior Management should be obtained if there are strategic reasons to maintain fixed rates, such as securing long-term commitments or licensing agreements. Verterim should also consider including a provision for periodic review and adjustment of rates to ensure alignment with market trends and cost structures."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** If at any time Supplier fails to obtain insurance (or provide proof of insurance) in accordance with this Agreement, or as otherwise required by Customer, Customer may obtain the coverage specified in this Agreement and charge all associated premiums and costs to Supplier. Supplier will reimburse Customer the cost thereof within fifteen (15) days of receipt of an invoice therefor from Customer.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"Since the specified unacceptable clause regarding insurance obligations and cost reimbursement is not present in the contract, the contract is categorized as acceptable in this regard. However, it is advisable to review the contract thoroughly for any other clauses that may pose similar risks or obligations. Ensure that any insurance requirements are clearly defined and agreed upon by both parties to prevent future disputes. Additionally, if there are any concerns or ambiguities in other sections of the contract, consider seeking explicit approval from senior management or renegotiating terms to align with organizational policies and risk management strategies."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** In the event that any Services do not meet the specifications or other performance criteria agreed to by Service Provider and <client> in writing, then Service Provider will, at <client>’s option, promptly (a) re-perform such Services at Service Provider’s cost; or (b) refund to <client> all amounts paid by <client> to Service Provider in connection with such Services. The provisions of this Section 7.5 are not exclusive, and <client> may seek any other right or remedy that it may have under this Agreement or otherwise.

**Document Location:** Section 7.5 Remedies

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The clause grants Moderna significant rights to demand re-performance or refunds for non-conforming services, which could be financially burdensome for the Service Provider. It is advisable to review the specifications and performance criteria meticulously to ensure compliance. Additionally, Service Delivery should be alerted to ensure adherence to all Statement of Work requirements. Consider negotiating limitations on the scope of remedies or including a cap on potential liabilities to mitigate financial exposure."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Failure to Cure. If Supplier fails to make such changes or, notwithstanding such changes, the Services or Deliverables still contain deficiencies, then Customer may, in its sole discretion and in addition to any other remedies it may have: (i) provide, in writing, additional time for Supplier to make changes; or, (ii) terminate all or part of this Agreement or a Statement of Work pursuant to Section 8 upon written notice to Supplier. Upon Customer’s election to terminate, Customer will have no further obligation to make payments to Supplier and Supplier will refund to Customer all of the Fees paid to Supplier for the non-conforming Services and/or Deliverables.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The term 'Failure to Cure' as described is not present in the provided contract text. Therefore, the contract does not contain the unacceptable clause that would allow the customer to receive a refund for all work associated with a deliverable that was not remedied. Given the absence of this clause, the contract is categorized as acceptable. It is recommended to ensure that any future contracts clearly define the terms of payment and refund in accordance with applicable laws, particularly for Time and Material work in Massachusetts, to avoid potential disputes."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Minor Deficiency Correction. Notwithstanding Acceptance of any Services and/or Deliverables, Supplier, at no additional charge to Customer, will correct or develop a work around for any minor deficiencies identified by Customer. Supplier will correct or develop a work around for each minor deficiency within thirty (30) days after Customer provides notice to Supplier of the minor deficiency.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause regarding 'Minor Deficiency Correction' is not present in the provided contract text. Given the absence of this clause, there is no immediate need for concern regarding the potential costs associated with correcting or developing workarounds for minor deficiencies. However, it is advisable to include language addressing platform limitations in future contracts to protect Verterim from incurring costs due to vendor platform constraints. This proactive measure will ensure that Verterim is not unfairly burdened with costs that should be the responsibility of the vendor."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** the Fees payable by <client> hereunder are as low or lower than amounts charged by Supplier to any other customer purchasing the same type and quantity of services and/or deliverables provided by Supplier hereunder;

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause regarding the fees being as low or lower than those charged to any other customer is not present in the provided contract text. Therefore, the contract does not currently impose the risk associated with guaranteeing the lowest fees across all customer engagements. It is advisable to ensure that any future amendments or Statements of Work do not introduce such a clause without careful consideration and negotiation. Additionally, the parties should remain vigilant about any potential conflicts with existing price increase restrictions to maintain clarity and avoid disputes."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** To the extent any Supplier Existing IP is included in, or is otherwise necessary for the use of, the Work Product, Supplier hereby grants to Customer and each of its Affiliates a perpetual, irrevocable, transferable, non-exclusive, royalty-free, fully paid up, world-wide license to (a) use, reproduce, distribute, display, prepare derivative works, modify and develop the Work Product, and (b) make, have made, import, and sell and offer to sell and otherwise distribute or exploit the Supplier-Existing IP and/or Third Party IP, as applicable, to the extent either is embodied in any Work Product, or necessary to use any portion(s) of any Work Product, in each case without any accounting or additional consideration to Supplier or any third party. Supplier shall not include any Supplier Existing IP in any Work Product without the express prior written consent of Customer, which prior written consent may be given by Customer in a Statement of Work. For the avoidance of doubt, Supplier Existing IP alone shall not be deemed Work Product; however, any derivative works of Supplier Existing IP that are contained in and/or comprise the Work Product shall be deemed part of the Work Product and owned solely and exclusively by Customer.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific term regarding the use of Supplier Existing IP is not present in the provided contract text. As such, the contract is categorized as 'acceptable' in relation to this term. However, it is advisable for Verterim to negotiate a clause that allows for the use of its existing IP in the delivery of services without needing express written consent each time. This could streamline operations and reduce administrative overhead. It is recommended to propose an amendment to the contract that includes a provision granting Verterim the right to use its existing IP, subject to certain conditions, which could be outlined in the Statement of Work. This would ensure clarity and mutual understanding between the parties."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** • reimburse <client> for the reasonable expenses that <client> may incur as a result of such Data Breach caused by their acts or omissions or those of any of their authorized subcontractors, including but not limited to, the expenses incurred in investigating the Data Security Breach and notifying affected individuals, and providing these individuals with the support necessary under the circumstances, such as credit monitoring.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"Since the specific term regarding reimbursement for data breach expenses caused by acts or omissions of Verterim or its subcontractors is not present in the contract, it is categorized as acceptable. To ensure comprehensive protection, it is recommended that Moderna consider negotiating the inclusion of a clause that explicitly addresses reimbursement for such expenses. This would provide clarity and financial protection in the event of a data breach. Additionally, it would be prudent to implement a method to inform Service Delivery of potential liabilities and incorporate this into Security Awareness Training for all employees and contractors."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Rejection and Cure. If Customer determines that any portion of the Services or Deliverables fails to meet the Acceptance Criteria, Customer will notify Supplier in writing with a description of deficiencies. Without limiting Customer’s other remedies, in such event, Supplier will, at no additional charge to Customer, make any necessary changes to the Services or Deliverables to correct any deficiencies. Supplier will resubmit the corrected Services or Deliverables within the timeframe requested by Customer or if no timeframe is requested, within fifteen (15) days after Customer notifies Supplier of the deficiencies of the Services or Deliverables. The Acceptance process in this Section 5(a) will apply to any resubmitted Services, including a new Acceptance Period.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"Since the specific 'Rejection and Cure' clause is not present in the provided contract text, the current terms regarding the correction of deficiencies in services or deliverables should be reviewed to ensure they meet the needs of both parties. If similar terms are found elsewhere in the contract, ensure they provide a reasonable timeframe for corrections and align with the operational capabilities of the Service Provider. If no such terms exist, consider negotiating an appropriate clause that clearly defines the process and timeframe for addressing deficiencies, ensuring mutual agreement and understanding."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will send all invoices, which will reference this Agreement and the relevant Purchase Order (PO) number, to the attention of “Accounts Payable” at the following address:

**Document Location:** Compensation

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral and provides clear instructions for invoicing, ensuring that invoices reference the Agreement and relevant PO number. However, it is recommended to include a notification mechanism to Accounts Receivable to ensure that all invoices contain the appropriate references and are sent to the correct address. This can help prevent any potential miscommunication or misplacement of invoices."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will maintain all materials, data and documentation obtained or generated by Service Provider in the course of preparing for and providing Services, including computerized records and files (collectively, the “Records”) in a secure area reasonably protected from fire, theft and destruction, and <client> shall have reasonable access to such Records and the right to obtain photocopies of such Records. All Records will be the property of <client>. Service Provider will not transfer, deliver or otherwise provide any Records to any party other than <client> or its Affiliates, without the prior written approval of <client>.

**Document Location:** 5.3 Records; Records Storage

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is categorized as neutral and is present in the contract. It adequately addresses the secure storage and protection of client data, as well as the client's access rights. No immediate changes are necessary. However, it is advisable to ensure that the security measures for data protection are regularly reviewed and updated to comply with any new legal requirements or industry standards. Additionally, confirm that the Service Provider has the necessary infrastructure and protocols in place to prevent unauthorized access or data breaches."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** All Records will be retained by Service Provider for a minimum period of two (2) years following completion of the applicable Statement of Work, or longer if required by applicable law or regulation. Service Provider will, at the direction and written request of <client>, promptly deliver Records to <client> or its designee, or dispose of the Records, unless the Records are required to be retained by Service Provider by applicable law or regulation or for insurance purposes. In no event will Service Provider dispose of any Records without first giving <client> sixty (60) days’ prior written notice of its intent to do so.

**Document Location:** 5.4 Record Retention

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is present and categorized as neutral. It sets a clear data retention policy and secure destruction notification process. It is recommended to implement a data retention flag for each client contract containing this language and establish a mechanism to alert when data can be destroyed. This will ensure compliance with the retention policy and facilitate timely data management."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will carry, with financially sound and reputable insurers, insurance coverage (including worker’s compensation at or above the applicable statutory limits, comprehensive liability and professional liability/errors and omissions coverage) with respect to the conduct of its business against loss from such risks and in such amounts as is customary for well-insured companies engaged in similar businesses and sufficient to support its obligations under this Agreement. Upon the request of <client>, Service Provider will provide <client> with a Certificate of Insurance evidencing such coverage and providing that thirty (30) days advance written notice will be given to <client> of any material change or cancellation in coverage or limits.

**Document Location:** 7.4 Insurance

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral and standard for ensuring that the Service Provider maintains adequate insurance coverage. It is advisable for Verterim to establish a Certificate of Insurance (COI) request process triggered by this clause. Additionally, Verterim should maintain a profile of its existing insurance policy coverages to compare with client requirements. If discrepancies arise, particularly if a client requires more coverage than currently held, Verterim should initiate a redline process and renegotiate the terms as a first response. Implementing a workflow or alert system for these actions would be beneficial."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Supplier agrees to maintain the following minimum limits of insurance with respect to, but not limited to, the coverages required hereunder:

**Document Location:** Section 7.4 - Insurance

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral as it requires the Service Provider to maintain insurance coverage, which is a standard practice. However, it is advisable to ensure that the specific insurance limits are clearly defined to avoid any ambiguity. Additionally, consider including a requirement for the Service Provider to provide a Certificate of Insurance (COI) proactively, rather than upon request, to ensure continuous compliance. If the specific insurance requirements are not met, a renegotiation or redline of the contract may be necessary."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** In the event of a breach of this Agreement by Service Provider which cannot be cured (e.g., breach of confidentiality obligations under Section 6), <client> may terminate this Agreement or any Statement of Work with immediate effect, at any time upon written notice to Service Provider. Further, <client>a may terminate this Agreement or a Statement of Work at any time upon thirty (30) days’ prior written notice to Service Provider.

**Document Location:** 8.2 Termination by Moderna

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is categorized as neutral, as it provides Moderna with the ability to terminate the agreement under specific circumstances, which is standard in service agreements. To enhance clarity and ensure proper communication, it is advisable to implement a system for acknowledging receipt of termination notices, such as a confirmation checkbox for emails or a tracking mechanism for mailed notices. This will help avoid any disputes regarding the receipt of termination notices."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will perform all Services in accordance with the applicable Statement of Work, (b) with requisite care, skill and diligence and (c) in accordance with all applicable laws, rules, regulations, orders and industry standards. If specified in a Statement of Work, Services will be rendered in accordance with

**Document Location:** 3.5 Compliance

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is categorized as neutral, as it outlines standard compliance requirements for the Service Provider. However, the clause contains an incomplete sentence regarding the alignment with a framework. It is recommended to clarify and complete this sentence to ensure the clause's enforceability and to avoid any potential ambiguity. Additionally, if there is a specific framework or process that the Services should align with, it should be explicitly mentioned to provide clear guidance and expectations."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Without limiting any existing confidentiality obligations between the Parties as of the Effective Date, this Agreement, together with the attached Appendix A and any fully-signed Statements of Work, each of which are incorporated into this Agreement by reference, constitute the entire agreement between the Parties with respect to the specific subject matter of this Agreement, and all prior agreements, oral or written, with respect to such subject matter are superseded. If there is any conflict, discrepancy or inconsistency between the terms contained in the body of this Agreement and any Statement of Work, the terms set forth in the body of this Agreement will govern, control, and take precedence. No provision included in any purchase order, quotation, invoice or other communication between the Parties that is different than, in conflict with or in addition to any provision of this Agreement (including any Statement of Work) shall have any force or effect and each Party hereby gives notice of its objection to any such proposed additional, different or conflicting provision.

**Document Location:** Section 9.5 - Entire Agreement

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral and sets a clear precedence for the terms of the agreement, which is beneficial for resolving potential conflicts. However, it is important to ensure that Appendix A and any Statements of Work are thoroughly reviewed to ensure consistency and alignment with the main body of the agreement. Additionally, parties should be aware of the implications of this clause on any future communications or documents exchanged that may attempt to alter the terms of the agreement."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** All invoices submitted by Supplier must identify the Purchase Order number of the Purchase Order under which <client> authorized the applicable Fees. If the Statement of Work expressly states that the Fees will be calculated on a time and materials basis, the invoice must also set forth the following information: (i) the names of Supplier’s Personnel who performed work under the Statement of Work; (ii) documentation of the expenses of each of its Personnel, with receipts; (iii) for each of its Personnel, the number of hours worked (which for the avoidance of doubt, excludes time for lunch) and a description of the work performed; (iv) the hourly rate of each individual; and (v) any other information reasonably requested by <client> or as may be requested in the Purchase Order. <client> shall be responsible for the payment of all taxes in connection with this Agreement that are legally required to be paid by <client>, and not for any taxes based on Supplier’s income or taxes that are not legally required to be paid by <client>. If <client> is required to withhold taxes from any payments due to Supplier, then <client> will forward any withholding receipts to Supplier at [address/email address]. <client> shall be entitled to return incomplete invoices unpaid.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific invoicing clause as described in the prompt is not present in the provided contract text. It is recommended to ensure that the invoicing requirements, particularly those related to time and materials basis, are clearly outlined in the contract to avoid any ambiguity in billing and payment processes. Additionally, a workflow should be established for Accounts Receivable to ensure compliance with invoicing terms during client onboarding. This may involve revising the contract to explicitly include the invoicing details and tax responsibilities as described in the prompt."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** If <client> wishes to dispute any of the Fees invoiced by Supplier, no later than thirty (30) days from receipt of the invoice in question, <client> shall notify Supplier of the amount in dispute and the basis of such dispute. Upon receipt of notice from <client>, Supplier shall work with <client> in good faith to promptly resolve the dispute on Fees. With respect to disputed Fees, <client> shall pay the resolved amount within thirty (30) days following mutual written resolution of the dispute by the Parties. <client> shall not be in default of its obligation to pay the invoice while the dispute remains unresolved.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause regarding the dispute of fees within thirty (30) days and the subsequent payment terms upon resolution is not present in the provided contract text. It is recommended to consider including such a clause to clearly outline the process for disputing fees and resetting payment terms upon resolution. This can help prevent misunderstandings and ensure that both parties are aware of their rights and obligations in the event of a fee dispute. Additionally, ensure that any such clause aligns with the overall payment and dispute resolution procedures already outlined in the contract."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Acceptance Testing. Customer has the right to inspect, review, test and otherwise evaluate the Services or Deliverables after delivery for compliance with the applicable Acceptance Criteria. Such inspection and testing will be performed within the Acceptance Period in order to identify and resolve all errors, defects, and nonconformities with the Services or Deliverables. Upon completion of such evaluation, Customer will issue to Supplier a notice of Acceptance or rejection of the Services or Deliverables. Customer’s failure to reject the Services and/or Deliverables within the Acceptance Period will constitute Customer’s rejection of the applicable Services and/or Deliverables. The Acceptance Criteria and the Acceptance Period may be defined within each Statement of Work. In the event no Acceptance Criteria and/or Acceptance Period is defined in the Statement of Work, this MSA shall prevail.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding Acceptance Testing is not explicitly found in the provided contract text. It is recommended to ensure that such a clause is included in the contract to clearly define the Acceptance Criteria and Acceptance Period. This will prevent any potential disputes regarding the acceptance or rejection of services or deliverables. It is advisable to include specific timeframes and performance metrics within the Statement of Work to ensure clarity and enforceability. Additionally, consider reviewing the Master Services Agreement (MSA) to confirm if there are any overarching terms that might apply in the absence of specific criteria in the Statement of Work."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** it shall comply with all descriptions and specifications set forth in each Statement of Work (including performance capabilities, accuracy, completeness, uniformity, characteristics, configurations, standards, functions and requirements) and will use individuals with suitable training, education, experience, and skill to fulfill its obligations under a Statement of Work;

**Document Location:** Provision of Services

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is present and categorized as neutral, as it outlines the responsibilities of the Service Provider to comply with the specifications and standards set forth in the Statement of Work. It is advisable to ensure that all Statements of Work are detailed and comprehensive to avoid ambiguity. Additionally, it may be beneficial to include specific industry standards or frameworks that the Service Provider should adhere to, if applicable, to enhance clarity and enforceability."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** it has the skills, qualifications and experience necessary to perform its obligations under this Agreement and Supplier shall devote all the necessary time and attention for the proper performance of its obligations set out in a Statement of Work;

**Document Location:** 3.4 Qualifications of Service Provider Personnel

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is appropriately categorized as neutral, as it places responsibility on Verterim for ensuring that its personnel have the necessary skills and qualifications to perform their obligations. No immediate changes are necessary. However, it is advisable to ensure that the clause is consistently applied across all Statements of Work to avoid any potential discrepancies in expectations regarding personnel qualifications."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** it shall comply with all Applicable Law in the performance of its obligations under this Agreement (including, but not limited to, all applicable anti-corruption and discrimination in employment laws, rules, regulations, legislation or conventions and in connection with its sole obligation to withhold and report taxes on payments made to its Personnel, and make payments into pension schemes, social security plans, or similar arrangements for the benefit of its employees);

**Document Location:** 3.5 Compliance

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding compliance with applicable laws is present and aligns with standard contractual language. It is advisable to ensure that this clause is regularly reviewed to remain compliant with any changes in relevant laws and regulations. No immediate changes are necessary, but ongoing legal review is recommended to maintain compliance."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** it has obtained, or will obtain, any and all permits, licenses and/or governmental or third party consents, approvals or assignments in a timely manner which are required in connection with the performance of this Agreement by Supplier or in order to enable Supplier to provide and Customer to use any Services and/or Deliverables performed or delivered, as the case may be, under this Agreement;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding the obtaining of necessary permits, licenses, and consents is not explicitly present in the provided contract text. It is advisable to include such a clause to ensure that the Service Provider is obligated to secure all necessary legal and regulatory approvals required for the performance of services under the agreement. This is a common contractual provision that helps mitigate risks associated with non-compliance with legal requirements. Consider adding a clause similar to the one described to enhance the contract's comprehensiveness and enforceability."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Suppliers must immediately notify <client> (security.response@<client security email address>.com / privacy@<client security email address>.com) if they know, discover or reasonably believe that there has been a Data Security Breach. In the event of a Data Security Breach, Suppliers will:

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The contract does not contain the specified data security breach notification clause. It is recommended to include a clause that mandates immediate notification to the client in the event of a data security breach. This should include specific contact details for incident response, ensuring compliance with data protection regulations and enhancing the client's ability to respond promptly to security incidents. Additionally, maintaining a documented process for incident response notification tailored to each client is advisable."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** • immediately investigate, correct, mitigate, remediate and otherwise handle the Data Security

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specified term related to data security is not present in the contract text. As the term is categorized as neutral, there is no immediate concern regarding its absence. However, it is advisable to review the contract for comprehensive data security provisions to ensure both parties are adequately protected against potential data breaches or security incidents. Consider adding a specific clause addressing immediate actions in response to data security events if it aligns with the parties' risk management strategies and operational needs."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Breach, including without limitation, by identifying Personal Data affected by the Data Security Breach and taking sufficient steps to prevent the continuation and recurrence of the Data Security Breach;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specified term regarding data security breach identification and remediation is not present in the contract text. Given that the term is categorized as 'neutral,' its absence does not necessitate immediate concern. However, it is advisable to consider including a clause addressing data security breaches to ensure clarity and preparedness in handling such incidents. This addition could enhance the contract's robustness in managing potential data security issues."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** • provide information and assistance needed to enable <client> to evaluate the Data Security Breach and, as applicable, provide timely notices disclosing a Data Security Breach and comply with any obligations to provide information on the Data Security Breach to relevant regulators; and

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific term regarding the provision of information and assistance for evaluating a Data Security Breach and providing timely notices is not explicitly found in the provided contract text. It is recommended to ensure that such a clause is included in the agreement to clearly delineate responsibilities regarding data security breaches. This would involve drafting a clause that distinctly separates the requirements for client assistance in breach validation and the obligation for timely notification to regulators. This will enhance clarity and ensure that both parties are aligned on their obligations in the event of a data security incident."*

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**Key Sections:** SECTION 3. TERM AND TERMINATION

**Clause Status:** Acceptable *(Absent)*

**Clause Text:** This Agreement and any disputes arising out of or relating to this Agreement will be governed by, construed and interpreted in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to any choice of law principle that would require the application of the law of another jurisdiction. The Parties expressly reject any application to this Agreement of (a) the United Nations Convention on Contracts for the International Sale of Goods; and (b) the 1974 Convention on the Limitation Period in the International Sale of Goods, as amended by that certain Protocol, done at Vienna on April 11, 1980.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The governing law clause in the provided contract text specifies that the agreement will be governed by the laws of the State of Rhode Island, not Massachusetts. This does not align with the beneficial clause that specifies Massachusetts as the governing state. It is recommended to renegotiate the governing law clause to specify Massachusetts if it is beneficial to Verterim. Additionally, the contract does not contain any explicit rejection of the United Nations Convention on Contracts for the International Sale of Goods or the 1974 Convention on the Limitation Period in the International Sale of Goods. Consider including these rejections as separate clauses if they are relevant to the contractual relationship."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** This Agreement will remain in full force and effect until

**Document Location:** SECTION 3. TERM AND TERMINATION

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause is present and categorized as acceptable, as it defines the timeframe the contract remains in effect. It is recommended to implement an aging function that alerts the parties when the contract is within 6 months of expiration. This will allow for timely decision-making regarding termination or renewal. Additionally, establishing a workflow for both termination and renewal processes will ensure that actions are taken efficiently and in compliance with the contract terms."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** With <client's> prior written consent, Service Provider may subcontract the performance of specific obligations of Service Provider under a Statement of Work to a qualified Affiliate of Service Provider or to a qualified non-Affiliate third party including, but not limited to, consultants; provided, that (a) such Affiliate or third party performs those Services in a manner consistent with the terms and conditions of this Agreement; (b) Service Provider notifies <client> of the specific Services to be performed by the subcontractor and (c) Service Provider remains liable for the performance of such Affiliate or third party.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The contract does not contain the specified clause regarding subcontracting with prior written consent and notification to the client. It is recommended to include such a clause to ensure clarity and compliance with subcontracting practices. This will help manage risks associated with subcontractor performance and maintain the client's oversight and control. Additionally, defining a workflow or alert system for the notification process would enhance communication and operational efficiency."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** Any Service Provider Personnel (as defined in Section 3.4) identified in a Statement of Work as “Key Service Provider Personnel” will remain assigned to perform Services covered by the applicable Statement of Work as long as such individuals remain employed by or under contract with Service Provider, unless (a) an individual is unavailable for reasons of disability, illness or promotion; or (b) <client> has requested the replacement of any individual who is not performing to <client>’s reasonable satisfaction. Service Provider will cooperate with <client> in periodically reviewing the performance of the Key Service Provider Personnel and will promptly remedy any concerns to <client>’s reasonable satisfaction. Service Provider will promptly select a qualified replacement should any Key Service Provider Personnel resign or become otherwise unavailable as specified above or if <client> requests the replacement of any such Key Service Provider Personnel. <client> will have the right to approve any such replacement, which approval will not be unreasonably withheld.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The specified clause regarding 'Key Service Provider Personnel' is not present in the provided contract text. It is recommended to review the contract to ensure that such a clause is included if it is deemed necessary for the management of personnel assignments and replacements. Consider adding a clause that outlines the process for replacing key personnel, including client approval and notification procedures, to align with best practices and ensure compliance with client expectations."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Service Provider may terminate this Agreement or any Statement of Work if <client> fails to cure a material breach of this Agreement or of a Statement of Work within thirty (30) days after receiving written notice from Service Provider of such breach.

**Document Location:** SECTION 3. TERM AND TERMINATION

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause is acceptable as it provides a clear mechanism for termination in the event of a material breach, which is beneficial for the service provider. However, it is recommended to ensure that the clause explicitly includes various triggers for breach, such as late payments or failure to review and approve work product within defined timeframes. This will enhance the enforceability and clarity of the agreement. Additionally, implementing a system to alert the service provider of potential breaches, such as late payments, would be prudent to ensure timely action can be taken."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** Provided that Supplier has provided to <client> (i) the Services and/or Deliverables in accordance with this Agreement (including, the applicable Statement of Work) and (ii) all the information required by Section 14, <client> shall pay all undisputed Fees on an invoice within thirty (30) days of receipt of the invoice. The obligations set forth in this Section 3 are in addition to Supplier’s other obligations with respect to Fees and is not meant limit any other restrictions on the Fees that Supplier may charge <client> set forth in this Agreement. Payment for the Services and/or Deliverables shall not constitute Customer’s approval or acceptance of such Services and/or Deliverables.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The contract does not contain the specified payment term clause that mandates payment within thirty (30) days. The existing contract specifies a payment term of forty-five (45) days for undisputed invoices. It is recommended to negotiate with the client to amend the payment terms to align with the desired thirty (30) days period. Additionally, ensure that any changes are communicated to the Accounts Receivable department to facilitate compliance and tracking."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Service Provider agrees that pricing for any particular type of Services is firm for the period of twenty four (24) months from the date on which a Statement of Work is agreed to by the Parties and following such 24-month period, prices for similar Services (whether or not performed pursuant to the same Statement of Work) may be increased in any calendar year no more than the lesser of (a) the change in the Consumer Price Index (CPI), published by the United States Bureau of Labor Statistics from the previous calendar year and (b) three percent (5%).

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"Since the specific pricing clause described in the prompt is not present in the provided contract text, the current pricing terms within the contract should be reviewed to ensure they align with the business objectives and market conditions. If a similar clause is intended to be included, it should be carefully drafted to allow for periodic renegotiation or adjustments based on market conditions or CPI changes. Additionally, any long-term pricing commitments should be explicitly approved by senior management to ensure strategic alignment and risk mitigation."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** If at any time Supplier fails to obtain insurance (or provide proof of insurance) in accordance with this Agreement, or as otherwise required by Customer, Customer may obtain the coverage specified in this Agreement and charge all associated premiums and costs to Supplier. Supplier will reimburse Customer the cost thereof within fifteen (15) days of receipt of an invoice therefor from Customer.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specified clause regarding insurance obligations and reimbursement is not present in the provided contract text. As the clause was categorized as 'unacceptable' if present, its absence in the contract is favorable. However, it is advisable to ensure that any insurance-related obligations in the contract are clearly defined and agreed upon by both parties to avoid potential disputes. Regularly review and update the contract to align with current insurance requirements and corporate policies."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** In the event that any Services do not meet the specifications or other performance criteria agreed to by Service Provider and <client> in writing, then Service Provider will, at <client>’s option, promptly (a) re-perform such Services at Service Provider’s cost; or (b) refund to <client> all amounts paid by <client> to Service Provider in connection with such Services. The provisions of this Section 7.5 are not exclusive, and <client> may seek any other right or remedy that it may have under this Agreement or otherwise.

**Document Location:** SECTION 7.5

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The clause provides the client with the right to seek further remediation for non-conforming work, which can be financially burdensome for the Service Provider. It is recommended to alert the Service Delivery team to ensure strict adherence to all Statement of Work (SOW) requirements. Additionally, consider negotiating the clause to limit the scope of remedies or to include a cap on the financial liability to mitigate potential risks."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Failure to Cure. If Supplier fails to make such changes or, notwithstanding such changes, the Services or Deliverables still contain deficiencies, then Customer may, in its sole discretion and in addition to any other remedies it may have: (i) provide, in writing, additional time for Supplier to make changes; or, (ii) terminate all or part of this Agreement or a Statement of Work pursuant to Section 8 upon written notice to Supplier. Upon Customer’s election to terminate, Customer will have no further obligation to make payments to Supplier and Supplier will refund to Customer all of the Fees paid to Supplier for the non-conforming Services and/or Deliverables.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The term 'Failure to Cure' as specified in the prompt is not present in the provided contract text. Therefore, the contract is categorized as 'acceptable' based on the absence of the unacceptable clause. It is recommended to review the contract for any other potentially overreaching terms or clauses that might conflict with applicable laws, such as those concerning Time and Material work in Massachusetts, if relevant. Ensure that all clauses align with the legal standards and practices of the applicable jurisdiction."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Minor Deficiency Correction. Notwithstanding Acceptance of any Services and/or Deliverables, Supplier, at no additional charge to Customer, will correct or develop a work around for any minor deficiencies identified by Customer. Supplier will correct or develop a work around for each minor deficiency within thirty (30) days after Customer provides notice to Supplier of the minor deficiency.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause regarding 'Minor Deficiency Correction' is not present in the provided contract text. Therefore, the contract does not impose the obligation on Verterim to correct or develop workarounds for minor deficiencies at its own cost. To further protect Verterim, it is advisable to include language that addresses platform limitations explicitly, ensuring that any workarounds necessitated by such limitations do not result in additional costs to Verterim. This can be achieved by drafting a clause that specifies the responsibilities and limitations regarding platform-related deficiencies. Additionally, it is recommended to conduct a thorough review of the contract to identify any other clauses that might impose similar obligations or risks."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** the Fees payable by <client> hereunder are as low or lower than amounts charged by Supplier to any other customer purchasing the same type and quantity of services and/or deliverables provided by Supplier hereunder;

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause stating that the fees payable by the client are as low or lower than amounts charged by the supplier to any other customer is not present in the provided contract text. Therefore, the contract does not currently impose this potentially harmful pricing obligation. It is advisable to ensure that any future amendments or statements of work do not introduce such a clause without careful consideration and negotiation. Additionally, ensure that any clauses related to pricing and fee adjustments are clear and do not conflict with other contractual terms, such as those concerning price increase restrictions."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** To the extent any Supplier Existing IP is included in, or is otherwise necessary for the use of, the Work Product, Supplier hereby grants to Customer and each of its Affiliates a perpetual, irrevocable, transferable, non-exclusive, royalty-free, fully paid up, world-wide license to (a) use, reproduce, distribute, display, prepare derivative works, modify and develop the Work Product, and (b) make, have made, import, and sell and offer to sell and otherwise distribute or exploit the Supplier-Existing IP and/or Third Party IP, as applicable, to the extent either is embodied in any Work Product, or necessary to use any portion(s) of any Work Product, in each case without any accounting or additional consideration to Supplier or any third party. Supplier shall not include any Supplier Existing IP in any Work Product without the express prior written consent of Customer, which prior written consent may be given by Customer in a Statement of Work. For the avoidance of doubt, Supplier Existing IP alone shall not be deemed Work Product; however, any derivative works of Supplier Existing IP that are contained in and/or comprise the Work Product shall be deemed part of the Work Product and owned solely and exclusively by Customer.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The clause in question, which pertains to the use of Supplier Existing IP and the requirement for express written consent from the Customer, is not present in the provided contract text. Therefore, the contract is categorized as 'acceptable' in this context. It is recommended to ensure that any intellectual property clauses in future contracts clearly outline the rights and obligations of both parties regarding the use of existing IP. This may include pre-approval for the use of such IP to avoid the need for explicit consent each time it is used, thereby streamlining the process and leveraging existing IP more effectively."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** • reimburse <client> for the reasonable expenses that <client> may incur as a result of such Data Breach caused by their acts or omissions or those of any of their authorized subcontractors, including but not limited to, the expenses incurred in investigating the Data Security Breach and notifying affected individuals, and providing these individuals with the support necessary under the circumstances, such as credit monitoring.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause regarding reimbursement for reasonable expenses due to a data breach caused by acts or omissions of Verterim or its subcontractors is not present in the provided contract text. Given the absence of this clause, it is categorized as 'acceptable' since no potentially harmful or unacceptable terms were identified. It is recommended to ensure that any future agreements include clear terms regarding liability and reimbursement for data breaches, particularly in relation to subcontractors, to mitigate potential risks. Additionally, it is advisable to implement a method to inform Service Delivery of potential liabilities and to incorporate this into Security Awareness Training for all employees and contractors."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Rejection and Cure. If Customer determines that any portion of the Services or Deliverables fails to meet the Acceptance Criteria, Customer will notify Supplier in writing with a description of deficiencies. Without limiting Customer’s other remedies, in such event, Supplier will, at no additional charge to Customer, make any necessary changes to the Services or Deliverables to correct any deficiencies. Supplier will resubmit the corrected Services or Deliverables within the timeframe requested by Customer or if no timeframe is requested, within fifteen (15) days after Customer notifies Supplier of the deficiencies of the Services or Deliverables. The Acceptance process in this Section 5(a) will apply to any resubmitted Services, including a new Acceptance Period.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The 'Rejection and Cure' clause as described in the prompt is not present in the provided contract text. Therefore, the contract does not currently impose the specific obligations or timeframes related to curing deficiencies in deliverables as outlined in the prompt. If such a clause is desired or necessary for the contractual relationship, it is recommended to draft and negotiate a suitable clause that addresses the customer's concerns regarding the timeframe for curing deficiencies and the acceptance process. This should include clear terms for notification, correction, and resubmission of deliverables to ensure mutual understanding and agreement. Additionally, it would be prudent to assess whether the inclusion of such a clause aligns with the operational capabilities and expectations of both parties."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Service Provider will send all invoices, which will reference this Agreement and the relevant Purchase Order (PO) number, to the attention of “Accounts Payable” at the following address:

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause regarding the invoicing process, including the reference to the Agreement and relevant Purchase Order (PO) number, directed to 'Accounts Payable' at a specified address, is not present in the provided contract text. It is advisable to include such a clause to ensure clarity and proper routing of invoices. Additionally, it is recommended to notify Accounts Receivable to verify that all invoices contain the appropriate references and are sent to the correct address, as noted in the instructions."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Service Provider will maintain all materials, data and documentation obtained or generated by Service Provider in the course of preparing for and providing Services, including computerized records and files (collectively, the “Records”) in a secure area reasonably protected from fire, theft and destruction, and <client> shall have reasonable access to such Records and the right to obtain photocopies of such Records. All Records will be the property of <client>. Service Provider will not transfer, deliver or otherwise provide any Records to any party other than <client> or its Affiliates, without the prior written approval of <client>.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause regarding the secure storage and protection of client data, as well as the client's access rights to such data, is not present in the provided contract text. It is recommended to include a clause that explicitly addresses data security and access rights to ensure clarity and protect the interests of both parties. This clause should outline the responsibilities of the Service Provider in maintaining data security and the rights of the client to access and obtain copies of their data. Additionally, it should specify that the data remains the property of the client and cannot be transferred to third parties without prior written consent. Including such a clause would align with best practices for data protection and client rights."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** All Records will be retained by Service Provider for a minimum period of two (2) years following completion of the applicable Statement of Work, or longer if required by applicable law or regulation. Service Provider will, at the direction and written request of <client>, promptly deliver Records to <client> or its designee, or dispose of the Records, unless the Records are required to be retained by Service Provider by applicable law or regulation or for insurance purposes. In no event will Service Provider dispose of any Records without first giving <client> sixty (60) days’ prior written notice of its intent to do so.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific data retention clause is not present in the provided contract text. It is advisable to include a data retention clause to ensure clarity on the retention and disposal of records. This clause should specify the retention period, conditions for disposal, and notification requirements to align with industry best practices and legal obligations. Additionally, implementing a data retention flag and alert mechanism for each client contract would enhance compliance and operational efficiency."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will carry, with financially sound and reputable insurers, insurance coverage (including worker’s compensation at or above the applicable statutory limits, comprehensive liability and professional liability/errors and omissions coverage) with respect to the conduct of its business against loss from such risks and in such amounts as is customary for well-insured companies engaged in similar businesses and sufficient to support its obligations under this Agreement. Upon the request of <client>, Service Provider will provide <client> with a Certificate of Insurance evidencing such coverage and providing that thirty (30) days advance written notice will be given to <client> of any material change or cancellation in coverage or limits.

**Document Location:** SECTION 5. INDEPENDENT CONTRACTOR RELATIONSHIP

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral as it aligns with standard insurance requirements for contractors. It is advisable to establish a Certificate of Insurance (COI) request process to ensure compliance with this clause. Additionally, maintain a profile of existing insurance coverages to compare with client requirements. If discrepancies arise, initiate a redline and renegotiate terms as necessary. Implement a workflow or alert system to manage these processes efficiently."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Supplier agrees to maintain the following minimum limits of insurance with respect to, but not limited to, the coverages required hereunder:

**Document Location:** SECTION 5. INDEPENDENT CONTRACTOR RELATIONSHIP

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause requiring the contractor to maintain insurance is present and categorized as neutral. However, it does not specify the minimum limits of insurance required. It is advisable to outline specific insurance coverage limits to ensure clarity and compliance with industry standards. Additionally, consider including a requirement for the contractor to provide a Certificate of Insurance (COI) to verify compliance. If the specific requirements are not met, it may be necessary to renegotiate or redline the contract to ensure adequate protection."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** In the event of a breach of this Agreement by Service Provider which cannot be cured (e.g., breach of confidentiality obligations under Section 6), <client> may terminate this Agreement or any Statement of Work with immediate effect, at any time upon written notice to Service Provider. Further, <client>a may terminate this Agreement or a Statement of Work at any time upon thirty (30) days’ prior written notice to Service Provider.

**Document Location:** SECTION 3. TERM AND TERMINATION

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is present and categorized as neutral. It allows the client to terminate the contract for any reason with a 30-day notice, which is a standard provision. To enhance clarity and ensure proper notification, it is recommended to establish a clear procedure for acknowledging receipt of termination notices, such as requiring a confirmation of receipt or a checkbox acknowledgment upon receiving an email or mailed notice. This will help prevent disputes over whether notice was properly given and received."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Service Provider will perform all Services in accordance with the applicable Statement of Work, (b) with requisite care, skill and diligence and (c) in accordance with all applicable laws, rules, regulations, orders and industry standards. If specified in a Statement of Work, Services will be rendered in accordance with

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause regarding the performance of services with requisite care, skill, and diligence, and in accordance with applicable laws and industry standards, is not explicitly found in the provided contract text. It is recommended to ensure that such a clause is included in the contract to clearly outline the expectations and responsibilities of the Service Provider. This would align with best practices by providing a framework for performance standards and compliance, thereby reducing potential ambiguities and risks. Additionally, if a specific framework or process is intended to be aligned with the skill and diligence language, it should be explicitly mentioned to avoid any incomplete or unclear references."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Without limiting any existing confidentiality obligations between the Parties as of the Effective Date, this Agreement, together with the attached Appendix A and any fully-signed Statements of Work, each of which are incorporated into this Agreement by reference, constitute the entire agreement between the Parties with respect to the specific subject matter of this Agreement, and all prior agreements, oral or written, with respect to such subject matter are superseded. If there is any conflict, discrepancy or inconsistency between the terms contained in the body of this Agreement and any Statement of Work, the terms set forth in the body of this Agreement will govern, control, and take precedence. No provision included in any purchase order, quotation, invoice or other communication between the Parties that is different than, in conflict with or in addition to any provision of this Agreement (including any Statement of Work) shall have any force or effect and each Party hereby gives notice of its objection to any such proposed additional, different or conflicting provision.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause in question is not present in the provided contract text. However, it is important to ensure that all referenced documents, such as Appendix A, are reviewed and incorporated into the agreement as intended. Ensure that any referenced documents are attached and reviewed for consistency and completeness. Additionally, verify that the precedence order of terms is clearly established in the contract to avoid potential conflicts or ambiguities in interpretation."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** All invoices submitted by Supplier must identify the Purchase Order number of the Purchase Order under which <client> authorized the applicable Fees. If the Statement of Work expressly states that the Fees will be calculated on a time and materials basis, the invoice must also set forth the following information: (i) the names of Supplier’s Personnel who performed work under the Statement of Work; (ii) documentation of the expenses of each of its Personnel, with receipts; (iii) for each of its Personnel, the number of hours worked (which for the avoidance of doubt, excludes time for lunch) and a description of the work performed; (iv) the hourly rate of each individual; and (v) any other information reasonably requested by <client> or as may be requested in the Purchase Order. <client> shall be responsible for the payment of all taxes in connection with this Agreement that are legally required to be paid by <client>, and not for any taxes based on Supplier’s income or taxes that are not legally required to be paid by <client>. If <client> is required to withhold taxes from any payments due to Supplier, then <client> will forward any withholding receipts to Supplier at [address/email address]. <client> shall be entitled to return incomplete invoices unpaid.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific invoicing clause described in the prompt is not present in the provided contract text. It is recommended to ensure that the invoicing requirements, as detailed in the prompt, are included in the contract to ensure clarity and compliance with the agreed terms. This will facilitate the processing of invoices in accordance with the client's expectations. Consider drafting a clause that specifies the invoicing details, including the requirement to identify the Purchase Order number, details for time and materials billing, and tax responsibilities. Additionally, establish a workflow for Accounts Receivable to ensure all invoices are processed according to these terms."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** If <client> wishes to dispute any of the Fees invoiced by Supplier, no later than thirty (30) days from receipt of the invoice in question, <client> shall notify Supplier of the amount in dispute and the basis of such dispute. Upon receipt of notice from <client>, Supplier shall work with <client> in good faith to promptly resolve the dispute on Fees. With respect to disputed Fees, <client> shall pay the resolved amount within thirty (30) days following mutual written resolution of the dispute by the Parties. <client> shall not be in default of its obligation to pay the invoice while the dispute remains unresolved.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The contract does not contain the specific clause regarding the dispute of fees within thirty (30) days and the subsequent payment terms reset. It is advisable to consider including such a clause to clearly outline the process for disputing fees and the impact on payment terms. This would enhance clarity and ensure both parties have a mutual understanding of the procedure for handling disputed invoices. It is also recommended to review the contract for any other clauses related to payment disputes to ensure consistency and comprehensive coverage of the issue."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Acceptance Testing. Customer has the right to inspect, review, test and otherwise evaluate the Services or Deliverables after delivery for compliance with the applicable Acceptance Criteria. Such inspection and testing will be performed within the Acceptance Period in order to identify and resolve all errors, defects, and nonconformities with the Services or Deliverables. Upon completion of such evaluation, Customer will issue to Supplier a notice of Acceptance or rejection of the Services or Deliverables. Customer’s failure to reject the Services and/or Deliverables within the Acceptance Period will constitute Customer’s rejection of the applicable Services and/or Deliverables. The Acceptance Criteria and the Acceptance Period may be defined within each Statement of Work. In the event no Acceptance Criteria and/or Acceptance Period is defined in the Statement of Work, this MSA shall prevail.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The contract does not contain the specified 'Acceptance Testing' clause. It is recommended to include a detailed acceptance testing clause if the services or deliverables require formal acceptance criteria and a defined acceptance period. This clause should specify the timeframe for the acceptance period and any performance metrics necessary for evaluating the deliverables. This will help in avoiding potential disputes regarding the acceptance of deliverables and ensure both parties have a clear understanding of the acceptance process."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** it shall comply with all descriptions and specifications set forth in each Statement of Work (including performance capabilities, accuracy, completeness, uniformity, characteristics, configurations, standards, functions and requirements) and will use individuals with suitable training, education, experience, and skill to fulfill its obligations under a Statement of Work;

**Document Location:** SECTION 4. REPRESENTATIONS, WARRANTIES AND COVENANTS OF CONTRACTOR

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is present and categorized as neutral, indicating it neither provides a significant benefit nor poses a substantial risk. However, it is important to ensure that the clause clearly outlines the standards and qualifications required for personnel performing the services. Consider specifying any particular industry standards or certifications that may be relevant to the services provided. Additionally, ensure that the clause is consistent with any applicable laws or regulations regarding contractor qualifications and performance standards."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** it has the skills, qualifications and experience necessary to perform its obligations under this Agreement and Supplier shall devote all the necessary time and attention for the proper performance of its obligations set out in a Statement of Work;

**Document Location:** SECTION 4. REPRESENTATIONS, WARRANTIES AND COVENANTS OF CONTRACTOR

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is categorized as neutral, as it places responsibility on the Contractor to maintain the necessary skills and qualifications to perform its obligations, which is a standard expectation in service agreements. No immediate changes are necessary unless there are specific concerns about the Contractor's ability to meet these obligations. It is advisable to ensure that the Contractor's qualifications and compliance with industry standards are periodically reviewed to mitigate any potential risks."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** it shall comply with all Applicable Law in the performance of its obligations under this Agreement (including, but not limited to, all applicable anti-corruption and discrimination in employment laws, rules, regulations, legislation or conventions and in connection with its sole obligation to withhold and report taxes on payments made to its Personnel, and make payments into pension schemes, social security plans, or similar arrangements for the benefit of its employees);

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding compliance with all applicable laws, including anti-corruption and discrimination laws, is not explicitly present in the provided contract text. It is recommended to include such a clause to ensure that the Contractor is obligated to adhere to all relevant legal requirements and standards. This is common language that should be reviewed and included in all contracts to mitigate risks associated with non-compliance. Consider adding a clause similar to the one described to enhance the contract's enforceability and clarity regarding legal obligations."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** it has obtained, or will obtain, any and all permits, licenses and/or governmental or third party consents, approvals or assignments in a timely manner which are required in connection with the performance of this Agreement by Supplier or in order to enable Supplier to provide and Customer to use any Services and/or Deliverables performed or delivered, as the case may be, under this Agreement;

**Document Location:** SECTION 4. REPRESENTATIONS, WARRANTIES AND COVENANTS OF CONTRACTOR

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is present and categorized as neutral, which aligns with standard contractual language requiring the contractor to obtain necessary permits and licenses. It is recommended to ensure that the clause explicitly states the timeline for obtaining these permits and licenses to avoid potential delays in service delivery. Additionally, it would be prudent to include a mechanism for the customer to verify compliance with this requirement, such as periodic reporting or certification submission by the contractor."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Suppliers must immediately notify <client> (security.response@<client security email address>.com / privacy@<client security email address>.com) if they know, discover or reasonably believe that there has been a Data Security Breach. In the event of a Data Security Breach, Suppliers will:

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The contract does not contain the specified data security breach notification clause. It is recommended to include a clause that mandates suppliers to immediately notify the client in the event of a data security breach. This should include specific contact details for incident response notification. This addition would enhance the contract's clarity and ensure that there is a documented process for handling data security incidents, which is crucial for compliance with data protection laws and industry standards."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** • immediately investigate, correct, mitigate, remediate and otherwise handle the Data Security

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specified term related to data security is not present in the contract text. Given the increasing importance of data security, it is advisable to include a clause that addresses the immediate investigation, correction, mitigation, remediation, and handling of data security incidents. This would ensure that both parties have clear obligations and procedures in place to address any potential data breaches or security events. Consider drafting a comprehensive data security clause that aligns with industry best practices and legal requirements to protect sensitive information effectively."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Breach, including without limitation, by identifying Personal Data affected by the Data Security Breach and taking sufficient steps to prevent the continuation and recurrence of the Data Security Breach;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specified term related to data security breach identification and remediation is not present in the contract text. Given the importance of data protection, especially in agreements involving personal data, it is advisable to include a comprehensive data security clause. This clause should outline the responsibilities of the contractor in the event of a data breach, including the identification of affected data, notification procedures, and steps to prevent recurrence. Consider consulting with a legal professional to draft or review such a clause to ensure compliance with applicable data protection laws and regulations."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** • provide information and assistance needed to enable <client> to evaluate the Data Security Breach and, as applicable, provide timely notices disclosing a Data Security Breach and comply with any obligations to provide information on the Data Security Breach to relevant regulators; and

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The term requiring Verterim to provide information and assistance for evaluating a Data Security Breach and providing timely notices is not present in the provided contract text. It is recommended to review the contract thoroughly to ensure that all necessary data security breach obligations are clearly outlined and agreed upon. If these obligations are critical to the agreement, consider drafting a specific clause addressing them to ensure compliance and clarity. Additionally, it may be beneficial to separate the requirements for client assistance in validation and timely notification into distinct clauses for better clarity and enforceability."*

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### MASTER\_SERVICES\_AGREEMENT\_excluding\_Travel\_2018\_update-\_Verterim\_FINAL\_Fully\_Executed\_12102020.pdf

**Key Sections:** No specific sections identified

**Clause Status:** Acceptable *(Absent)*

**Clause Text:** This Agreement and any disputes arising out of or relating to this Agreement will be governed by, construed and interpreted in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to any choice of law principle that would require the application of the law of another jurisdiction. The Parties expressly reject any application to this Agreement of (a) the United Nations Convention on Contracts for the International Sale of Goods; and (b) the 1974 Convention on the Limitation Period in the International Sale of Goods, as amended by that certain Protocol, done at Vienna on April 11, 1980.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The governing law clause in the provided contract text specifies the laws of the Commonwealth of Pennsylvania, not Massachusetts. As the contract does not include the specified term that references Massachusetts and rejects the application of the United Nations Convention on Contracts for the International Sale of Goods and the 1974 Convention on the Limitation Period in the International Sale of Goods, it is recommended to renegotiate this clause to align with the beneficial terms for Verterim. This may involve seeking explicit approval from senior management to ensure that the governing law is favorable and that international sale of goods conventions are appropriately addressed."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** This Agreement will remain in full force and effect until

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The term specifying the duration for which the agreement remains in full force and effect is not explicitly present in the contract text. It is recommended to include a clear clause defining the contract's duration or conditions for its continuation to avoid potential ambiguities. Additionally, consider implementing an aging function or workflow to alert parties when the contract is approaching expiration, allowing for timely decisions on termination or renewal."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** With <client's> prior written consent, Service Provider may subcontract the performance of specific obligations of Service Provider under a Statement of Work to a qualified Affiliate of Service Provider or to a qualified non-Affiliate third party including, but not limited to, consultants; provided, that (a) such Affiliate or third party performs those Services in a manner consistent with the terms and conditions of this Agreement; (b) Service Provider notifies <client> of the specific Services to be performed by the subcontractor and (c) Service Provider remains liable for the performance of such Affiliate or third party.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The specific clause allowing subcontracting with conditions of prior written consent, notification, and liability retention is not present in the provided contract text. It is recommended to include such a clause to ensure clarity and protection for the client regarding subcontracting activities. This would involve drafting a clause that explicitly states the need for the client's prior written consent, a notification process for subcontracted services, and the service provider's continued liability for subcontractor performance. Additionally, defining a workflow or alert system for the notification process would enhance compliance and operational efficiency."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** Any Service Provider Personnel (as defined in Section 3.4) identified in a Statement of Work as “Key Service Provider Personnel” will remain assigned to perform Services covered by the applicable Statement of Work as long as such individuals remain employed by or under contract with Service Provider, unless (a) an individual is unavailable for reasons of disability, illness or promotion; or (b) <client> has requested the replacement of any individual who is not performing to <client>’s reasonable satisfaction. Service Provider will cooperate with <client> in periodically reviewing the performance of the Key Service Provider Personnel and will promptly remedy any concerns to <client>’s reasonable satisfaction. Service Provider will promptly select a qualified replacement should any Key Service Provider Personnel resign or become otherwise unavailable as specified above or if <client> requests the replacement of any such Key Service Provider Personnel. <client> will have the right to approve any such replacement, which approval will not be unreasonably withheld.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The specified clause regarding 'Key Service Provider Personnel' is not present in the provided contract text. It is recommended to review the contract to ensure that provisions regarding the assignment and replacement of key personnel are clearly defined. This will help in managing expectations and responsibilities regarding personnel changes. Additionally, consider including a clause that outlines the process for client notification and approval of new personnel to ensure compliance and satisfaction. This will align with best practices and provide clarity on personnel management."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** Service Provider may terminate this Agreement or any Statement of Work if <client> fails to cure a material breach of this Agreement or of a Statement of Work within thirty (30) days after receiving written notice from Service Provider of such breach.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The specific clause regarding termination for failure to cure a material breach within thirty (30) days after receiving written notice is not present in the provided contract text. It is recommended to include such a clause to protect the Service Provider's interests by clearly defining the conditions under which the agreement or any Statement of Work can be terminated due to the client's breach. This would provide a structured process for addressing breaches and ensure that the Service Provider has a clear right to terminate the agreement if necessary."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** Provided that Supplier has provided to <client> (i) the Services and/or Deliverables in accordance with this Agreement (including, the applicable Statement of Work) and (ii) all the information required by Section 14, <client> shall pay all undisputed Fees on an invoice within thirty (30) days of receipt of the invoice. The obligations set forth in this Section 3 are in addition to Supplier’s other obligations with respect to Fees and is not meant limit any other restrictions on the Fees that Supplier may charge <client> set forth in this Agreement. Payment for the Services and/or Deliverables shall not constitute Customer’s approval or acceptance of such Services and/or Deliverables.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The contract currently stipulates a payment term of sixty (60) days, which exceeds the desired 30-day payment term outlined in the provided clause. To align with the preferred payment terms, it is recommended to negotiate an amendment to the contract to reduce the payment period to thirty (30) days. Additionally, ensure that this payment information is communicated to the Accounts Receivable department to facilitate timely processing and tracking of payments."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Service Provider agrees that pricing for any particular type of Services is firm for the period of twenty four (24) months from the date on which a Statement of Work is agreed to by the Parties and following such 24-month period, prices for similar Services (whether or not performed pursuant to the same Statement of Work) may be increased in any calendar year no more than the lesser of (a) the change in the Consumer Price Index (CPI), published by the United States Bureau of Labor Statistics from the previous calendar year and (b) three percent (5%).

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause regarding pricing for services being firm for 24 months and subsequent price adjustments based on CPI or a fixed percentage is not present in the provided contract text. Therefore, there are no immediate concerns regarding this clause. However, it is advisable to review the contract for any similar clauses that may affect pricing flexibility and ensure that any pricing terms align with the company's strategic objectives and market conditions. If such a clause is to be included in future agreements, consider incorporating provisions for renegotiation or obtaining explicit approval from senior management to ensure the clause aligns with long-term business goals."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** If at any time Supplier fails to obtain insurance (or provide proof of insurance) in accordance with this Agreement, or as otherwise required by Customer, Customer may obtain the coverage specified in this Agreement and charge all associated premiums and costs to Supplier. Supplier will reimburse Customer the cost thereof within fifteen (15) days of receipt of an invoice therefor from Customer.

**Document Location:** INSURANCE

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The identified clause is categorized as 'unacceptable' due to the potential financial burden it places on the Supplier. It allows the Customer to unilaterally obtain insurance and charge the Supplier, which could lead to unexpected costs. It is recommended to renegotiate this clause to include a requirement for mutual agreement before any additional insurance is obtained by the Customer. Alternatively, obtain explicit approval from Senior Management to accept this clause as is. Consider adding a cap on the costs that can be charged to the Supplier or specifying the types of insurance that may be obtained to limit potential liabilities."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** In the event that any Services do not meet the specifications or other performance criteria agreed to by Service Provider and <client> in writing, then Service Provider will, at <client>’s option, promptly (a) re-perform such Services at Service Provider’s cost; or (b) refund to <client> all amounts paid by <client> to Service Provider in connection with such Services. The provisions of this Section 7.5 are not exclusive, and <client> may seek any other right or remedy that it may have under this Agreement or otherwise.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specified clause is not present in the contract text. It is advisable to ensure that all service agreements and statements of work clearly outline the performance criteria and remedies for non-conformance to protect both parties' interests. Service Delivery should be alerted to review and ensure compliance with all SOW requirements outlined in the executed contract. Additionally, consider incorporating a clause that addresses non-conforming services and specifies the client's rights to remediation or refund to mitigate potential disputes."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Failure to Cure. If Supplier fails to make such changes or, notwithstanding such changes, the Services or Deliverables still contain deficiencies, then Customer may, in its sole discretion and in addition to any other remedies it may have: (i) provide, in writing, additional time for Supplier to make changes; or, (ii) terminate all or part of this Agreement or a Statement of Work pursuant to Section 8 upon written notice to Supplier. Upon Customer’s election to terminate, Customer will have no further obligation to make payments to Supplier and Supplier will refund to Customer all of the Fees paid to Supplier for the non-conforming Services and/or Deliverables.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause regarding 'Failure to Cure' is not present in the provided contract text. Therefore, the contract does not currently contain the potentially overreaching terms that would allow the customer to receive a refund for all work associated with a deliverable if the supplier fails to remedy deficiencies. It is recommended to ensure that any future Statements of Work or amendments do not incorporate such terms without careful consideration of their implications, particularly in jurisdictions like Massachusetts where Time and Material work must be compensated regardless of deliverable acceptance. Additionally, it would be prudent to review the contract periodically to ensure compliance with local laws and to address any potential ambiguities or overreaching terms."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Minor Deficiency Correction. Notwithstanding Acceptance of any Services and/or Deliverables, Supplier, at no additional charge to Customer, will correct or develop a work around for any minor deficiencies identified by Customer. Supplier will correct or develop a work around for each minor deficiency within thirty (30) days after Customer provides notice to Supplier of the minor deficiency.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause regarding 'Minor Deficiency Correction' as described in the prompt is not present in the provided contract text. Therefore, the contract is categorized as 'acceptable' in this context. However, it is advisable for Verterim to ensure that any agreements they enter into include clear language regarding platform limitations to avoid undue costs related to workarounds for minor deficiencies. This can be achieved by negotiating terms that explicitly address the responsibilities and costs associated with platform limitations. Additionally, Verterim should consider including a clause that limits their liability for deficiencies caused by third-party platform constraints."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** the Fees payable by <client> hereunder are as low or lower than amounts charged by Supplier to any other customer purchasing the same type and quantity of services and/or deliverables provided by Supplier hereunder;

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause stating that the fees payable by the client are as low or lower than amounts charged to any other customer is not present in the provided contract text. Therefore, the contract does not currently impose the risk associated with guaranteeing the lowest fees to the client. It is advisable to ensure that any future amendments or statements of work do not inadvertently introduce such a clause without thorough negotiation and consideration of the potential financial implications. Additionally, maintain vigilance for any language that could indirectly imply similar commitments, especially in sections related to pricing and fee adjustments."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** To the extent any Supplier Existing IP is included in, or is otherwise necessary for the use of, the Work Product, Supplier hereby grants to Customer and each of its Affiliates a perpetual, irrevocable, transferable, non-exclusive, royalty-free, fully paid up, world-wide license to (a) use, reproduce, distribute, display, prepare derivative works, modify and develop the Work Product, and (b) make, have made, import, and sell and offer to sell and otherwise distribute or exploit the Supplier-Existing IP and/or Third Party IP, as applicable, to the extent either is embodied in any Work Product, or necessary to use any portion(s) of any Work Product, in each case without any accounting or additional consideration to Supplier or any third party. Supplier shall not include any Supplier Existing IP in any Work Product without the express prior written consent of Customer, which prior written consent may be given by Customer in a Statement of Work. For the avoidance of doubt, Supplier Existing IP alone shall not be deemed Work Product; however, any derivative works of Supplier Existing IP that are contained in and/or comprise the Work Product shall be deemed part of the Work Product and owned solely and exclusively by Customer.

**Document Location:** OWNERSHIP OF INTELLECTUAL PROPERTY

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The clause is categorized as 'unacceptable' due to its restrictive nature on the use of Supplier Existing IP. It is recommended to negotiate a revision of this clause to allow Verterim to leverage its existing IP without needing express written consent for each instance. This could be achieved by including a provision that acknowledges the benefit of using existing IP in service delivery and obtaining a blanket consent from the customer for such use. This would streamline the process and avoid the need for repeated approvals, thereby facilitating smoother project execution."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** • reimburse <client> for the reasonable expenses that <client> may incur as a result of such Data Breach caused by their acts or omissions or those of any of their authorized subcontractors, including but not limited to, the expenses incurred in investigating the Data Security Breach and notifying affected individuals, and providing these individuals with the support necessary under the circumstances, such as credit monitoring.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specified clause regarding reimbursement for reasonable expenses incurred due to a data breach caused by acts or omissions of the service provider or its subcontractors is not present in the contract text. Given the absence of this clause, the contract is categorized as 'acceptable' under the current evaluation criteria. However, it is advisable to consider the inclusion of such a clause to ensure that the client is protected against potential financial liabilities arising from data breaches. This inclusion should be accompanied by a method to inform the Service Delivery team of the potential for such liabilities, and it should be integrated into Security Awareness Training for all employees and contractors to mitigate risks effectively."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Rejection and Cure. If Customer determines that any portion of the Services or Deliverables fails to meet the Acceptance Criteria, Customer will notify Supplier in writing with a description of deficiencies. Without limiting Customer’s other remedies, in such event, Supplier will, at no additional charge to Customer, make any necessary changes to the Services or Deliverables to correct any deficiencies. Supplier will resubmit the corrected Services or Deliverables within the timeframe requested by Customer or if no timeframe is requested, within fifteen (15) days after Customer notifies Supplier of the deficiencies of the Services or Deliverables. The Acceptance process in this Section 5(a) will apply to any resubmitted Services, including a new Acceptance Period.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"Since the specific 'Rejection and Cure' clause is not present in the provided contract text, there is no immediate action required regarding this clause. However, it is advisable to ensure that any similar clauses in future agreements are thoroughly reviewed to confirm that the cure period and acceptance criteria are mutually agreeable and clearly defined. Additionally, consider negotiating terms that provide a reasonable timeframe for corrections to ensure both parties have a clear understanding of expectations and obligations."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Service Provider will send all invoices, which will reference this Agreement and the relevant Purchase Order (PO) number, to the attention of “Accounts Payable” at the following address:

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The contract does not explicitly contain the clause requiring the Service Provider to send invoices referencing the Agreement and the relevant Purchase Order (PO) number to 'Accounts Payable.' It is recommended to include such a clause to ensure clarity in the invoicing process. Additionally, consider adding a notification procedure for Accounts Receivable to verify that all invoices contain the appropriate references and are sent to the correct address. This will help in maintaining accurate financial records and streamline the payment process."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Service Provider will maintain all materials, data and documentation obtained or generated by Service Provider in the course of preparing for and providing Services, including computerized records and files (collectively, the “Records”) in a secure area reasonably protected from fire, theft and destruction, and <client> shall have reasonable access to such Records and the right to obtain photocopies of such Records. All Records will be the property of <client>. Service Provider will not transfer, deliver or otherwise provide any Records to any party other than <client> or its Affiliates, without the prior written approval of <client>.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause regarding the secure storage and protection of client data, as well as the provision for client access to such data, is not explicitly found in the provided contract text. It is recommended to ensure that such a clause is included to protect the interests of both parties by clearly defining the responsibilities regarding data security and client access. This will help mitigate risks associated with data breaches and ensure compliance with data protection regulations. Additionally, it would be prudent to review the entire contract to confirm that all necessary clauses are present and adequately address the obligations and rights of both parties."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** All Records will be retained by Service Provider for a minimum period of two (2) years following completion of the applicable Statement of Work, or longer if required by applicable law or regulation. Service Provider will, at the direction and written request of <client>, promptly deliver Records to <client> or its designee, or dispose of the Records, unless the Records are required to be retained by Service Provider by applicable law or regulation or for insurance purposes. In no event will Service Provider dispose of any Records without first giving <client> sixty (60) days’ prior written notice of its intent to do so.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"Since the specific clause regarding record retention for a minimum period of two years is not present in the contract text provided, it is recommended to review the data retention policies and ensure that they are adequately covered in the contract. Consider incorporating a clause that specifies the retention period, delivery, and disposal of records, along with a notification requirement to align with best practices. Additionally, implementing a data retention flag and alert mechanism for each client contract would be beneficial to ensure compliance with data retention and destruction timelines."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will carry, with financially sound and reputable insurers, insurance coverage (including worker’s compensation at or above the applicable statutory limits, comprehensive liability and professional liability/errors and omissions coverage) with respect to the conduct of its business against loss from such risks and in such amounts as is customary for well-insured companies engaged in similar businesses and sufficient to support its obligations under this Agreement. Upon the request of <client>, Service Provider will provide <client> with a Certificate of Insurance evidencing such coverage and providing that thirty (30) days advance written notice will be given to <client> of any material change or cancellation in coverage or limits.

**Document Location:** INSURANCE

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is categorized as neutral, meaning it neither significantly benefits nor harms either party. However, it is crucial for the Service Provider to establish a process for requesting and providing Certificates of Insurance (COI) as stipulated. Additionally, the Service Provider should maintain a profile of existing insurance coverages to ensure compliance with client requirements. If discrepancies arise between current coverage and client demands, a redline process should be initiated to renegotiate terms. Implementing a workflow or alert system to manage these processes efficiently is advisable."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Supplier agrees to maintain the following minimum limits of insurance with respect to, but not limited to, the coverages required hereunder:

**Document Location:** INSURANCE

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral and outlines the insurance requirements for the Service Provider. It is advisable to ensure that Verterim meets these insurance requirements. Additionally, consider requesting a Certificate of Insurance (COI) to verify compliance. If discrepancies are found, initiate a renegotiation or redline the contract to address any gaps in coverage. Consolidating matching clauses across contracts may streamline compliance checks."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** In the event of a breach of this Agreement by Service Provider which cannot be cured (e.g., breach of confidentiality obligations under Section 6), <client> may terminate this Agreement or any Statement of Work with immediate effect, at any time upon written notice to Service Provider. Further, <client>a may terminate this Agreement or a Statement of Work at any time upon thirty (30) days’ prior written notice to Service Provider.

**Document Location:** TERM/TERMINATION

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is present and categorized as neutral, reflecting standard termination rights with a 30-day notice period. It is recommended to implement a system to track and acknowledge receipt of termination notices, such as a checkbox confirmation upon receiving an email or mailed notice, to ensure both parties are aware of the termination process and timelines."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will perform all Services in accordance with the applicable Statement of Work, (b) with requisite care, skill and diligence and (c) in accordance with all applicable laws, rules, regulations, orders and industry standards. If specified in a Statement of Work, Services will be rendered in accordance with

**Document Location:** SERVICES

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is categorized as neutral, as it outlines the Service Provider's obligation to perform services with skill and diligence, which is a standard expectation in service agreements. However, the clause could be enhanced by specifying any particular frameworks or industry standards that the Service Provider should adhere to, thereby providing clearer guidance and reducing potential ambiguities. Additionally, the incomplete sentence in the provided term should be addressed to ensure completeness and clarity in the contract language."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Without limiting any existing confidentiality obligations between the Parties as of the Effective Date, this Agreement, together with the attached Appendix A and any fully-signed Statements of Work, each of which are incorporated into this Agreement by reference, constitute the entire agreement between the Parties with respect to the specific subject matter of this Agreement, and all prior agreements, oral or written, with respect to such subject matter are superseded. If there is any conflict, discrepancy or inconsistency between the terms contained in the body of this Agreement and any Statement of Work, the terms set forth in the body of this Agreement will govern, control, and take precedence. No provision included in any purchase order, quotation, invoice or other communication between the Parties that is different than, in conflict with or in addition to any provision of this Agreement (including any Statement of Work) shall have any force or effect and each Party hereby gives notice of its objection to any such proposed additional, different or conflicting provision.

**Document Location:** ENTIRE AGREEMENT

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause in question is present and categorized as neutral, as it sets the precedence order for conflicting terms between the agreement, Appendix A, and any statement of work. It is advisable to ensure that Appendix A and any referenced Statements of Work are thoroughly reviewed to confirm they align with the main agreement and do not introduce conflicting terms. Additionally, parties should ensure that any modifications to the agreement are documented in writing and signed by both parties to maintain clarity and enforceability."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** All invoices submitted by Supplier must identify the Purchase Order number of the Purchase Order under which <client> authorized the applicable Fees. If the Statement of Work expressly states that the Fees will be calculated on a time and materials basis, the invoice must also set forth the following information: (i) the names of Supplier’s Personnel who performed work under the Statement of Work; (ii) documentation of the expenses of each of its Personnel, with receipts; (iii) for each of its Personnel, the number of hours worked (which for the avoidance of doubt, excludes time for lunch) and a description of the work performed; (iv) the hourly rate of each individual; and (v) any other information reasonably requested by <client> or as may be requested in the Purchase Order. <client> shall be responsible for the payment of all taxes in connection with this Agreement that are legally required to be paid by <client>, and not for any taxes based on Supplier’s income or taxes that are not legally required to be paid by <client>. If <client> is required to withhold taxes from any payments due to Supplier, then <client> will forward any withholding receipts to Supplier at [address/email address]. <client> shall be entitled to return incomplete invoices unpaid.

**Document Location:** FEES, EXPENSES, INVOICING AND PAYMENT

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral and adequately outlines the invoicing requirements, including the identification of the Purchase Order number and the necessary details for time and materials invoices. It also specifies the tax responsibilities of the client. However, it is recommended to ensure that all invoices are processed in accordance with this clause by establishing a workflow for the Accounts Receivable department. Additionally, consider clarifying any ambiguous terms or adding specific instructions for handling incomplete invoices to prevent any potential disputes."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** If <client> wishes to dispute any of the Fees invoiced by Supplier, no later than thirty (30) days from receipt of the invoice in question, <client> shall notify Supplier of the amount in dispute and the basis of such dispute. Upon receipt of notice from <client>, Supplier shall work with <client> in good faith to promptly resolve the dispute on Fees. With respect to disputed Fees, <client> shall pay the resolved amount within thirty (30) days following mutual written resolution of the dispute by the Parties. <client> shall not be in default of its obligation to pay the invoice while the dispute remains unresolved.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause regarding the dispute of fees within thirty days and the resetting of the payment term clock is not present in the provided contract text. It is recommended to include a clause that clearly outlines the procedure for disputing fees, including a timeline for notification and resolution, as well as the impact on payment terms. This will ensure clarity and prevent potential disputes regarding payment obligations while a fee dispute is being resolved."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Acceptance Testing. Customer has the right to inspect, review, test and otherwise evaluate the Services or Deliverables after delivery for compliance with the applicable Acceptance Criteria. Such inspection and testing will be performed within the Acceptance Period in order to identify and resolve all errors, defects, and nonconformities with the Services or Deliverables. Upon completion of such evaluation, Customer will issue to Supplier a notice of Acceptance or rejection of the Services or Deliverables. Customer’s failure to reject the Services and/or Deliverables within the Acceptance Period will constitute Customer’s rejection of the applicable Services and/or Deliverables. The Acceptance Criteria and the Acceptance Period may be defined within each Statement of Work. In the event no Acceptance Criteria and/or Acceptance Period is defined in the Statement of Work, this MSA shall prevail.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The contract does not contain the specific 'Acceptance Testing' clause as described. It is recommended to include a detailed Acceptance Testing clause in the Master Services Agreement (MSA) to ensure clarity on the process and timeframe for acceptance testing. This clause should specify the Acceptance Criteria and Acceptance Period, as well as the consequences of acceptance or rejection. Additionally, ensure that these terms are clearly defined in each Statement of Work (SOW) to avoid any ambiguity. This will help in managing expectations and responsibilities between the parties involved."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** it shall comply with all descriptions and specifications set forth in each Statement of Work (including performance capabilities, accuracy, completeness, uniformity, characteristics, configurations, standards, functions and requirements) and will use individuals with suitable training, education, experience, and skill to fulfill its obligations under a Statement of Work;

**Document Location:** SERVICES

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral as it places responsibility on the Service Provider for skill and diligence in fulfilling the Statement of Work. It is recommended to ensure that the Statement of Work is detailed and clear to avoid any ambiguity in expectations. Additionally, consider specifying any alignment with industry standards or frameworks to enhance clarity and enforceability."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** it has the skills, qualifications and experience necessary to perform its obligations under this Agreement and Supplier shall devote all the necessary time and attention for the proper performance of its obligations set out in a Statement of Work;

**Document Location:** SERVICES

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is categorized as neutral, as it places responsibility on Verterim for ensuring they have the necessary skills and resources to fulfill their obligations. This is a standard clause in service agreements to ensure quality and diligence. No immediate changes are necessary. However, it is advisable to ensure that the clause aligns with any specific performance standards or expectations outlined in the Statements of Work (SOW) to avoid potential disputes over performance adequacy."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** it shall comply with all Applicable Law in the performance of its obligations under this Agreement (including, but not limited to, all applicable anti-corruption and discrimination in employment laws, rules, regulations, legislation or conventions and in connection with its sole obligation to withhold and report taxes on payments made to its Personnel, and make payments into pension schemes, social security plans, or similar arrangements for the benefit of its employees);

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause stating compliance with all applicable laws, including anti-corruption and discrimination laws, is not explicitly present in the contract text. It is recommended to include such a clause to ensure both parties are aware of their legal obligations and to mitigate risks associated with non-compliance. This is common language and should be reviewed and included in all contracts to provide clarity and protection for both parties."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** it has obtained, or will obtain, any and all permits, licenses and/or governmental or third party consents, approvals or assignments in a timely manner which are required in connection with the performance of this Agreement by Supplier or in order to enable Supplier to provide and Customer to use any Services and/or Deliverables performed or delivered, as the case may be, under this Agreement;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding obtaining necessary permits, licenses, and consents is not explicitly present in the provided contract text. It is advisable to ensure that such a clause is included to clarify the responsibilities of the Service Provider regarding compliance with legal and regulatory requirements. This is common language in contracts and should be reviewed and included to mitigate potential risks related to non-compliance. Consider adding a clause that explicitly states the obligation of the Service Provider to obtain all necessary certifications, licenses, and consents in a timely manner to ensure smooth performance of the agreement."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Suppliers must immediately notify <client> (security.response@<client security email address>.com / privacy@<client security email address>.com) if they know, discover or reasonably believe that there has been a Data Security Breach. In the event of a Data Security Breach, Suppliers will:

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause regarding immediate notification of a Data Security Breach is not present in the provided contract text. It is advisable to include a clear and specific data breach notification clause to ensure compliance with data protection regulations and to establish a clear protocol for incident response. This clause should specify the timeframe for notification, the contact details for reporting, and the responsibilities of the supplier in the event of a data breach. Additionally, maintaining a documented process for each client's unique requirements and contact details for incident response is recommended to ensure preparedness and compliance."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** • immediately investigate, correct, mitigate, remediate and otherwise handle the Data Security

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The term 'immediately investigate, correct, mitigate, remediate and otherwise handle the Data Security' is not present in the provided contract text. As the term is categorized as 'neutral', its absence does not necessitate any changes to the contract. However, it is advisable to ensure that the contract includes comprehensive data security measures and protocols to address potential security incidents. Consider reviewing the contract to ensure that it aligns with industry standards for data security and includes clear responsibilities and timelines for addressing security events. If data security is a priority for the parties involved, it may be beneficial to include a specific clause addressing immediate action in response to data security incidents."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Breach, including without limitation, by identifying Personal Data affected by the Data Security Breach and taking sufficient steps to prevent the continuation and recurrence of the Data Security Breach;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specified term related to data security breach identification and remediation is not present in the contract text. Given the neutral categorization of the term, there is no immediate requirement to modify the contract based on its absence. However, it is advisable to ensure that the contract includes comprehensive data security breach protocols to protect both parties. Consider reviewing the contract for existing data protection clauses and evaluate if they sufficiently address the identification, prevention, and recurrence of data breaches. If not, it may be beneficial to incorporate a clause that explicitly outlines these responsibilities to enhance data security measures."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** • provide information and assistance needed to enable <client> to evaluate the Data Security Breach and, as applicable, provide timely notices disclosing a Data Security Breach and comply with any obligations to provide information on the Data Security Breach to relevant regulators; and

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause regarding the provision of information and assistance for evaluating a Data Security Breach and timely notification is not present in the provided contract text. It is recommended to review the contract to ensure that such obligations are clearly defined and agreed upon, especially given the importance of data security and regulatory compliance. If these obligations are intended to be part of the agreement, consider drafting a specific clause that distinctly addresses client assistance for validation and timely notification requirements, ensuring clarity and mutual understanding between the parties."*

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### CW1958264\_-\_Verterim\_-\_Master\_IT\_Agmt\_-\_FINAL\_Fully\_Executed\_03092020.pdf

**Key Sections:** 2.2 Payment Terms, 8.2 Termination, 8. TERM; TERMINATION

**Clause Status:** Acceptable *(Absent)*

**Clause Text:** This Agreement and any disputes arising out of or relating to this Agreement will be governed by, construed and interpreted in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to any choice of law principle that would require the application of the law of another jurisdiction. The Parties expressly reject any application to this Agreement of (a) the United Nations Convention on Contracts for the International Sale of Goods; and (b) the 1974 Convention on the Limitation Period in the International Sale of Goods, as amended by that certain Protocol, done at Vienna on April 11, 1980.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The governing law clause specifying Massachusetts as the jurisdiction is not present in the contract. It is recommended to negotiate the inclusion of a clause that specifies the Commonwealth of Massachusetts as the governing law, as this would be beneficial to Verterim. Additionally, ensure that the contract explicitly rejects the application of the United Nations Convention on Contracts for the International Sale of Goods and the 1974 Convention on the Limitation Period in the International Sale of Goods, as these provisions are also absent. Engage with senior management to approve any deviations from these preferences."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** This Agreement will remain in full force and effect until

**Document Location:** 8. TERM; TERMINATION

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause defining the term of the agreement is present and acceptable. It clearly outlines the duration of the contract and conditions for its termination. It is recommended to implement an aging function that alerts the parties when the contract is within six months of expiration. This will allow for timely decisions regarding termination or renewal. Additionally, establishing a workflow for both actions—termination and renewal—will ensure smooth contract management and prevent lapses in agreement coverage."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** With <client's> prior written consent, Service Provider may subcontract the performance of specific obligations of Service Provider under a Statement of Work to a qualified Affiliate of Service Provider or to a qualified non-Affiliate third party including, but not limited to, consultants; provided, that (a) such Affiliate or third party performs those Services in a manner consistent with the terms and conditions of this Agreement; (b) Service Provider notifies <client> of the specific Services to be performed by the subcontractor and (c) Service Provider remains liable for the performance of such Affiliate or third party.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The contract does not contain the specified subcontracting clause. It is recommended to include a clause that permits the service provider to subcontract with prior written consent from the client, ensuring that the subcontractor performs services consistent with the agreement's terms and that the service provider remains liable for the subcontractor's performance. Additionally, a workflow or alert system for notifying the client about subcontracting should be established."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** Any Service Provider Personnel (as defined in Section 3.4) identified in a Statement of Work as “Key Service Provider Personnel” will remain assigned to perform Services covered by the applicable Statement of Work as long as such individuals remain employed by or under contract with Service Provider, unless (a) an individual is unavailable for reasons of disability, illness or promotion; or (b) <client> has requested the replacement of any individual who is not performing to <client>’s reasonable satisfaction. Service Provider will cooperate with <client> in periodically reviewing the performance of the Key Service Provider Personnel and will promptly remedy any concerns to <client>’s reasonable satisfaction. Service Provider will promptly select a qualified replacement should any Key Service Provider Personnel resign or become otherwise unavailable as specified above or if <client> requests the replacement of any such Key Service Provider Personnel. <client> will have the right to approve any such replacement, which approval will not be unreasonably withheld.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The specified term regarding the assignment and replacement of Key Service Provider Personnel is not present in the contract text. It is recommended to include a clause that addresses the assignment and replacement of key personnel to ensure clarity and compliance with service expectations. This clause should specify the conditions under which personnel can be replaced, the process for client approval of replacements, and any associated costs. Additionally, ensure that the client is notified and has the opportunity to approve any new resource to maintain compliance and satisfaction."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Service Provider may terminate this Agreement or any Statement of Work if <client> fails to cure a material breach of this Agreement or of a Statement of Work within thirty (30) days after receiving written notice from Service Provider of such breach.

**Document Location:** 8.2 Termination

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause is present and categorized as acceptable. It provides a clear mechanism for termination in the event of a material breach, which is beneficial for ensuring compliance and accountability. It is recommended to ensure that the triggers for a material breach are clearly defined and communicated to prevent disputes. Additionally, implementing a system to alert when a client is late on payments or has defaulted, as well as ensuring timely review and approval of work products, could further strengthen contract management and compliance."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Provided that Supplier has provided to <client> (i) the Services and/or Deliverables in accordance with this Agreement (including, the applicable Statement of Work) and (ii) all the information required by Section 14, <client> shall pay all undisputed Fees on an invoice within thirty (30) days of receipt of the invoice. The obligations set forth in this Section 3 are in addition to Supplier’s other obligations with respect to Fees and is not meant limit any other restrictions on the Fees that Supplier may charge <client> set forth in this Agreement. Payment for the Services and/or Deliverables shall not constitute Customer’s approval or acceptance of such Services and/or Deliverables.

**Document Location:** 2.2 Payment Terms

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The payment terms clause is acceptable as it aligns with the standard 30-day payment period. Ensure that these payment terms are highlighted for internal tracking, especially for any deviations exceeding 30 days. Additionally, communicate this payment information to the Accounts Receivable department to facilitate timely processing and tracking of payments."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** Service Provider agrees that pricing for any particular type of Services is firm for the period of twenty four (24) months from the date on which a Statement of Work is agreed to by the Parties and following such 24-month period, prices for similar Services (whether or not performed pursuant to the same Statement of Work) may be increased in any calendar year no more than the lesser of (a) the change in the Consumer Price Index (CPI), published by the United States Bureau of Labor Statistics from the previous calendar year and (b) three percent (5%).

**Document Location:** 2.4 Fee Increases

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"Given the presence of the clause that restricts fee adjustments to the lesser of 3% or the change in CPI, it is advisable to renegotiate this clause to allow for more flexibility in pricing adjustments. This could include provisions for renegotiation or explicit approval from senior management, particularly if there are strategic reasons to secure rates for a long-term contract. Consideration should be given to scenarios where the market conditions change significantly, or where there is a commitment for licensed use of Verterim software, which may justify holding consulting rates constant during the same period."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** If at any time Supplier fails to obtain insurance (or provide proof of insurance) in accordance with this Agreement, or as otherwise required by Customer, Customer may obtain the coverage specified in this Agreement and charge all associated premiums and costs to Supplier. Supplier will reimburse Customer the cost thereof within fifteen (15) days of receipt of an invoice therefor from Customer.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specified clause regarding insurance obligations and cost reimbursement by the Supplier is not present in the provided contract text. As such, there are no immediate concerns regarding this clause. However, it is advisable to ensure that all insurance requirements and related obligations are clearly defined and agreed upon in the contract to avoid potential disputes. If there are specific insurance terms that need to be included or revised, consider renegotiating with explicit approval from senior management to ensure compliance and mutual understanding."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** In the event that any Services do not meet the specifications or other performance criteria agreed to by Service Provider and <client> in writing, then Service Provider will, at <client>’s option, promptly (a) re-perform such Services at Service Provider’s cost; or (b) refund to <client> all amounts paid by <client> to Service Provider in connection with such Services. The provisions of this Section 7.5 are not exclusive, and <client> may seek any other right or remedy that it may have under this Agreement or otherwise.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific term outlined in the prompt is not present in the provided contract text. Therefore, the contract can be categorized as 'acceptable' in this context. It is recommended to ensure that all service delivery teams are aware of the contractual obligations and performance criteria outlined in the Statements of Work (SOWs) to prevent any potential disputes. Regular audits and reviews of the SOWs against actual service delivery can help maintain compliance and accountability."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Failure to Cure. If Supplier fails to make such changes or, notwithstanding such changes, the Services or Deliverables still contain deficiencies, then Customer may, in its sole discretion and in addition to any other remedies it may have: (i) provide, in writing, additional time for Supplier to make changes; or, (ii) terminate all or part of this Agreement or a Statement of Work pursuant to Section 8 upon written notice to Supplier. Upon Customer’s election to terminate, Customer will have no further obligation to make payments to Supplier and Supplier will refund to Customer all of the Fees paid to Supplier for the non-conforming Services and/or Deliverables.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"Since the specific 'Failure to Cure' clause is not present in the contract, it is categorized as 'acceptable'. However, it is advisable to review the contract for any similar clauses that may impose undue obligations or risks on the supplier, especially concerning time and material work. Ensure that all terms comply with Massachusetts law regarding payment for time and material work. If any similar clauses are found, consider negotiating terms that align with legal requirements and industry standards."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Minor Deficiency Correction. Notwithstanding Acceptance of any Services and/or Deliverables, Supplier, at no additional charge to Customer, will correct or develop a work around for any minor deficiencies identified by Customer. Supplier will correct or develop a work around for each minor deficiency within thirty (30) days after Customer provides notice to Supplier of the minor deficiency.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause regarding 'Minor Deficiency Correction' is not present in the provided contract text. Given that the term is categorized as 'unacceptable' due to its potential to impose undue costs on Verterim for platform limitations, the absence of this clause is beneficial to Verterim. It is recommended to ensure that any future contracts explicitly address platform limitations to protect Verterim from incurring additional costs. Additionally, reviewing the contract for any similar clauses that might impose unexpected costs is advisable."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** the Fees payable by <client> hereunder are as low or lower than amounts charged by Supplier to any other customer purchasing the same type and quantity of services and/or deliverables provided by Supplier hereunder;

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause stating that the fees payable by the client are as low or lower than amounts charged by the supplier to any other customer is not present in the provided contract text. Therefore, the contract does not currently impose a most-favored-customer pricing obligation on the supplier. It is advisable to maintain vigilance for such clauses in future agreements, as they can limit pricing flexibility and potentially conflict with other contractual terms, such as those governing price increases. If such a clause is introduced or identified in future negotiations, it should be carefully evaluated and potentially renegotiated to ensure it aligns with the overall pricing strategy and contractual obligations."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** To the extent any Supplier Existing IP is included in, or is otherwise necessary for the use of, the Work Product, Supplier hereby grants to Customer and each of its Affiliates a perpetual, irrevocable, transferable, non-exclusive, royalty-free, fully paid up, world-wide license to (a) use, reproduce, distribute, display, prepare derivative works, modify and develop the Work Product, and (b) make, have made, import, and sell and offer to sell and otherwise distribute or exploit the Supplier-Existing IP and/or Third Party IP, as applicable, to the extent either is embodied in any Work Product, or necessary to use any portion(s) of any Work Product, in each case without any accounting or additional consideration to Supplier or any third party. Supplier shall not include any Supplier Existing IP in any Work Product without the express prior written consent of Customer, which prior written consent may be given by Customer in a Statement of Work. For the avoidance of doubt, Supplier Existing IP alone shall not be deemed Work Product; however, any derivative works of Supplier Existing IP that are contained in and/or comprise the Work Product shall be deemed part of the Work Product and owned solely and exclusively by Customer.

**Document Location:** OWNERSHIP; INTELLECTUAL PROPERTY

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The clause is categorized as 'unacceptable' due to the restrictive nature requiring express written consent from the customer before using Supplier Existing IP in the Work Product. It is recommended to renegotiate this clause to allow for the use of Supplier Existing IP without needing prior consent, thereby leveraging existing IP in the delivery of services. This would streamline the process and avoid the need for explicit agreement for each project, aligning with the notes provided. Consider proposing an amendment to the contract that includes a general consent for the use of Supplier Existing IP in service delivery."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** • reimburse <client> for the reasonable expenses that <client> may incur as a result of such Data Breach caused by their acts or omissions or those of any of their authorized subcontractors, including but not limited to, the expenses incurred in investigating the Data Security Breach and notifying affected individuals, and providing these individuals with the support necessary under the circumstances, such as credit monitoring.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"Since the specific clause regarding reimbursement for data breach expenses caused by acts or omissions is not present in the contract, it is categorized as acceptable. However, it is advisable to consider including a clause that addresses data breach liabilities and reimbursement obligations to ensure clarity and protection for both parties. Additionally, it would be prudent to inform the Service Delivery team about potential liabilities and incorporate this into Security Awareness Training for all employees and contractors to mitigate risks associated with data breaches."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Rejection and Cure. If Customer determines that any portion of the Services or Deliverables fails to meet the Acceptance Criteria, Customer will notify Supplier in writing with a description of deficiencies. Without limiting Customer’s other remedies, in such event, Supplier will, at no additional charge to Customer, make any necessary changes to the Services or Deliverables to correct any deficiencies. Supplier will resubmit the corrected Services or Deliverables within the timeframe requested by Customer or if no timeframe is requested, within fifteen (15) days after Customer notifies Supplier of the deficiencies of the Services or Deliverables. The Acceptance process in this Section 5(a) will apply to any resubmitted Services, including a new Acceptance Period.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific 'Rejection and Cure' clause as described is not present in the provided contract text. Therefore, the contract is categorized as 'acceptable' in this context. However, it is advisable to ensure that any similar clauses in the contract are reviewed for clarity on the review period and cure timeframe to ensure they align with the parties' expectations and capabilities. If the clause is critical to the agreement, consider negotiating its inclusion with clear terms that both parties can agree to."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will send all invoices, which will reference this Agreement and the relevant Purchase Order (PO) number, to the attention of “Accounts Payable” at the following address:

**Document Location:** 2.5 Invoices

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause adequately specifies the invoicing process, including the requirement for the Purchase Order number and line item to be included, which aligns with the term's intent. However, it would be prudent to ensure that there is a system in place for notifying Accounts Receivable to verify that all invoices contain the appropriate references and are sent to the correct address. This can help prevent any discrepancies or delays in processing payments."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Service Provider will maintain all materials, data and documentation obtained or generated by Service Provider in the course of preparing for and providing Services, including computerized records and files (collectively, the “Records”) in a secure area reasonably protected from fire, theft and destruction, and <client> shall have reasonable access to such Records and the right to obtain photocopies of such Records. All Records will be the property of <client>. Service Provider will not transfer, deliver or otherwise provide any Records to any party other than <client> or its Affiliates, without the prior written approval of <client>.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specified clause regarding the secure storage and protection of client data is not present in the provided contract text. It is recommended to review the contract to ensure that data protection obligations are adequately addressed, particularly given the importance of data security and client access rights. Consider incorporating a clause that explicitly outlines the responsibilities of the Service Provider in maintaining and securing client data, as well as detailing the client's rights to access and obtain copies of such data. This will help mitigate potential risks associated with data breaches and ensure compliance with data protection standards."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** All Records will be retained by Service Provider for a minimum period of two (2) years following completion of the applicable Statement of Work, or longer if required by applicable law or regulation. Service Provider will, at the direction and written request of <client>, promptly deliver Records to <client> or its designee, or dispose of the Records, unless the Records are required to be retained by Service Provider by applicable law or regulation or for insurance purposes. In no event will Service Provider dispose of any Records without first giving <client> sixty (60) days’ prior written notice of its intent to do so.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"Since the specific clause regarding record retention and destruction is not present in the provided contract text, it is recommended to review the contract for any similar clauses that might address data retention and destruction policies. If such a clause is necessary for compliance or operational purposes, consider negotiating its inclusion in the contract. Additionally, ensure that there is a mechanism to track data retention periods and alert when data can be destroyed, as suggested in the notes."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will carry, with financially sound and reputable insurers, insurance coverage (including worker’s compensation at or above the applicable statutory limits, comprehensive liability and professional liability/errors and omissions coverage) with respect to the conduct of its business against loss from such risks and in such amounts as is customary for well-insured companies engaged in similar businesses and sufficient to support its obligations under this Agreement. Upon the request of <client>, Service Provider will provide <client> with a Certificate of Insurance evidencing such coverage and providing that thirty (30) days advance written notice will be given to <client> of any material change or cancellation in coverage or limits.

**Document Location:** 7. INSURANCE

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is categorized as neutral, indicating it is standard and neither particularly beneficial nor harmful. It is advisable to ensure that there is a process in place for requesting and providing Certificates of Insurance (COI) as stipulated. Additionally, maintaining a profile of existing insurance coverages to compare with client requirements is recommended. If discrepancies arise where the client's requirements exceed current coverages, initiate a redline and renegotiate the terms. Establishing a workflow or alert system for these processes would enhance compliance and operational efficiency."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Supplier agrees to maintain the following minimum limits of insurance with respect to, but not limited to, the coverages required hereunder:

**Document Location:** 7. INSURANCE

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause mandates that Verterim, Inc. maintains specific insurance coverages and provides certificates of insurance to Hershey. It is advisable to review Exhibit B to ensure compliance with the specified insurance requirements. If the requirements are not met, consider renegotiating or redlining the contract to align with Verterim's capabilities. Additionally, ensure that any subcontractors engaged by Verterim also comply with these insurance requirements."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** In the event of a breach of this Agreement by Service Provider which cannot be cured (e.g., breach of confidentiality obligations under Section 6), <client> may terminate this Agreement or any Statement of Work with immediate effect, at any time upon written notice to Service Provider. Further, <client>a may terminate this Agreement or a Statement of Work at any time upon thirty (30) days’ prior written notice to Service Provider.

**Document Location:** Termination

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause allows for termination upon written notice, which is standard. However, to enhance clarity and ensure enforceability, it is advisable to implement a system to acknowledge receipt of termination notices, such as a confirmation checkbox for emails or a receipt acknowledgment for mailed notices. This would ensure both parties are aware of the termination and prevent any disputes regarding notice delivery."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will perform all Services in accordance with the applicable Statement of Work, (b) with requisite care, skill and diligence and (c) in accordance with all applicable laws, rules, regulations, orders and industry standards. If specified in a Statement of Work, Services will be rendered in accordance with

**Document Location:** 5.1

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is present and categorized as neutral. It aligns with standard contractual language regarding the performance of services with requisite care, skill, and diligence. However, the clause could be enhanced by specifying any particular frameworks or processes that the service provider should adhere to, thereby reducing ambiguity and ensuring alignment with industry standards. Consider reviewing any Statements of Work (SOW) attached to the agreement for further specifications that might align with this clause."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Without limiting any existing confidentiality obligations between the Parties as of the Effective Date, this Agreement, together with the attached Appendix A and any fully-signed Statements of Work, each of which are incorporated into this Agreement by reference, constitute the entire agreement between the Parties with respect to the specific subject matter of this Agreement, and all prior agreements, oral or written, with respect to such subject matter are superseded. If there is any conflict, discrepancy or inconsistency between the terms contained in the body of this Agreement and any Statement of Work, the terms set forth in the body of this Agreement will govern, control, and take precedence. No provision included in any purchase order, quotation, invoice or other communication between the Parties that is different than, in conflict with or in addition to any provision of this Agreement (including any Statement of Work) shall have any force or effect and each Party hereby gives notice of its objection to any such proposed additional, different or conflicting provision.

**Document Location:** ENTIRE AGREEMENT; PRIORITY

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral and sets a clear precedence order for conflicting terms, which is beneficial for clarity. However, it is recommended to ensure that all referenced documents, such as Appendix A, are reviewed to confirm they align with the main agreement and do not introduce conflicting terms. Additionally, ensure that all parties are aware of the precedence order to avoid potential disputes."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** All invoices submitted by Supplier must identify the Purchase Order number of the Purchase Order under which <client> authorized the applicable Fees. If the Statement of Work expressly states that the Fees will be calculated on a time and materials basis, the invoice must also set forth the following information: (i) the names of Supplier’s Personnel who performed work under the Statement of Work; (ii) documentation of the expenses of each of its Personnel, with receipts; (iii) for each of its Personnel, the number of hours worked (which for the avoidance of doubt, excludes time for lunch) and a description of the work performed; (iv) the hourly rate of each individual; and (v) any other information reasonably requested by <client> or as may be requested in the Purchase Order. <client> shall be responsible for the payment of all taxes in connection with this Agreement that are legally required to be paid by <client>, and not for any taxes based on Supplier’s income or taxes that are not legally required to be paid by <client>. If <client> is required to withhold taxes from any payments due to Supplier, then <client> will forward any withholding receipts to Supplier at [address/email address]. <client> shall be entitled to return incomplete invoices unpaid.

**Document Location:** PAYMENT FOR SERVICES AND EXPENSES

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding invoicing requirements is present and aligns with the standard practices for time and materials invoicing. It is recommended to ensure that all invoicing processes are aligned with these requirements to avoid any disputes or delays in payment. Additionally, a workflow should be established to ensure that all invoices are processed in accordance with the agreed terms. It is also advisable to maintain clear communication with the Accounts Receivable department to ensure compliance with these invoicing standards."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** If <client> wishes to dispute any of the Fees invoiced by Supplier, no later than thirty (30) days from receipt of the invoice in question, <client> shall notify Supplier of the amount in dispute and the basis of such dispute. Upon receipt of notice from <client>, Supplier shall work with <client> in good faith to promptly resolve the dispute on Fees. With respect to disputed Fees, <client> shall pay the resolved amount within thirty (30) days following mutual written resolution of the dispute by the Parties. <client> shall not be in default of its obligation to pay the invoice while the dispute remains unresolved.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The contract does not contain the specific clause regarding the dispute of fees within thirty days and the subsequent payment terms reset. It is recommended to consider including such a clause to clearly outline the process for disputing fees and the implications on payment terms. This would ensure both parties have a mutual understanding of the procedure and timelines involved in resolving fee disputes. Additionally, it would be prudent to ensure that any clause added aligns with the overall payment terms and dispute resolution mechanisms already present in the contract."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Acceptance Testing. Customer has the right to inspect, review, test and otherwise evaluate the Services or Deliverables after delivery for compliance with the applicable Acceptance Criteria. Such inspection and testing will be performed within the Acceptance Period in order to identify and resolve all errors, defects, and nonconformities with the Services or Deliverables. Upon completion of such evaluation, Customer will issue to Supplier a notice of Acceptance or rejection of the Services or Deliverables. Customer’s failure to reject the Services and/or Deliverables within the Acceptance Period will constitute Customer’s rejection of the applicable Services and/or Deliverables. The Acceptance Criteria and the Acceptance Period may be defined within each Statement of Work. In the event no Acceptance Criteria and/or Acceptance Period is defined in the Statement of Work, this MSA shall prevail.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The contract does not contain the specific Acceptance Testing clause as described. It is recommended to review the Statements of Work (SOW) associated with this Master Agreement to ensure that Acceptance Criteria and Acceptance Periods are clearly defined. If these elements are not specified in the SOWs, consider amending the Master Agreement to include a default Acceptance Period and detailed Acceptance Criteria to avoid potential disputes regarding the acceptance of deliverables. Additionally, ensure that any performance metrics or review period timeframes are explicitly stated to provide clarity and enforceability."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** it shall comply with all descriptions and specifications set forth in each Statement of Work (including performance capabilities, accuracy, completeness, uniformity, characteristics, configurations, standards, functions and requirements) and will use individuals with suitable training, education, experience, and skill to fulfill its obligations under a Statement of Work;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The term in question, which places responsibility on Verterim for skill and diligence in work product/resources, is not explicitly found in the provided contract text. However, the contract does contain clauses that generally address the performance standards and obligations of the Provider, such as in Section 5.1(a), which requires the Provider to perform services in a professional manner by qualified personnel. Given the neutral categorization of the term, no immediate changes are necessary. It is recommended to ensure that all Statements of Work (SOWs) attached to this Master Agreement explicitly detail the performance capabilities, accuracy, completeness, and other specifications required of the Provider. Additionally, ensure that personnel qualifications are clearly defined in each SOW to avoid potential ambiguities."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** it has the skills, qualifications and experience necessary to perform its obligations under this Agreement and Supplier shall devote all the necessary time and attention for the proper performance of its obligations set out in a Statement of Work;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The term in question, which places responsibility on Verterim for skill and diligence, is not explicitly present in the contract text provided. However, similar obligations may be implied under the general representations and warranties section, specifically Section 5.1(a), which requires the Provider to perform services in a professional manner by qualified and experienced personnel. It is recommended to ensure that this section adequately covers the intended responsibilities and to consider explicitly including the term if further clarity or emphasis on the Supplier's obligations is desired."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** it shall comply with all Applicable Law in the performance of its obligations under this Agreement (including, but not limited to, all applicable anti-corruption and discrimination in employment laws, rules, regulations, legislation or conventions and in connection with its sole obligation to withhold and report taxes on payments made to its Personnel, and make payments into pension schemes, social security plans, or similar arrangements for the benefit of its employees);

**Document Location:** COMPLIANCE

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding compliance with applicable laws, including anti-corruption and discrimination laws, is present and aligns with standard contractual obligations. It is recommended to ensure that the clause is comprehensive and explicitly includes all relevant legal obligations. Additionally, regular reviews of compliance policies should be conducted to ensure adherence to evolving legal standards."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** it has obtained, or will obtain, any and all permits, licenses and/or governmental or third party consents, approvals or assignments in a timely manner which are required in connection with the performance of this Agreement by Supplier or in order to enable Supplier to provide and Customer to use any Services and/or Deliverables performed or delivered, as the case may be, under this Agreement;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding obtaining necessary permits, licenses, and consents is not explicitly present in the contract text provided. However, this is a common and important clause that should be included to ensure compliance with legal and regulatory requirements. It is recommended to review the contract and consider adding a clause that explicitly requires the Supplier to obtain all necessary permits, licenses, and consents in a timely manner. This will help mitigate risks associated with non-compliance and ensure the smooth execution of the agreement."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Suppliers must immediately notify <client> (security.response@<client security email address>.com / privacy@<client security email address>.com) if they know, discover or reasonably believe that there has been a Data Security Breach. In the event of a Data Security Breach, Suppliers will:

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specified term regarding immediate notification of a Data Security Breach is not present in the contract text. It is advisable to include a clause that outlines the notification process and contact details for security events. This will ensure clarity and preparedness in the event of a data security breach. Consider drafting a clause that specifies the notification timeline, responsible parties, and contact information, and ensure it aligns with industry standards and legal requirements for data breach notifications."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** • immediately investigate, correct, mitigate, remediate and otherwise handle the Data Security

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specified term related to data security is not present in the contract text. As the term is categorized as 'neutral', its absence does not affect the acceptability of the contract. However, it is advisable to ensure that the contract includes comprehensive data security provisions to address potential risks and obligations related to data protection. Consider reviewing the contract for any existing data security clauses and assess whether they sufficiently cover the necessary actions such as investigation, correction, mitigation, and remediation of data security incidents. If not, it may be beneficial to negotiate the inclusion of such a clause to enhance the contract's robustness in handling data security events."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Breach, including without limitation, by identifying Personal Data affected by the Data Security Breach and taking sufficient steps to prevent the continuation and recurrence of the Data Security Breach;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"Since the term is categorized as 'neutral' and is not present in the contract, there are no immediate concerns regarding its absence. However, it is advisable to ensure that the contract includes comprehensive data security breach clauses that address the identification of affected personal data and measures to prevent recurrence. This will enhance the contract's robustness in handling data security incidents."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** • provide information and assistance needed to enable <client> to evaluate the Data Security Breach and, as applicable, provide timely notices disclosing a Data Security Breach and comply with any obligations to provide information on the Data Security Breach to relevant regulators; and

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause requiring Verterim to provide assistance to the client to validate the Data Security Breach and to provide timely notices is not explicitly present in the provided contract text. It is recommended to ensure that such a clause is included to clearly delineate responsibilities regarding data security breaches. This could involve drafting a separate section or subsection addressing data breach response obligations, including client assistance for validation and timely notification to regulators. This will enhance clarity and compliance with data protection laws."*

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### Hanover\_MSA\_-\_Fully\_executed\_01162019.pdf

**Key Sections:** TERM AND TERMINATION, Section 3: Payments and Expenses, GOVERNING LAW

**Clause Status:** Acceptable *(Present)*

**Clause Text:** This Agreement and any disputes arising out of or relating to this Agreement will be governed by, construed and interpreted in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to any choice of law principle that would require the application of the law of another jurisdiction. The Parties expressly reject any application to this Agreement of (a) the United Nations Convention on Contracts for the International Sale of Goods; and (b) the 1974 Convention on the Limitation Period in the International Sale of Goods, as amended by that certain Protocol, done at Vienna on April 11, 1980.

**Document Location:** GOVERNING LAW

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The governing law clause is beneficial as it specifies the Commonwealth of Massachusetts, which aligns with the interests of Verterim. The clause also rejects the application of the United Nations Convention on Contracts for the International Sale of Goods and the 1974 Convention on the Limitation Period in the International Sale of Goods. This is consistent with the provided term and is considered beneficial. No further action is required unless there are specific concerns about the rejection of international conventions, which should be reviewed by senior management if necessary."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** This Agreement will remain in full force and effect until

**Document Location:** TERM AND TERMINATION

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The term is present and categorized as acceptable. It is advisable to implement an aging function that alerts when contracts are within 6 months from expiring. This will allow the parties to either terminate the contract if it is no longer active or work on renewing it. Establishing a workflow for both actions will ensure a smooth transition and prevent any lapse in contractual obligations."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** With <client's> prior written consent, Service Provider may subcontract the performance of specific obligations of Service Provider under a Statement of Work to a qualified Affiliate of Service Provider or to a qualified non-Affiliate third party including, but not limited to, consultants; provided, that (a) such Affiliate or third party performs those Services in a manner consistent with the terms and conditions of this Agreement; (b) Service Provider notifies <client> of the specific Services to be performed by the subcontractor and (c) Service Provider remains liable for the performance of such Affiliate or third party.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The contract does not contain the specific subcontracting clause as described in the prompt. It is recommended to include a clause that explicitly allows the Service Provider to subcontract with the client's prior written consent, ensuring that the subcontractor adheres to the terms of the agreement, and that the Service Provider remains liable for the subcontractor's performance. Additionally, a workflow or alert system should be established to ensure timely notification to the client regarding the use of subcontractors."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** Any Service Provider Personnel (as defined in Section 3.4) identified in a Statement of Work as “Key Service Provider Personnel” will remain assigned to perform Services covered by the applicable Statement of Work as long as such individuals remain employed by or under contract with Service Provider, unless (a) an individual is unavailable for reasons of disability, illness or promotion; or (b) <client> has requested the replacement of any individual who is not performing to <client>’s reasonable satisfaction. Service Provider will cooperate with <client> in periodically reviewing the performance of the Key Service Provider Personnel and will promptly remedy any concerns to <client>’s reasonable satisfaction. Service Provider will promptly select a qualified replacement should any Key Service Provider Personnel resign or become otherwise unavailable as specified above or if <client> requests the replacement of any such Key Service Provider Personnel. <client> will have the right to approve any such replacement, which approval will not be unreasonably withheld.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The specified term regarding 'Key Service Provider Personnel' is not present in the provided contract text. It is recommended to review the contract to ensure that all necessary clauses are included to address the management and replacement of key personnel. If this clause is deemed important for the agreement, consider drafting and incorporating a similar clause to ensure clarity on personnel assignments and replacements. Additionally, ensure that the client has the right to approve replacements and that any costs associated with onboarding new personnel are clearly defined."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** Service Provider may terminate this Agreement or any Statement of Work if <client> fails to cure a material breach of this Agreement or of a Statement of Work within thirty (30) days after receiving written notice from Service Provider of such breach.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The specific termination clause allowing the Service Provider to terminate the Agreement or any Statement of Work if the client fails to cure a material breach within thirty (30) days after receiving written notice is not present in the contract text. It is recommended to include such a clause to protect the Service Provider's interests by providing a clear mechanism for addressing material breaches by the client. Additionally, consider implementing a system to alert when a client is late on payments or has defaulted, as well as ensuring timely review and approval of work products within defined timeframes."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Provided that Supplier has provided to <client> (i) the Services and/or Deliverables in accordance with this Agreement (including, the applicable Statement of Work) and (ii) all the information required by Section 14, <client> shall pay all undisputed Fees on an invoice within thirty (30) days of receipt of the invoice. The obligations set forth in this Section 3 are in addition to Supplier’s other obligations with respect to Fees and is not meant limit any other restrictions on the Fees that Supplier may charge <client> set forth in this Agreement. Payment for the Services and/or Deliverables shall not constitute Customer’s approval or acceptance of such Services and/or Deliverables.

**Document Location:** Section 3: Payments and Expenses

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The payment term of 30 days is consistent with standard industry practices and is beneficial for maintaining cash flow. It is recommended to ensure that this payment term is clearly communicated to the Accounts Receivable department to facilitate timely processing. Additionally, consider implementing a tracking system to highlight any payment terms that exceed 30 days to ensure compliance and avoid potential disputes."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Service Provider agrees that pricing for any particular type of Services is firm for the period of twenty four (24) months from the date on which a Statement of Work is agreed to by the Parties and following such 24-month period, prices for similar Services (whether or not performed pursuant to the same Statement of Work) may be increased in any calendar year no more than the lesser of (a) the change in the Consumer Price Index (CPI), published by the United States Bureau of Labor Statistics from the previous calendar year and (b) three percent (5%).

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The clause in question is not present in the provided contract text. Therefore, the contract is categorized as 'acceptable' in this context. If the clause were to be considered for inclusion, it is recommended to require renegotiation or explicit approval from Senior Management, especially if there are strategic reasons to secure rates for a long-term contract. For example, if there is a commitment for licensed use of Verterim software during this period, it might be beneficial to agree to hold consulting rates constant. This approach would mitigate the potential negative impact of holding prices firm for 24 months without the ability to adjust for market conditions."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** If at any time Supplier fails to obtain insurance (or provide proof of insurance) in accordance with this Agreement, or as otherwise required by Customer, Customer may obtain the coverage specified in this Agreement and charge all associated premiums and costs to Supplier. Supplier will reimburse Customer the cost thereof within fifteen (15) days of receipt of an invoice therefor from Customer.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specified clause regarding insurance obligations and cost reimbursement is not present in the provided contract text. As such, the contract does not contain the potentially harmful provision that would allow the customer to obtain insurance and charge the supplier if the supplier fails to meet the insurance requirements. Therefore, no immediate action is required concerning this clause. However, it is advisable to review the contract comprehensively to ensure all insurance obligations are clearly defined and agreed upon by both parties. If similar clauses are found elsewhere, consider renegotiating or obtaining explicit approval from Senior Management to ensure alignment with the supplier's risk management strategy."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** In the event that any Services do not meet the specifications or other performance criteria agreed to by Service Provider and <client> in writing, then Service Provider will, at <client>’s option, promptly (a) re-perform such Services at Service Provider’s cost; or (b) refund to <client> all amounts paid by <client> to Service Provider in connection with such Services. The provisions of this Section 7.5 are not exclusive, and <client> may seek any other right or remedy that it may have under this Agreement or otherwise.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause described in the prompt is not present in the provided contract text. Therefore, the contract can be categorized as 'acceptable' in this context. However, it is recommended that Verterim's Service Delivery team remains vigilant in reviewing all Statements of Work (SOW) to ensure compliance with performance criteria and to be aware of any similar clauses that may appear in future agreements. This proactive approach will help mitigate potential risks associated with non-conforming services."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Failure to Cure. If Supplier fails to make such changes or, notwithstanding such changes, the Services or Deliverables still contain deficiencies, then Customer may, in its sole discretion and in addition to any other remedies it may have: (i) provide, in writing, additional time for Supplier to make changes; or, (ii) terminate all or part of this Agreement or a Statement of Work pursuant to Section 8 upon written notice to Supplier. Upon Customer’s election to terminate, Customer will have no further obligation to make payments to Supplier and Supplier will refund to Customer all of the Fees paid to Supplier for the non-conforming Services and/or Deliverables.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The clause in question regarding 'Failure to Cure' is not present in the provided contract text. Therefore, the contract is categorized as 'acceptable' with respect to this specific clause. No further action is required regarding this clause. However, it is advisable to ensure that all clauses in the contract comply with applicable laws, particularly those concerning payment obligations for Time and Material work in the Commonwealth of Massachusetts, to avoid any potential legal disputes."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Minor Deficiency Correction. Notwithstanding Acceptance of any Services and/or Deliverables, Supplier, at no additional charge to Customer, will correct or develop a work around for any minor deficiencies identified by Customer. Supplier will correct or develop a work around for each minor deficiency within thirty (30) days after Customer provides notice to Supplier of the minor deficiency.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The clause regarding 'Minor Deficiency Correction' is not present in the provided contract text. Therefore, the contract can be categorized as 'acceptable' in this regard. However, it is recommended that Verterim includes language in future contracts to address platform limitations explicitly. This would ensure that any workarounds required due to platform limitations are not automatically at Verterim's cost, thereby protecting the company from unforeseen expenses. Additionally, reviewing the contract for any other potentially harmful clauses and ensuring compliance with all relevant legal standards is advisable."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** the Fees payable by <client> hereunder are as low or lower than amounts charged by Supplier to any other customer purchasing the same type and quantity of services and/or deliverables provided by Supplier hereunder;

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause stating that the fees payable by the client are as low or lower than amounts charged by the supplier to any other customer is not present in the provided contract text. Therefore, there is no immediate risk of the client being charged the lowest fee across all engagements. However, it is advisable to review the contract for any related clauses that may indirectly impose similar obligations or restrictions, such as price increase limitations. If such clauses are found, they should be assessed for potential conflicts or risks. It is also recommended to ensure that any future negotiations or amendments to the contract explicitly address pricing terms to avoid ambiguities or unfavorable terms."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** To the extent any Supplier Existing IP is included in, or is otherwise necessary for the use of, the Work Product, Supplier hereby grants to Customer and each of its Affiliates a perpetual, irrevocable, transferable, non-exclusive, royalty-free, fully paid up, world-wide license to (a) use, reproduce, distribute, display, prepare derivative works, modify and develop the Work Product, and (b) make, have made, import, and sell and offer to sell and otherwise distribute or exploit the Supplier-Existing IP and/or Third Party IP, as applicable, to the extent either is embodied in any Work Product, or necessary to use any portion(s) of any Work Product, in each case without any accounting or additional consideration to Supplier or any third party. Supplier shall not include any Supplier Existing IP in any Work Product without the express prior written consent of Customer, which prior written consent may be given by Customer in a Statement of Work. For the avoidance of doubt, Supplier Existing IP alone shall not be deemed Work Product; however, any derivative works of Supplier Existing IP that are contained in and/or comprise the Work Product shall be deemed part of the Work Product and owned solely and exclusively by Customer.

**Document Location:** PROPERTY RIGHTS AND WORK PRODUCT

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The clause is deemed unacceptable as it requires Verterim to obtain express written consent from the client to use its existing IP in the delivery of services. It is recommended to revise the clause to include a provision that allows Verterim to leverage its existing IP without seeking explicit consent, thereby streamlining the service delivery process and reducing administrative burdens. This could involve negotiating a mutual understanding with the client that the use of existing IP is inherent in the agreement to work with Verterim."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** • reimburse <client> for the reasonable expenses that <client> may incur as a result of such Data Breach caused by their acts or omissions or those of any of their authorized subcontractors, including but not limited to, the expenses incurred in investigating the Data Security Breach and notifying affected individuals, and providing these individuals with the support necessary under the circumstances, such as credit monitoring.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The term regarding reimbursement for reasonable expenses due to a data breach caused by acts or omissions of Verterim or its subcontractors is not present in the contract. Therefore, the contract is categorized as acceptable. However, it is advisable to ensure that any potential liabilities related to data breaches are clearly addressed in the contract. Consider adding a clause that outlines the responsibilities and liabilities of both parties in the event of a data breach, including notification procedures and cost allocations. Additionally, it would be prudent to implement a method to inform Service Delivery of potential liabilities and incorporate this into Security Awareness Training for all employees and contractors."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** Rejection and Cure. If Customer determines that any portion of the Services or Deliverables fails to meet the Acceptance Criteria, Customer will notify Supplier in writing with a description of deficiencies. Without limiting Customer’s other remedies, in such event, Supplier will, at no additional charge to Customer, make any necessary changes to the Services or Deliverables to correct any deficiencies. Supplier will resubmit the corrected Services or Deliverables within the timeframe requested by Customer or if no timeframe is requested, within fifteen (15) days after Customer notifies Supplier of the deficiencies of the Services or Deliverables. The Acceptance process in this Section 5(a) will apply to any resubmitted Services, including a new Acceptance Period.

**Document Location:** Section 5(a) - Acceptance of Services

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The clause is categorized as 'unacceptable' due to the ambiguity and potential burden it places on the Supplier, Verterim, Inc. It is recommended to negotiate a more defined review period and cure timeframe that both parties can agree upon. Consider specifying a maximum timeframe for the Customer to request corrections and a mutually agreeable period for the Supplier to implement those corrections. This will enhance clarity and ensure that the Supplier is not indefinitely bound to an open-ended timeframe."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Service Provider will send all invoices, which will reference this Agreement and the relevant Purchase Order (PO) number, to the attention of “Accounts Payable” at the following address:

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause regarding invoicing to 'Accounts Payable' with reference to the Agreement and Purchase Order (PO) number is not explicitly present in the contract text. It is recommended to include a clear clause specifying the invoicing process, including the address and department to which invoices should be sent, to ensure clarity and prevent any potential disputes. Additionally, consider adding a notification process to Accounts Receivable to verify that all invoices contain the appropriate references and are sent to the correct address."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Service Provider will maintain all materials, data and documentation obtained or generated by Service Provider in the course of preparing for and providing Services, including computerized records and files (collectively, the “Records”) in a secure area reasonably protected from fire, theft and destruction, and <client> shall have reasonable access to such Records and the right to obtain photocopies of such Records. All Records will be the property of <client>. Service Provider will not transfer, deliver or otherwise provide any Records to any party other than <client> or its Affiliates, without the prior written approval of <client>.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The contract does not contain the specific clause regarding the secure storage and protection of client data as described. It is advisable to ensure that such a clause is included to protect the client's interests and ensure compliance with data protection standards. The inclusion of a clause specifying the secure handling of records, client access rights, and restrictions on transferring records to third parties without client approval is a best practice for safeguarding sensitive information. Consider drafting a clause that aligns with these requirements and incorporating it into the agreement."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** All Records will be retained by Service Provider for a minimum period of two (2) years following completion of the applicable Statement of Work, or longer if required by applicable law or regulation. Service Provider will, at the direction and written request of <client>, promptly deliver Records to <client> or its designee, or dispose of the Records, unless the Records are required to be retained by Service Provider by applicable law or regulation or for insurance purposes. In no event will Service Provider dispose of any Records without first giving <client> sixty (60) days’ prior written notice of its intent to do so.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause regarding data retention and destruction notification is not present in the provided contract text. It is recommended to review the contract to ensure that a clear data retention policy is included, especially if it is a standard requirement for the client's contracts. Implementing a data retention flag and alert mechanism as noted would be beneficial for compliance and operational efficiency. If the clause is intended to be part of the agreement, consider adding it to the relevant section to ensure clarity and enforceability."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will carry, with financially sound and reputable insurers, insurance coverage (including worker’s compensation at or above the applicable statutory limits, comprehensive liability and professional liability/errors and omissions coverage) with respect to the conduct of its business against loss from such risks and in such amounts as is customary for well-insured companies engaged in similar businesses and sufficient to support its obligations under this Agreement. Upon the request of <client>, Service Provider will provide <client> with a Certificate of Insurance evidencing such coverage and providing that thirty (30) days advance written notice will be given to <client> of any material change or cancellation in coverage or limits.

**Document Location:** 4. CONDITIONS

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral, indicating that the insurance requirements are standard and customary for the industry. It is recommended to establish a Certificate of Insurance (COI) request process to ensure compliance with the clause. Additionally, maintain a profile of existing insurance policy coverages to compare with client requirements. If discrepancies arise, initiate a redline and renegotiate as necessary. Implement a workflow or alert system to manage these processes efficiently."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Supplier agrees to maintain the following minimum limits of insurance with respect to, but not limited to, the coverages required hereunder:

**Document Location:** 4. CONDITIONS

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is present and outlines specific insurance requirements that Verterim must maintain. It is categorized as neutral, as it does not inherently benefit or harm either party but ensures compliance with standard insurance practices. It is advisable to ensure that Verterim meets these insurance requirements and to obtain Certificates of Insurance (COIs) as proof of coverage. If Verterim does not meet these requirements, consider renegotiating or redlining the contract to adjust the insurance obligations. Additionally, it may be beneficial to consolidate similar clauses to streamline the contract."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** In the event of a breach of this Agreement by Service Provider which cannot be cured (e.g., breach of confidentiality obligations under Section 6), <client> may terminate this Agreement or any Statement of Work with immediate effect, at any time upon written notice to Service Provider. Further, <client>a may terminate this Agreement or a Statement of Work at any time upon thirty (30) days’ prior written notice to Service Provider.

**Document Location:** TERM AND TERMINATION

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause allowing termination with a 30-day notice is present and aligns with the neutral categorization. It is advisable to implement a system to track contract termination notices, such as a confirmation process for receipt of termination notices via email or mail. This could involve a simple acknowledgment mechanism, like checking a box once a notice is received, to ensure both parties are aware and have documented the termination process."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will perform all Services in accordance with the applicable Statement of Work, (b) with requisite care, skill and diligence and (c) in accordance with all applicable laws, rules, regulations, orders and industry standards. If specified in a Statement of Work, Services will be rendered in accordance with

**Document Location:** SCOPE OF WORK

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding the performance of services with requisite care, skill, and diligence is present in the context of the 'SCOPE OF WORK' section. However, the specific language aligning with a framework or process is incomplete. It is recommended to ensure that any referenced frameworks or processes are explicitly stated and incorporated into the Statement of Work to avoid ambiguity. This will enhance clarity and enforceability. Additionally, consider reviewing the Statement of Work to ensure it includes detailed performance standards and expectations."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Without limiting any existing confidentiality obligations between the Parties as of the Effective Date, this Agreement, together with the attached Appendix A and any fully-signed Statements of Work, each of which are incorporated into this Agreement by reference, constitute the entire agreement between the Parties with respect to the specific subject matter of this Agreement, and all prior agreements, oral or written, with respect to such subject matter are superseded. If there is any conflict, discrepancy or inconsistency between the terms contained in the body of this Agreement and any Statement of Work, the terms set forth in the body of this Agreement will govern, control, and take precedence. No provision included in any purchase order, quotation, invoice or other communication between the Parties that is different than, in conflict with or in addition to any provision of this Agreement (including any Statement of Work) shall have any force or effect and each Party hereby gives notice of its objection to any such proposed additional, different or conflicting provision.

**Document Location:** 23.1. Entire Agreement

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral as it sets the precedence order for conflicting terms between the agreement, Appendix A, and any Statement of Work. However, it is crucial to review Appendix A to ensure it aligns with the main agreement and does not introduce any conflicting terms. Ensure that all referenced documents, such as Appendix A and Statements of Work, are reviewed and incorporated into the contract clause AI review process to avoid any potential inconsistencies or legal issues."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** All invoices submitted by Supplier must identify the Purchase Order number of the Purchase Order under which <client> authorized the applicable Fees. If the Statement of Work expressly states that the Fees will be calculated on a time and materials basis, the invoice must also set forth the following information: (i) the names of Supplier’s Personnel who performed work under the Statement of Work; (ii) documentation of the expenses of each of its Personnel, with receipts; (iii) for each of its Personnel, the number of hours worked (which for the avoidance of doubt, excludes time for lunch) and a description of the work performed; (iv) the hourly rate of each individual; and (v) any other information reasonably requested by <client> or as may be requested in the Purchase Order. <client> shall be responsible for the payment of all taxes in connection with this Agreement that are legally required to be paid by <client>, and not for any taxes based on Supplier’s income or taxes that are not legally required to be paid by <client>. If <client> is required to withhold taxes from any payments due to Supplier, then <client> will forward any withholding receipts to Supplier at [address/email address]. <client> shall be entitled to return incomplete invoices unpaid.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific invoicing clause as described in the prompt is not present in the provided contract text. It is recommended to ensure that the invoicing requirements are clearly outlined in the contract to avoid any potential disputes or misunderstandings. If this clause is critical, consider drafting and incorporating a similar clause that specifies the invoicing details, including the requirement for the Purchase Order number, time and materials basis details, and tax responsibilities. Additionally, establish a workflow for invoicing to ensure compliance with the agreed terms during onboarding and throughout the contract duration."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** If <client> wishes to dispute any of the Fees invoiced by Supplier, no later than thirty (30) days from receipt of the invoice in question, <client> shall notify Supplier of the amount in dispute and the basis of such dispute. Upon receipt of notice from <client>, Supplier shall work with <client> in good faith to promptly resolve the dispute on Fees. With respect to disputed Fees, <client> shall pay the resolved amount within thirty (30) days following mutual written resolution of the dispute by the Parties. <client> shall not be in default of its obligation to pay the invoice while the dispute remains unresolved.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The contract does not contain the specific clause regarding the dispute of fees within thirty (30) days and the subsequent payment terms following resolution. It is recommended to include a clear clause addressing the process for disputing invoices and resetting the payment term clock after resolution to ensure both parties have a mutual understanding of the payment obligations and timelines. This addition would enhance clarity and reduce potential disputes over payment terms."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Acceptance Testing. Customer has the right to inspect, review, test and otherwise evaluate the Services or Deliverables after delivery for compliance with the applicable Acceptance Criteria. Such inspection and testing will be performed within the Acceptance Period in order to identify and resolve all errors, defects, and nonconformities with the Services or Deliverables. Upon completion of such evaluation, Customer will issue to Supplier a notice of Acceptance or rejection of the Services or Deliverables. Customer’s failure to reject the Services and/or Deliverables within the Acceptance Period will constitute Customer’s rejection of the applicable Services and/or Deliverables. The Acceptance Criteria and the Acceptance Period may be defined within each Statement of Work. In the event no Acceptance Criteria and/or Acceptance Period is defined in the Statement of Work, this MSA shall prevail.

**Document Location:** ACCEPTANCE OF SERVICES

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The Acceptance Testing clause is present and categorized as neutral. However, it lacks a specific timeframe for the Acceptance Period, which could lead to ambiguities in the acceptance process. It is recommended to define a clear timeframe for the Acceptance Period within the Statement of Work or the Master Services Agreement to avoid potential disputes. Additionally, specifying performance metrics could enhance clarity and enforceability."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** it shall comply with all descriptions and specifications set forth in each Statement of Work (including performance capabilities, accuracy, completeness, uniformity, characteristics, configurations, standards, functions and requirements) and will use individuals with suitable training, education, experience, and skill to fulfill its obligations under a Statement of Work;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"Since the specific term is not present in the contract, no immediate action is required. However, it is advisable to ensure that the contract includes a clause that clearly outlines the responsibilities of the Vendor regarding compliance with descriptions and specifications in each Statement of Work. This could enhance clarity and enforceability. Additionally, consider reviewing the contract for any similar clauses that may already address these responsibilities to avoid redundancy."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** it has the skills, qualifications and experience necessary to perform its obligations under this Agreement and Supplier shall devote all the necessary time and attention for the proper performance of its obligations set out in a Statement of Work;

**Document Location:** VENDOR’S PERSONNEL

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is present and categorized as neutral, as it places responsibility on the Vendor for ensuring that its personnel have the necessary skills and qualifications to perform the services. No immediate changes are necessary, but it is advisable to ensure that this clause aligns with the overall expectations and requirements set forth in the contract. Regular assessments of the Vendor's personnel qualifications and performance could be beneficial to ensure compliance with this clause."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** it shall comply with all Applicable Law in the performance of its obligations under this Agreement (including, but not limited to, all applicable anti-corruption and discrimination in employment laws, rules, regulations, legislation or conventions and in connection with its sole obligation to withhold and report taxes on payments made to its Personnel, and make payments into pension schemes, social security plans, or similar arrangements for the benefit of its employees);

**Document Location:** 9. COMPLIANCE WITH LAW

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is a standard compliance clause ensuring that the Vendor adheres to all applicable laws, which is crucial for legal and operational integrity. It is recommended to maintain this clause in the contract to protect both parties from legal liabilities. No further action is necessary unless there are specific jurisdictional laws or additional compliance requirements that need to be addressed."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** it has obtained, or will obtain, any and all permits, licenses and/or governmental or third party consents, approvals or assignments in a timely manner which are required in connection with the performance of this Agreement by Supplier or in order to enable Supplier to provide and Customer to use any Services and/or Deliverables performed or delivered, as the case may be, under this Agreement;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause regarding the obtaining of permits, licenses, and consents is not present in the provided contract text. It is advisable to include such a clause to ensure that the Supplier is obligated to secure all necessary legal and regulatory approvals required for the performance of the agreement. This is common language and should be reviewed and included in all contracts to mitigate risks associated with non-compliance. Consider adding a clause similar to the one described to enhance the contract's comprehensiveness and enforceability."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Suppliers must immediately notify <client> (security.response@<client security email address>.com / privacy@<client security email address>.com) if they know, discover or reasonably believe that there has been a Data Security Breach. In the event of a Data Security Breach, Suppliers will:

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"Since the specific clause regarding immediate notification of a Data Security Breach by Suppliers is not present in the contract, it is advisable to consider adding such a clause to ensure clear communication protocols in the event of a security incident. This would enhance the contract's comprehensiveness in addressing data security concerns. Additionally, documenting unique requirements and contact details for each client, as well as establishing a method for incident response notification, would be prudent steps to ensure preparedness and compliance with best practices in data security management."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** • immediately investigate, correct, mitigate, remediate and otherwise handle the Data Security

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The term related to data security handling is not explicitly present in the contract text. It is advisable to ensure that a comprehensive data security clause is included in the agreement, specifying the responsibilities of the vendor in the event of a data security incident. This should include obligations to investigate, correct, mitigate, and remediate any data security breaches. Including such a clause would enhance the clarity and enforceability of the contract regarding data security obligations."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Breach, including without limitation, by identifying Personal Data affected by the Data Security Breach and taking sufficient steps to prevent the continuation and recurrence of the Data Security Breach;

**Document Location:** CONFIDENTIALITY

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding data breach reporting is present and categorized as neutral. It is advisable to ensure that the clause is comprehensive in addressing all necessary steps for breach identification, reporting, and mitigation. Additionally, consider specifying any penalties or consequences for non-compliance with the breach reporting requirements to strengthen the enforceability of this clause."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** • provide information and assistance needed to enable <client> to evaluate the Data Security Breach and, as applicable, provide timely notices disclosing a Data Security Breach and comply with any obligations to provide information on the Data Security Breach to relevant regulators; and

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause requiring Verterim to provide assistance for data breach evaluation and notification is not explicitly present in the provided contract text. It is recommended to review the contract for any data security breach clauses that might be embedded within broader confidentiality or compliance sections. If such obligations are intended, they should be clearly articulated in the contract to ensure both parties are aware of their responsibilities. Consider drafting a specific clause that distinctly separates the requirements for client assistance in validation and timely notification to relevant regulators, as suggested in the notes."*

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### msa\_verterim\_-\_fully\_executed.pdf

**Key Sections:** Governing Law and Rejection of International Conventions, Section 3.4, Section 3: Payment Terms, Section 5.2 - Termination for Breach

**Clause Status:** Acceptable *(Present)*

**Clause Text:** This Agreement and any disputes arising out of or relating to this Agreement will be governed by, construed and interpreted in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to any choice of law principle that would require the application of the law of another jurisdiction. The Parties expressly reject any application to this Agreement of (a) the United Nations Convention on Contracts for the International Sale of Goods; and (b) the 1974 Convention on the Limitation Period in the International Sale of Goods, as amended by that certain Protocol, done at Vienna on April 11, 1980.

**Document Location:** Governing Law and Rejection of International Conventions

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"Since the governing law is Massachusetts, which is beneficial, no renegotiation is necessary regarding this aspect. Ensure that the rejection of the international conventions aligns with the business objectives and legal strategy. Verify if the contract involves international transactions, as the rejection of these conventions could impact enforceability in international contexts. If the contract involves parties outside the U.S., consider consulting with international legal experts to ensure comprehensive compliance and risk mitigation."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** This Agreement will remain in full force and effect until

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"Since the specified term 'This Agreement will remain in full force and effect until' is not present in the contract text, it is categorized as 'unacceptable' due to the absence of a clear timeframe for the contract's duration. It is recommended to include a clause that defines the contract's effective period to ensure clarity and enforceability. Additionally, implementing an aging function to alert parties when contracts are nearing expiration would be beneficial for proactive contract management."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** With <client's> prior written consent, Service Provider may subcontract the performance of specific obligations of Service Provider under a Statement of Work to a qualified Affiliate of Service Provider or to a qualified non-Affiliate third party including, but not limited to, consultants; provided, that (a) such Affiliate or third party performs those Services in a manner consistent with the terms and conditions of this Agreement; (b) Service Provider notifies <client> of the specific Services to be performed by the subcontractor and (c) Service Provider remains liable for the performance of such Affiliate or third party.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"Since the specified clause is not present in the contract text, it is recommended to review the contract for any similar clauses that may need to be aligned with the client's requirements. Additionally, consider incorporating a notification workflow or alert system to ensure compliance with the client's consent requirements for subcontracting, if applicable."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Any Service Provider Personnel (as defined in Section 3.4) identified in a Statement of Work as “Key Service Provider Personnel” will remain assigned to perform Services covered by the applicable Statement of Work as long as such individuals remain employed by or under contract with Service Provider, unless (a) an individual is unavailable for reasons of disability, illness or promotion; or (b) <client> has requested the replacement of any individual who is not performing to <client>’s reasonable satisfaction. Service Provider will cooperate with <client> in periodically reviewing the performance of the Key Service Provider Personnel and will promptly remedy any concerns to <client>’s reasonable satisfaction. Service Provider will promptly select a qualified replacement should any Key Service Provider Personnel resign or become otherwise unavailable as specified above or if <client> requests the replacement of any such Key Service Provider Personnel. <client> will have the right to approve any such replacement, which approval will not be unreasonably withheld.

**Document Location:** Section 3.4

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"Ensure the contract explicitly defines the process for notifying the client about new personnel and obtaining their approval. Consider including a provision that outlines any costs associated with onboarding new personnel. Verify alignment with applicable labor laws or contractual obligations."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Service Provider may terminate this Agreement or any Statement of Work if <client> fails to cure a material breach of this Agreement or of a Statement of Work within thirty (30) days after receiving written notice from Service Provider of such breach.

**Document Location:** Section 5.2 - Termination for Breach

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"Ensure that the mechanisms for notifying the client of breaches are clearly defined and documented. Implement alerts for late or defaulted payments to prevent breaches. Consider adding provisions for timely review and approval of work products to avoid potential breaches."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Provided that Supplier has provided to <client> (i) the Services and/or Deliverables in accordance with this Agreement (including, the applicable Statement of Work) and (ii) all the information required by Section 14, <client> shall pay all undisputed Fees on an invoice within thirty (30) days of receipt of the invoice. The obligations set forth in this Section 3 are in addition to Supplier’s other obligations with respect to Fees and is not meant limit any other restrictions on the Fees that Supplier may charge <client> set forth in this Agreement. Payment for the Services and/or Deliverables shall not constitute Customer’s approval or acceptance of such Services and/or Deliverables.

**Document Location:** Section 3: Payment Terms

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"Ensure that the payment terms are clearly communicated to the Accounts Receivable department. Implement a system to highlight and track payment terms that exceed 30 days to ensure compliance with internal policies. Verify that the placeholder <client> is replaced with the actual customer name in the final contract document."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** Service Provider agrees that pricing for any particular type of Services is firm for the period of twenty four (24) months from the date on which a Statement of Work is agreed to by the Parties and following such 24-month period, prices for similar Services (whether or not performed pursuant to the same Statement of Work) may be increased in any calendar year no more than the lesser of (a) the change in the Consumer Price Index (CPI), published by the United States Bureau of Labor Statistics from the previous calendar year and (b) three percent (5%).

**Document Location:** Section 4.2: Pricing Terms

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"It is advisable to renegotiate the clause to allow for more flexibility in pricing adjustments, particularly in response to significant market changes. Consider incorporating a provision for renegotiation or requiring explicit approval from senior management for long-term pricing commitments. This could include scenarios where a commitment for licensed use of Verterim software is involved, justifying a fixed consulting rate during the same period."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** If at any time Supplier fails to obtain insurance (or provide proof of insurance) in accordance with this Agreement, or as otherwise required by Customer, Customer may obtain the coverage specified in this Agreement and charge all associated premiums and costs to Supplier. Supplier will reimburse Customer the cost thereof within fifteen (15) days of receipt of an invoice therefor from Customer.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"Since the specified term is not present in the contract text, it is categorized as 'unacceptable'. It is recommended to review the contract for any similar clauses that may impose financial obligations on the Supplier without prior approval. Consider renegotiating such terms or obtaining explicit approval from Senior Management before agreeing to them."*

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### Verterim-\_PL\_MSA\_2020\_fully\_executed\_06242020.pdf

**Key Sections:** Section 8.3 - Termination by Pacific Life for Cause, Term and Termination, Section 2.1 Payment by Pacific Life

**Clause Status:** Acceptable *(Absent)*

**Clause Text:** This Agreement and any disputes arising out of or relating to this Agreement will be governed by, construed and interpreted in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to any choice of law principle that would require the application of the law of another jurisdiction. The Parties expressly reject any application to this Agreement of (a) the United Nations Convention on Contracts for the International Sale of Goods; and (b) the 1974 Convention on the Limitation Period in the International Sale of Goods, as amended by that certain Protocol, done at Vienna on April 11, 1980.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The governing law clause in the provided contract text specifies California as the governing state, not Massachusetts. Given the instructions that Massachusetts law is beneficial to Verterim, it is recommended to renegotiate the governing law clause to reflect Massachusetts as the governing jurisdiction. Additionally, ensure that the contract explicitly rejects the application of the United Nations Convention on Contracts for the International Sale of Goods and the 1974 Convention on the Limitation Period in the International Sale of Goods, as these elements were not found in the current contract text. Engage senior management for explicit approval if renegotiation is not feasible."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** This Agreement will remain in full force and effect until

**Document Location:** Term and Termination

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The term is present and categorized as acceptable. It effectively defines the duration of the agreement, ensuring clarity on when the contract remains in effect. To enhance contract management, it is recommended to implement an aging function that alerts the parties when the contract is within six months of expiration. This will allow for timely decisions regarding termination or renewal. Additionally, establishing a workflow for both actions will streamline the process and ensure all necessary steps are taken in a timely manner."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** With <client's> prior written consent, Service Provider may subcontract the performance of specific obligations of Service Provider under a Statement of Work to a qualified Affiliate of Service Provider or to a qualified non-Affiliate third party including, but not limited to, consultants; provided, that (a) such Affiliate or third party performs those Services in a manner consistent with the terms and conditions of this Agreement; (b) Service Provider notifies <client> of the specific Services to be performed by the subcontractor and (c) Service Provider remains liable for the performance of such Affiliate or third party.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The specific clause regarding subcontracting with prior written consent and notification to the client is not present in the contract text. It is recommended to include such a clause to ensure that any subcontracting arrangements are transparent and approved by the client, thereby maintaining control over the quality and compliance of the services provided. Additionally, defining a workflow or alert system for the notification process would enhance communication and operational efficiency."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** Any Service Provider Personnel (as defined in Section 3.4) identified in a Statement of Work as “Key Service Provider Personnel” will remain assigned to perform Services covered by the applicable Statement of Work as long as such individuals remain employed by or under contract with Service Provider, unless (a) an individual is unavailable for reasons of disability, illness or promotion; or (b) <client> has requested the replacement of any individual who is not performing to <client>’s reasonable satisfaction. Service Provider will cooperate with <client> in periodically reviewing the performance of the Key Service Provider Personnel and will promptly remedy any concerns to <client>’s reasonable satisfaction. Service Provider will promptly select a qualified replacement should any Key Service Provider Personnel resign or become otherwise unavailable as specified above or if <client> requests the replacement of any such Key Service Provider Personnel. <client> will have the right to approve any such replacement, which approval will not be unreasonably withheld.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The specified clause regarding 'Key Service Provider Personnel' is not present in the provided contract text. It is recommended to include such a clause to ensure clarity on personnel assignments and replacements. This clause should outline the conditions under which personnel can be replaced, the client's right to approve replacements, and any associated costs for onboarding new personnel. Additionally, ensure that the client is notified and approves of any replacements to maintain compliance and satisfaction."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Service Provider may terminate this Agreement or any Statement of Work if <client> fails to cure a material breach of this Agreement or of a Statement of Work within thirty (30) days after receiving written notice from Service Provider of such breach.

**Document Location:** Section 8.3 - Termination by Pacific Life for Cause

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause is acceptable as it provides a clear mechanism for termination in the event of a material breach by the Supplier, ensuring protection for Pacific Life. It is advisable to implement a system for tracking potential breaches, such as late payments or failure to approve work within defined timeframes, to ensure timely notifications and actions. Additionally, consider specifying examples of what constitutes a 'material breach' to avoid ambiguities."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Provided that Supplier has provided to <client> (i) the Services and/or Deliverables in accordance with this Agreement (including, the applicable Statement of Work) and (ii) all the information required by Section 14, <client> shall pay all undisputed Fees on an invoice within thirty (30) days of receipt of the invoice. The obligations set forth in this Section 3 are in addition to Supplier’s other obligations with respect to Fees and is not meant limit any other restrictions on the Fees that Supplier may charge <client> set forth in this Agreement. Payment for the Services and/or Deliverables shall not constitute Customer’s approval or acceptance of such Services and/or Deliverables.

**Document Location:** Section 2.1 Payment by Pacific Life

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The payment terms are clearly defined and set at 30 days, which aligns with the acceptable standard. It is recommended to ensure that this payment information is communicated to the Accounts Receivable department to facilitate timely processing. Additionally, consider implementing a system to highlight and track any payment terms with clients that exceed 30 days to ensure compliance and financial planning."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Service Provider agrees that pricing for any particular type of Services is firm for the period of twenty four (24) months from the date on which a Statement of Work is agreed to by the Parties and following such 24-month period, prices for similar Services (whether or not performed pursuant to the same Statement of Work) may be increased in any calendar year no more than the lesser of (a) the change in the Consumer Price Index (CPI), published by the United States Bureau of Labor Statistics from the previous calendar year and (b) three percent (5%).

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause regarding pricing for services being firm for 24 months and subsequent price increases based on CPI or a percentage cap was not found in the provided contract text. Therefore, the current pricing terms appear acceptable as they do not impose the described restrictions. It is advisable to ensure that any future Statements of Work or amendments do not introduce such terms without careful consideration and approval from senior management. Additionally, if there is a strategic reason to secure long-term pricing, such as a commitment for licensed use of Verterim software, this should be explicitly negotiated and documented."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** If at any time Supplier fails to obtain insurance (or provide proof of insurance) in accordance with this Agreement, or as otherwise required by Customer, Customer may obtain the coverage specified in this Agreement and charge all associated premiums and costs to Supplier. Supplier will reimburse Customer the cost thereof within fifteen (15) days of receipt of an invoice therefor from Customer.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specified term is not present in the contract text. Therefore, the contract is categorized as 'acceptable' in this context. It is recommended to review the insurance section to ensure that all requirements are clearly defined and that both parties understand their obligations. If there are concerns about insurance coverage or related costs, consider negotiating specific terms that address these concerns or seek approval from senior management before finalizing the agreement."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** In the event that any Services do not meet the specifications or other performance criteria agreed to by Service Provider and <client> in writing, then Service Provider will, at <client>’s option, promptly (a) re-perform such Services at Service Provider’s cost; or (b) refund to <client> all amounts paid by <client> to Service Provider in connection with such Services. The provisions of this Section 7.5 are not exclusive, and <client> may seek any other right or remedy that it may have under this Agreement or otherwise.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause in question is not present in the provided contract text. Therefore, the contract is categorized as 'acceptable' in this context. However, it is advisable to ensure that all service delivery teams are aware of the importance of conforming to all Statement of Work (SOW) requirements outlined in executed contracts. Regular training and audits could be implemented to ensure compliance and accountability."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Failure to Cure. If Supplier fails to make such changes or, notwithstanding such changes, the Services or Deliverables still contain deficiencies, then Customer may, in its sole discretion and in addition to any other remedies it may have: (i) provide, in writing, additional time for Supplier to make changes; or, (ii) terminate all or part of this Agreement or a Statement of Work pursuant to Section 8 upon written notice to Supplier. Upon Customer’s election to terminate, Customer will have no further obligation to make payments to Supplier and Supplier will refund to Customer all of the Fees paid to Supplier for the non-conforming Services and/or Deliverables.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause 'Failure to Cure' as described in the prompt is not present in the provided contract text. Therefore, the contract does not contain the unacceptable term that would allow the client to receive a refund for all work associated with a non-conforming deliverable. As such, the contract is categorized as acceptable in this regard. However, it is advisable to review the contract thoroughly to ensure that all terms comply with applicable laws and industry standards, particularly concerning payment obligations for time and materials work in Massachusetts. If similar clauses are found in other sections, they should be evaluated for compliance with local laws and adjusted accordingly to prevent potential disputes."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Minor Deficiency Correction. Notwithstanding Acceptance of any Services and/or Deliverables, Supplier, at no additional charge to Customer, will correct or develop a work around for any minor deficiencies identified by Customer. Supplier will correct or develop a work around for each minor deficiency within thirty (30) days after Customer provides notice to Supplier of the minor deficiency.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The term 'Minor Deficiency Correction' as described in the prompt is not present in the provided contract text. Therefore, the contract is categorized as 'acceptable' in its current form. However, it is recommended that Verterim consider including language that addresses platform limitations to protect against potential costs associated with developing workarounds for minor deficiencies caused by such limitations. This would ensure that Verterim is not unfairly burdened with costs that arise due to inherent platform constraints. Additionally, Verterim should review other sections of the contract to ensure comprehensive protection and clarity regarding service deliverables and associated responsibilities."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** the Fees payable by <client> hereunder are as low or lower than amounts charged by Supplier to any other customer purchasing the same type and quantity of services and/or deliverables provided by Supplier hereunder;

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause requiring the fees to be as low or lower than those charged to any other customer is not present in the provided contract text. Therefore, the contract can be categorized as 'acceptable' in this regard. However, it is advisable to review the contract for any related clauses that may indirectly impose similar obligations or restrictions on pricing. Additionally, ensure that any clauses related to price increase restrictions are clear and do not conflict with other terms in the agreement. If such clauses are found, consider renegotiating to ensure clarity and avoid potential conflicts."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** To the extent any Supplier Existing IP is included in, or is otherwise necessary for the use of, the Work Product, Supplier hereby grants to Customer and each of its Affiliates a perpetual, irrevocable, transferable, non-exclusive, royalty-free, fully paid up, world-wide license to (a) use, reproduce, distribute, display, prepare derivative works, modify and develop the Work Product, and (b) make, have made, import, and sell and offer to sell and otherwise distribute or exploit the Supplier-Existing IP and/or Third Party IP, as applicable, to the extent either is embodied in any Work Product, or necessary to use any portion(s) of any Work Product, in each case without any accounting or additional consideration to Supplier or any third party. Supplier shall not include any Supplier Existing IP in any Work Product without the express prior written consent of Customer, which prior written consent may be given by Customer in a Statement of Work. For the avoidance of doubt, Supplier Existing IP alone shall not be deemed Work Product; however, any derivative works of Supplier Existing IP that are contained in and/or comprise the Work Product shall be deemed part of the Work Product and owned solely and exclusively by Customer.

**Document Location:** Ownership of Intellectual Property

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The clause is categorized as 'unacceptable' due to its requirement for the Supplier to seek express written consent from the Customer to use Supplier Existing IP in the Work Product. This could hinder the Supplier's ability to efficiently deliver services. It is recommended to renegotiate this clause to include a provision that allows the Supplier to leverage its existing IP without needing explicit consent, provided that the Customer is informed and agrees to the use of such IP in the delivery of services. This modification would streamline the process and reduce administrative burdens while ensuring that the Customer benefits from the Supplier's existing IP."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** • reimburse <client> for the reasonable expenses that <client> may incur as a result of such Data Breach caused by their acts or omissions or those of any of their authorized subcontractors, including but not limited to, the expenses incurred in investigating the Data Security Breach and notifying affected individuals, and providing these individuals with the support necessary under the circumstances, such as credit monitoring.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause regarding reimbursement for data breach expenses caused by acts or omissions of the supplier or its subcontractors is not present in the provided contract text. It is advisable to review the contract to ensure that appropriate clauses are included to address potential data breaches and related liabilities. Consider adding a clause that clearly outlines the responsibilities and liabilities of the supplier in the event of a data breach, including reimbursement for reasonable expenses incurred by the client. Additionally, ensure that the contract includes provisions for informing relevant parties and implementing security awareness training to mitigate risks associated with data breaches."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Rejection and Cure. If Customer determines that any portion of the Services or Deliverables fails to meet the Acceptance Criteria, Customer will notify Supplier in writing with a description of deficiencies. Without limiting Customer’s other remedies, in such event, Supplier will, at no additional charge to Customer, make any necessary changes to the Services or Deliverables to correct any deficiencies. Supplier will resubmit the corrected Services or Deliverables within the timeframe requested by Customer or if no timeframe is requested, within fifteen (15) days after Customer notifies Supplier of the deficiencies of the Services or Deliverables. The Acceptance process in this Section 5(a) will apply to any resubmitted Services, including a new Acceptance Period.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specified 'Rejection and Cure' clause is not present in the provided contract text. As such, the contract does not currently impose the obligation for the Supplier to correct deficiencies within a specified timeframe as described. If this term is deemed necessary for the agreement, it should be drafted and negotiated with the Supplier to ensure mutual consent. Additionally, consider discussing and agreeing upon a reasonable review period that aligns with both parties' operational capabilities and expectations."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Service Provider will send all invoices, which will reference this Agreement and the relevant Purchase Order (PO) number, to the attention of “Accounts Payable” at the following address:

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specified term regarding invoicing procedures is not present in the contract text. It is recommended to include a clause that explicitly states the invoicing process, including the requirement for invoices to reference the Agreement and relevant Purchase Order (PO) number, and to be sent to the attention of 'Accounts Payable' at a specified address. Additionally, ensure there is a notification mechanism to Accounts Receivable to verify that all invoices contain the appropriate references and are sent to the correct address. This will enhance clarity and ensure proper accounting practices are followed."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Service Provider will maintain all materials, data and documentation obtained or generated by Service Provider in the course of preparing for and providing Services, including computerized records and files (collectively, the “Records”) in a secure area reasonably protected from fire, theft and destruction, and <client> shall have reasonable access to such Records and the right to obtain photocopies of such Records. All Records will be the property of <client>. Service Provider will not transfer, deliver or otherwise provide any Records to any party other than <client> or its Affiliates, without the prior written approval of <client>.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause regarding the secure storage and protection of client data, as well as the client's access rights to such data, is not explicitly present in the provided Master Services Agreement. It is recommended to include a clause that clearly outlines the responsibilities of the Service Provider in maintaining and protecting client data, ensuring compliance with data privacy regulations, and granting the client access to their data. This will enhance clarity and protect both parties' interests. Additionally, ensure that any such clause aligns with applicable data protection laws and industry standards."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** All Records will be retained by Service Provider for a minimum period of two (2) years following completion of the applicable Statement of Work, or longer if required by applicable law or regulation. Service Provider will, at the direction and written request of <client>, promptly deliver Records to <client> or its designee, or dispose of the Records, unless the Records are required to be retained by Service Provider by applicable law or regulation or for insurance purposes. In no event will Service Provider dispose of any Records without first giving <client> sixty (60) days’ prior written notice of its intent to do so.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause regarding record retention and destruction is not present in the provided contract text. It is advisable to ensure that a data retention policy is explicitly included in the contract to clarify the obligations and procedures for record retention and destruction. This can prevent potential disputes or compliance issues related to data management. Additionally, implementing a data retention flag and alert mechanism, as noted, would be beneficial for managing client data effectively and ensuring compliance with any applicable legal or regulatory requirements."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will carry, with financially sound and reputable insurers, insurance coverage (including worker’s compensation at or above the applicable statutory limits, comprehensive liability and professional liability/errors and omissions coverage) with respect to the conduct of its business against loss from such risks and in such amounts as is customary for well-insured companies engaged in similar businesses and sufficient to support its obligations under this Agreement. Upon the request of <client>, Service Provider will provide <client> with a Certificate of Insurance evidencing such coverage and providing that thirty (30) days advance written notice will be given to <client> of any material change or cancellation in coverage or limits.

**Document Location:** 5. Insurance

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral and requires the Service Provider to maintain adequate insurance coverage and provide a Certificate of Insurance upon request. It is advisable to establish a Certificate of Insurance (COI) request process to ensure compliance with this clause. Additionally, maintain a profile of existing insurance policy coverages to compare with client requirements. If discrepancies arise, initiate a redline and renegotiate coverage terms as necessary. Implement a workflow or alert system to manage these processes efficiently."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Supplier agrees to maintain the following minimum limits of insurance with respect to, but not limited to, the coverages required hereunder:

**Document Location:** 5. Insurance

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral and outlines the insurance requirements that the Supplier must maintain. It does not include a request for a Certificate of Insurance (COI), which could be a point of improvement to ensure compliance and verification of coverage. It is advisable to consider adding a requirement for the Supplier to provide a COI to Pacific Life to confirm that the necessary insurance coverages are in place. Additionally, ensure that the insurance requirements are aligned with industry standards and the specific needs of Pacific Life. If there are any discrepancies or unmet requirements, initiate a renegotiation or redline the contract to address these issues."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** In the event of a breach of this Agreement by Service Provider which cannot be cured (e.g., breach of confidentiality obligations under Section 6), <client> may terminate this Agreement or any Statement of Work with immediate effect, at any time upon written notice to Service Provider. Further, <client>a may terminate this Agreement or a Statement of Work at any time upon thirty (30) days’ prior written notice to Service Provider.

**Document Location:** 8. Term and Termination

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause allowing termination with a 30-day notice is present and categorized as neutral. It is advisable to implement a system for tracking termination notices, such as an acknowledgment checkbox upon receipt of an email or mailed notice, to ensure compliance and proper record-keeping. Additionally, consider clarifying whether termination notices must be in writing or if oral notices are sufficient, to avoid potential disputes."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Service Provider will perform all Services in accordance with the applicable Statement of Work, (b) with requisite care, skill and diligence and (c) in accordance with all applicable laws, rules, regulations, orders and industry standards. If specified in a Statement of Work, Services will be rendered in accordance with

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause in question is not present in the provided contract text. As the clause is categorized as 'neutral,' its absence does not necessitate any immediate changes or concerns. However, it is advisable to ensure that similar clauses regarding the performance of services with requisite care, skill, and diligence, and in accordance with applicable laws and industry standards, are included in the Statements of Work or other relevant sections of the contract to ensure clarity and alignment with best practices. This will help in setting clear expectations and responsibilities for the service provider."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Without limiting any existing confidentiality obligations between the Parties as of the Effective Date, this Agreement, together with the attached Appendix A and any fully-signed Statements of Work, each of which are incorporated into this Agreement by reference, constitute the entire agreement between the Parties with respect to the specific subject matter of this Agreement, and all prior agreements, oral or written, with respect to such subject matter are superseded. If there is any conflict, discrepancy or inconsistency between the terms contained in the body of this Agreement and any Statement of Work, the terms set forth in the body of this Agreement will govern, control, and take precedence. No provision included in any purchase order, quotation, invoice or other communication between the Parties that is different than, in conflict with or in addition to any provision of this Agreement (including any Statement of Work) shall have any force or effect and each Party hereby gives notice of its objection to any such proposed additional, different or conflicting provision.

**Document Location:** Integration

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral and sets a clear precedence order for conflicting terms, which is beneficial for clarity. However, it is important to ensure that Appendix A and any Statements of Work are thoroughly reviewed to confirm that they do not contain terms that could inadvertently alter the intended precedence. Additionally, it is advisable to ensure that all referenced documents are readily accessible and reviewed as part of the contract management process."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** All invoices submitted by Supplier must identify the Purchase Order number of the Purchase Order under which <client> authorized the applicable Fees. If the Statement of Work expressly states that the Fees will be calculated on a time and materials basis, the invoice must also set forth the following information: (i) the names of Supplier’s Personnel who performed work under the Statement of Work; (ii) documentation of the expenses of each of its Personnel, with receipts; (iii) for each of its Personnel, the number of hours worked (which for the avoidance of doubt, excludes time for lunch) and a description of the work performed; (iv) the hourly rate of each individual; and (v) any other information reasonably requested by <client> or as may be requested in the Purchase Order. <client> shall be responsible for the payment of all taxes in connection with this Agreement that are legally required to be paid by <client>, and not for any taxes based on Supplier’s income or taxes that are not legally required to be paid by <client>. If <client> is required to withhold taxes from any payments due to Supplier, then <client> will forward any withholding receipts to Supplier at [address/email address]. <client> shall be entitled to return incomplete invoices unpaid.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific invoicing clause as described in the prompt is not present in the provided contract text. It is recommended to ensure that detailed invoicing requirements, including the identification of Purchase Order numbers and the provision of specific information for time and materials invoices, are explicitly included in the contract. This will facilitate compliance with invoicing procedures and ensure clarity in financial transactions. Additionally, consider implementing a workflow for processing invoices to ensure adherence to the agreed terms. If tax responsibilities and withholding procedures are relevant, these should also be clearly delineated in the contract."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** If <client> wishes to dispute any of the Fees invoiced by Supplier, no later than thirty (30) days from receipt of the invoice in question, <client> shall notify Supplier of the amount in dispute and the basis of such dispute. Upon receipt of notice from <client>, Supplier shall work with <client> in good faith to promptly resolve the dispute on Fees. With respect to disputed Fees, <client> shall pay the resolved amount within thirty (30) days following mutual written resolution of the dispute by the Parties. <client> shall not be in default of its obligation to pay the invoice while the dispute remains unresolved.

**Document Location:** Payment

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding the dispute of fees is present and aligns with the neutral categorization as it allows for the resolution of disputes without placing the client in default. It is advisable to ensure that the process for notifying disputes and resolving them is clearly documented and communicated to all relevant parties to avoid any misunderstandings. Additionally, it may be beneficial to include a more detailed procedure for dispute resolution to ensure prompt and efficient handling of such matters."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Acceptance Testing. Customer has the right to inspect, review, test and otherwise evaluate the Services or Deliverables after delivery for compliance with the applicable Acceptance Criteria. Such inspection and testing will be performed within the Acceptance Period in order to identify and resolve all errors, defects, and nonconformities with the Services or Deliverables. Upon completion of such evaluation, Customer will issue to Supplier a notice of Acceptance or rejection of the Services or Deliverables. Customer’s failure to reject the Services and/or Deliverables within the Acceptance Period will constitute Customer’s rejection of the applicable Services and/or Deliverables. The Acceptance Criteria and the Acceptance Period may be defined within each Statement of Work. In the event no Acceptance Criteria and/or Acceptance Period is defined in the Statement of Work, this MSA shall prevail.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The Acceptance Testing clause is not explicitly present in the provided contract text. It is advisable to ensure that such a clause is included in the Master Services Agreement or the relevant Statement of Work to clearly define the Acceptance Criteria and Acceptance Period. This will help avoid any ambiguities regarding the acceptance or rejection of deliverables. Additionally, it is recommended to specify a clear timeframe for the Acceptance Period to ensure that both parties have a mutual understanding of the evaluation timeline."*

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### NFP\_Verterim\_MSA\_-\_Fully\_Executed\_04082021.pdf

**Key Sections:** Section 3: Description of Services, Agreement, 7. Term and Termination, Subcontractors, Section 3.4, Choice of Law and Jurisdiction, Section 7. Term and Termination

**Clause Status:** Acceptable *(Present)*

**Clause Text:** This Agreement and any disputes arising out of or relating to this Agreement will be governed by, construed and interpreted in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to any choice of law principle that would require the application of the law of another jurisdiction. The Parties expressly reject any application to this Agreement of (a) the United Nations Convention on Contracts for the International Sale of Goods; and (b) the 1974 Convention on the Limitation Period in the International Sale of Goods, as amended by that certain Protocol, done at Vienna on April 11, 1980.

**Document Location:** Choice of Law and Jurisdiction

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The governing law clause specifies New York instead of Massachusetts, which is not beneficial to Verterim as per the provided criteria. It is recommended to renegotiate this clause to have Massachusetts as the governing law. Additionally, ensure that the rejection of the United Nations Convention on Contracts for the International Sale of Goods and the 1974 Convention on the Limitation Period in the International Sale of Goods is explicitly stated, as these aspects are not covered in the extracted clause."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** This Agreement will remain in full force and effect until

**Document Location:** Section 7. Term and Termination

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause defining the term of the agreement is present and categorized as acceptable. It is recommended to implement an aging function that alerts the parties when the contract is within six months of expiration. This will facilitate timely decisions regarding termination or renewal. Additionally, establish a workflow for both actions to ensure smooth transitions and avoid lapses in contractual obligations."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** With <client's> prior written consent, Service Provider may subcontract the performance of specific obligations of Service Provider under a Statement of Work to a qualified Affiliate of Service Provider or to a qualified non-Affiliate third party including, but not limited to, consultants; provided, that (a) such Affiliate or third party performs those Services in a manner consistent with the terms and conditions of this Agreement; (b) Service Provider notifies <client> of the specific Services to be performed by the subcontractor and (c) Service Provider remains liable for the performance of such Affiliate or third party.

**Document Location:** Subcontractors

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause is acceptable as it ensures that the Service Provider must obtain prior written consent from the Customer before subcontracting any services. It also mandates that subcontractors must execute a Non-Disclosure Agreement, thereby protecting the Customer's confidential information. To enhance clarity and ensure compliance, it is recommended to define a workflow or alert system for the notification process when subcontractors are engaged. This will help in maintaining proper communication and adherence to the terms of the agreement."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Any Service Provider Personnel (as defined in Section 3.4) identified in a Statement of Work as “Key Service Provider Personnel” will remain assigned to perform Services covered by the applicable Statement of Work as long as such individuals remain employed by or under contract with Service Provider, unless (a) an individual is unavailable for reasons of disability, illness or promotion; or (b) <client> has requested the replacement of any individual who is not performing to <client>’s reasonable satisfaction. Service Provider will cooperate with <client> in periodically reviewing the performance of the Key Service Provider Personnel and will promptly remedy any concerns to <client>’s reasonable satisfaction. Service Provider will promptly select a qualified replacement should any Key Service Provider Personnel resign or become otherwise unavailable as specified above or if <client> requests the replacement of any such Key Service Provider Personnel. <client> will have the right to approve any such replacement, which approval will not be unreasonably withheld.

**Document Location:** Section 3.4

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause is beneficial as it allows for the replacement of non-performing or unavailable personnel, with the client's approval, ensuring continuity and quality of service. However, it is recommended to include a provision for notifying the client of new personnel and seeking their approval to ensure compliance with the clause. Additionally, consider defining the costs associated with onboarding new personnel to avoid potential disputes."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Service Provider may terminate this Agreement or any Statement of Work if <client> fails to cure a material breach of this Agreement or of a Statement of Work within thirty (30) days after receiving written notice from Service Provider of such breach.

**Document Location:** 7. Term and Termination

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause is beneficial as it provides Verterim with a clear right to terminate the agreement in the event of a material breach by the client, ensuring protection against non-compliance. It is advisable to ensure that mechanisms are in place to effectively monitor and alert for potential breaches, such as late payments or failure to approve work products within defined timeframes. Additionally, consider specifying examples of what constitutes a 'material breach' to avoid ambiguity and potential disputes."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Provided that Supplier has provided to <client> (i) the Services and/or Deliverables in accordance with this Agreement (including, the applicable Statement of Work) and (ii) all the information required by Section 14, <client> shall pay all undisputed Fees on an invoice within thirty (30) days of receipt of the invoice. The obligations set forth in this Section 3 are in addition to Supplier’s other obligations with respect to Fees and is not meant limit any other restrictions on the Fees that Supplier may charge <client> set forth in this Agreement. Payment for the Services and/or Deliverables shall not constitute Customer’s approval or acceptance of such Services and/or Deliverables.

**Document Location:** Section 3: Description of Services, Agreement

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The payment term is set at 30 days, which is standard and beneficial. It is recommended to ensure that all payment terms exceeding 30 days are highlighted and communicated to Accounts Receivable to maintain consistency and compliance with internal financial policies. Additionally, consider implementing a system to track and monitor payment terms to avoid any discrepancies or delays in payment processing."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** Service Provider agrees that pricing for any particular type of Services is firm for the period of twenty four (24) months from the date on which a Statement of Work is agreed to by the Parties and following such 24-month period, prices for similar Services (whether or not performed pursuant to the same Statement of Work) may be increased in any calendar year no more than the lesser of (a) the change in the Consumer Price Index (CPI), published by the United States Bureau of Labor Statistics from the previous calendar year and (b) three percent (5%).

**Document Location:** Fees

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"This clause should either require renegotiation or have explicit approval from Senior Management as there might be reasons to secure rates for a long-term contract. Consider including provisions for renegotiation or approval from senior management to address potential unfavorable market conditions. Additionally, assess whether a commitment for licensed use of Verterim software during this period justifies holding consulting rates constant."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** If at any time Supplier fails to obtain insurance (or provide proof of insurance) in accordance with this Agreement, or as otherwise required by Customer, Customer may obtain the coverage specified in this Agreement and charge all associated premiums and costs to Supplier. Supplier will reimburse Customer the cost thereof within fifteen (15) days of receipt of an invoice therefor from Customer.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause regarding the insurance requirement and the customer's right to obtain coverage and charge the supplier is not present in the provided contract text. Therefore, the contract is categorized as 'acceptable' in this context. However, it is advisable to ensure that any insurance requirements and related obligations are clearly defined and agreed upon in the contract to avoid potential disputes. If similar clauses are included in future agreements, they should be reviewed by senior management or legal counsel to ensure they align with the company's risk management policies."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** In the event that any Services do not meet the specifications or other performance criteria agreed to by Service Provider and <client> in writing, then Service Provider will, at <client>’s option, promptly (a) re-perform such Services at Service Provider’s cost; or (b) refund to <client> all amounts paid by <client> to Service Provider in connection with such Services. The provisions of this Section 7.5 are not exclusive, and <client> may seek any other right or remedy that it may have under this Agreement or otherwise.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause in question is not present in the provided contract text. Therefore, the contract is categorized as 'acceptable' in relation to this clause. It is recommended to ensure that all service delivery teams are aware of the existing contract terms and are vigilant in adhering to the specifications and performance criteria outlined in the Statements of Work (SOW). Regular audits and reviews of the service delivery processes should be conducted to ensure compliance with the contract terms and to mitigate any potential risks associated with non-conformance."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** Failure to Cure. If Supplier fails to make such changes or, notwithstanding such changes, the Services or Deliverables still contain deficiencies, then Customer may, in its sole discretion and in addition to any other remedies it may have: (i) provide, in writing, additional time for Supplier to make changes; or, (ii) terminate all or part of this Agreement or a Statement of Work pursuant to Section 8 upon written notice to Supplier. Upon Customer’s election to terminate, Customer will have no further obligation to make payments to Supplier and Supplier will refund to Customer all of the Fees paid to Supplier for the non-conforming Services and/or Deliverables.

**Document Location:** Section 8 - Term and Termination

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The clause is identified as overreaching, particularly in the context of Time and Material work in the Commonwealth of Massachusetts, where payment is required regardless of deliverable acceptance. It is recommended to revise the clause to align with local legal requirements, ensuring that payment obligations are not contingent solely on deliverable acceptance. Consider consulting with legal counsel to adjust the clause to reflect fair payment practices and avoid potential disputes."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Minor Deficiency Correction. Notwithstanding Acceptance of any Services and/or Deliverables, Supplier, at no additional charge to Customer, will correct or develop a work around for any minor deficiencies identified by Customer. Supplier will correct or develop a work around for each minor deficiency within thirty (30) days after Customer provides notice to Supplier of the minor deficiency.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause regarding 'Minor Deficiency Correction' was not found in the provided contract text. It is recommended to ensure that any clauses requiring the supplier to correct or work around deficiencies at their own cost are carefully reviewed. If such a clause is to be included, it should be modified to account for platform limitations and ensure that the supplier is not unfairly burdened with costs due to inherent platform constraints. Additionally, consider including language that clearly delineates responsibilities and costs associated with platform limitations to protect Verterim's interests."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** the Fees payable by <client> hereunder are as low or lower than amounts charged by Supplier to any other customer purchasing the same type and quantity of services and/or deliverables provided by Supplier hereunder;

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The clause stating that the fees payable by the client are as low or lower than amounts charged to any other customer is not present in the contract text. Therefore, the contract does not impose the risk of guaranteeing the lowest fees to the client. It is advisable to maintain vigilance for such clauses in future contracts to avoid potential conflicts with pricing strategies and ensure flexibility in fee negotiations. If the business relationship expands, consider negotiating terms that allow for competitive pricing without binding commitments to offer the lowest rates. Additionally, ensure that any clauses related to price increase restrictions are clearly defined and do not conflict with other pricing terms."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** To the extent any Supplier Existing IP is included in, or is otherwise necessary for the use of, the Work Product, Supplier hereby grants to Customer and each of its Affiliates a perpetual, irrevocable, transferable, non-exclusive, royalty-free, fully paid up, world-wide license to (a) use, reproduce, distribute, display, prepare derivative works, modify and develop the Work Product, and (b) make, have made, import, and sell and offer to sell and otherwise distribute or exploit the Supplier-Existing IP and/or Third Party IP, as applicable, to the extent either is embodied in any Work Product, or necessary to use any portion(s) of any Work Product, in each case without any accounting or additional consideration to Supplier or any third party. Supplier shall not include any Supplier Existing IP in any Work Product without the express prior written consent of Customer, which prior written consent may be given by Customer in a Statement of Work. For the avoidance of doubt, Supplier Existing IP alone shall not be deemed Work Product; however, any derivative works of Supplier Existing IP that are contained in and/or comprise the Work Product shall be deemed part of the Work Product and owned solely and exclusively by Customer.

**Document Location:** Ownership; Grant of License

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The clause is deemed unacceptable as it requires Verterim to seek express written consent from the Customer to use Verterim's Existing IP in the delivery of services. It is recommended to redline the contract to include a provision that acknowledges the benefit of leveraging Verterim's Existing IP in service delivery, with the client's agreement to its use, thereby eliminating the need for explicit consent for each project. This adjustment will streamline operations and reduce administrative burdens."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** • reimburse <client> for the reasonable expenses that <client> may incur as a result of such Data Breach caused by their acts or omissions or those of any of their authorized subcontractors, including but not limited to, the expenses incurred in investigating the Data Security Breach and notifying affected individuals, and providing these individuals with the support necessary under the circumstances, such as credit monitoring.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause regarding reimbursement for reasonable expenses due to a data breach caused by acts or omissions of Verterim or its subcontractors is not present in the contract text. As such, the contract is categorized as 'acceptable' under the current analysis. It is recommended that if the client desires such a clause, it should be explicitly negotiated and included in future agreements. Additionally, it would be prudent to ensure that all employees and contractors undergo Security Awareness Training to mitigate the risk of breaches and to prepare for any potential liabilities. This training should include informing the Service Delivery team of the potential for such liabilities in the event of errors or omissions."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** Rejection and Cure. If Customer determines that any portion of the Services or Deliverables fails to meet the Acceptance Criteria, Customer will notify Supplier in writing with a description of deficiencies. Without limiting Customer’s other remedies, in such event, Supplier will, at no additional charge to Customer, make any necessary changes to the Services or Deliverables to correct any deficiencies. Supplier will resubmit the corrected Services or Deliverables within the timeframe requested by Customer or if no timeframe is requested, within fifteen (15) days after Customer notifies Supplier of the deficiencies of the Services or Deliverables. The Acceptance process in this Section 5(a) will apply to any resubmitted Services, including a new Acceptance Period.

**Document Location:** Section 5(a) - Rejection and Cure

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The clause is categorized as 'unacceptable' due to the ambiguity in the cure period, which may not align with the Supplier's operational capabilities. It is recommended to negotiate a more specific and mutually agreeable timeframe for the cure period. Additionally, consider specifying the review period to ensure both parties have a clear understanding of the timeline for addressing deficiencies. This will help mitigate potential disputes and ensure smoother contract execution."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Service Provider will send all invoices, which will reference this Agreement and the relevant Purchase Order (PO) number, to the attention of “Accounts Payable” at the following address:

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The contract does not explicitly contain the specified clause regarding the invoicing process to 'Accounts Payable'. It is recommended to include a clause that clearly outlines the invoicing procedure, specifying that all invoices should reference the Agreement and relevant Purchase Order (PO) number, and be directed to 'Accounts Payable' at a specified address. Additionally, consider adding a notification process to Accounts Receivable to ensure all invoices contain the appropriate references and are sent to the correct address. This will enhance clarity and ensure proper accounting practices."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will maintain all materials, data and documentation obtained or generated by Service Provider in the course of preparing for and providing Services, including computerized records and files (collectively, the “Records”) in a secure area reasonably protected from fire, theft and destruction, and <client> shall have reasonable access to such Records and the right to obtain photocopies of such Records. All Records will be the property of <client>. Service Provider will not transfer, deliver or otherwise provide any Records to any party other than <client> or its Affiliates, without the prior written approval of <client>.

**Document Location:** Ownership and Treatment of Customer Data

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is present and categorized as neutral, indicating that it does not pose significant risks or benefits to either party. It ensures that the customer retains ownership of their data and restricts the service provider from exploiting it. No immediate changes are necessary; however, it is advisable to ensure that all parties are aware of their obligations regarding data protection and access. Regular audits and compliance checks should be conducted to ensure adherence to the clause."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** All Records will be retained by Service Provider for a minimum period of two (2) years following completion of the applicable Statement of Work, or longer if required by applicable law or regulation. Service Provider will, at the direction and written request of <client>, promptly deliver Records to <client> or its designee, or dispose of the Records, unless the Records are required to be retained by Service Provider by applicable law or regulation or for insurance purposes. In no event will Service Provider dispose of any Records without first giving <client> sixty (60) days’ prior written notice of its intent to do so.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding data retention and destruction was not found in the provided contract text. It is recommended to include a data retention and destruction clause to ensure compliance with applicable laws and regulations, and to establish clear guidelines for record management. Additionally, implementing a data retention flag for each client contract and a mechanism to alert when data can be destroyed would enhance compliance and operational efficiency."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will carry, with financially sound and reputable insurers, insurance coverage (including worker’s compensation at or above the applicable statutory limits, comprehensive liability and professional liability/errors and omissions coverage) with respect to the conduct of its business against loss from such risks and in such amounts as is customary for well-insured companies engaged in similar businesses and sufficient to support its obligations under this Agreement. Upon the request of <client>, Service Provider will provide <client> with a Certificate of Insurance evidencing such coverage and providing that thirty (30) days advance written notice will be given to <client> of any material change or cancellation in coverage or limits.

**Document Location:** Insurance

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral and requires the Service Provider to maintain adequate insurance and provide a Certificate of Insurance upon request. It is recommended to establish a Certificate of Insurance (COI) request process to ensure compliance with this clause. Additionally, maintain a profile of existing insurance coverages to compare with client requirements. If discrepancies arise, initiate a redline process and renegotiate terms as necessary. Implement a workflow or alert system to manage these processes efficiently."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Supplier agrees to maintain the following minimum limits of insurance with respect to, but not limited to, the coverages required hereunder:

**Document Location:** Insurance

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral and requires the supplier to maintain minimum insurance limits. It is advisable to ensure that the specific insurance requirements are clearly outlined in the contract. If they are not, consider negotiating or redlining the contract to specify these requirements. Additionally, it may be beneficial to consolidate this clause with similar clauses, such as the one in row 9, to ensure consistency and clarity. Ensure that the supplier's insurance coverage aligns with the contractual obligations and any industry standards."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** In the event of a breach of this Agreement by Service Provider which cannot be cured (e.g., breach of confidentiality obligations under Section 6), <client> may terminate this Agreement or any Statement of Work with immediate effect, at any time upon written notice to Service Provider. Further, <client>a may terminate this Agreement or a Statement of Work at any time upon thirty (30) days’ prior written notice to Service Provider.

**Document Location:** 7. Term and Termination

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause allowing termination without cause is present and categorized as neutral. It is important for the client to implement a reliable system for tracking termination notices, such as a digital acknowledgment system to confirm receipt of termination communications. This could involve a simple checkbox system for email or mailed notices to ensure that termination notices are properly documented and acknowledged. Additionally, the client should ensure that all parties involved are aware of the termination procedures and the importance of adhering to the notice period specified in the contract."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will perform all Services in accordance with the applicable Statement of Work, (b) with requisite care, skill and diligence and (c) in accordance with all applicable laws, rules, regulations, orders and industry standards. If specified in a Statement of Work, Services will be rendered in accordance with

**Document Location:** 3. Description of Services, Agreement

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is categorized as neutral, as it places responsibility on the Service Provider to perform services with requisite care, skill, and diligence, and in compliance with applicable laws and standards. It is advisable to ensure that any specific frameworks or processes that align with the skill and diligence language are clearly defined in the Statement of Work to avoid ambiguity. Additionally, consider completing any incomplete sentences to ensure clarity and enforceability."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Without limiting any existing confidentiality obligations between the Parties as of the Effective Date, this Agreement, together with the attached Appendix A and any fully-signed Statements of Work, each of which are incorporated into this Agreement by reference, constitute the entire agreement between the Parties with respect to the specific subject matter of this Agreement, and all prior agreements, oral or written, with respect to such subject matter are superseded. If there is any conflict, discrepancy or inconsistency between the terms contained in the body of this Agreement and any Statement of Work, the terms set forth in the body of this Agreement will govern, control, and take precedence. No provision included in any purchase order, quotation, invoice or other communication between the Parties that is different than, in conflict with or in addition to any provision of this Agreement (including any Statement of Work) shall have any force or effect and each Party hereby gives notice of its objection to any such proposed additional, different or conflicting provision.

**Document Location:** Section 3: Description of Services, Agreement

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral and sets a clear precedence order for conflicting terms between the agreement, Appendix A, and any statements of work. It is recommended to ensure that Appendix A is thoroughly reviewed as it is incorporated by reference. Additionally, verify that all Statements of Work are consistent with the main agreement to avoid any potential conflicts. No further action is required unless discrepancies are found."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** All invoices submitted by Supplier must identify the Purchase Order number of the Purchase Order under which <client> authorized the applicable Fees. If the Statement of Work expressly states that the Fees will be calculated on a time and materials basis, the invoice must also set forth the following information: (i) the names of Supplier’s Personnel who performed work under the Statement of Work; (ii) documentation of the expenses of each of its Personnel, with receipts; (iii) for each of its Personnel, the number of hours worked (which for the avoidance of doubt, excludes time for lunch) and a description of the work performed; (iv) the hourly rate of each individual; and (v) any other information reasonably requested by <client> or as may be requested in the Purchase Order. <client> shall be responsible for the payment of all taxes in connection with this Agreement that are legally required to be paid by <client>, and not for any taxes based on Supplier’s income or taxes that are not legally required to be paid by <client>. If <client> is required to withhold taxes from any payments due to Supplier, then <client> will forward any withholding receipts to Supplier at [address/email address]. <client> shall be entitled to return incomplete invoices unpaid.

**Document Location:** Fees

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding invoicing requirements is present and aligns with standard practices. It is recommended to ensure that all personnel involved in the invoicing process are aware of these requirements to prevent any discrepancies. Additionally, it may be beneficial to implement a workflow system that ensures all invoices are processed in accordance with the agreed-upon terms. This will help streamline the accounts receivable process and minimize the risk of disputes or delays in payment."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** If <client> wishes to dispute any of the Fees invoiced by Supplier, no later than thirty (30) days from receipt of the invoice in question, <client> shall notify Supplier of the amount in dispute and the basis of such dispute. Upon receipt of notice from <client>, Supplier shall work with <client> in good faith to promptly resolve the dispute on Fees. With respect to disputed Fees, <client> shall pay the resolved amount within thirty (30) days following mutual written resolution of the dispute by the Parties. <client> shall not be in default of its obligation to pay the invoice while the dispute remains unresolved.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The contract does not contain the specific clause regarding the dispute of fees within 30 days and the subsequent resolution process. It is recommended to include such a clause to ensure clarity in the dispute resolution process and to reset the payment terms accordingly. This will help both parties manage expectations and avoid potential conflicts related to payment disputes. Additionally, it is advisable to ensure that any clause added is compliant with applicable laws and reflects the mutual agreement of both parties."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Acceptance Testing. Customer has the right to inspect, review, test and otherwise evaluate the Services or Deliverables after delivery for compliance with the applicable Acceptance Criteria. Such inspection and testing will be performed within the Acceptance Period in order to identify and resolve all errors, defects, and nonconformities with the Services or Deliverables. Upon completion of such evaluation, Customer will issue to Supplier a notice of Acceptance or rejection of the Services or Deliverables. Customer’s failure to reject the Services and/or Deliverables within the Acceptance Period will constitute Customer’s rejection of the applicable Services and/or Deliverables. The Acceptance Criteria and the Acceptance Period may be defined within each Statement of Work. In the event no Acceptance Criteria and/or Acceptance Period is defined in the Statement of Work, this MSA shall prevail.

**Document Location:** Acceptance Testing

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is categorized as neutral due to the absence of a specific timeframe for the Acceptance Period. It is recommended to define a clear timeframe for the Acceptance Period within the Statement of Work or the Master Services Agreement to avoid potential disputes or ambiguities. This will ensure that both parties have a mutual understanding of the evaluation timeline and can act accordingly."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** it shall comply with all descriptions and specifications set forth in each Statement of Work (including performance capabilities, accuracy, completeness, uniformity, characteristics, configurations, standards, functions and requirements) and will use individuals with suitable training, education, experience, and skill to fulfill its obligations under a Statement of Work;

**Document Location:** Description of Services, Agreement

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral and places responsibility on Verterim for skill and diligence in work product/resources. It is advisable to ensure that the Statement of Work (SOW) clearly outlines the specific requirements and standards expected from the Service Provider to avoid any ambiguities. Additionally, it would be beneficial to include a mechanism for regular review and updates to the SOW to accommodate any changes in project scope or requirements."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** it has the skills, qualifications and experience necessary to perform its obligations under this Agreement and Supplier shall devote all the necessary time and attention for the proper performance of its obligations set out in a Statement of Work;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The term in question, which places responsibility on Verterim for skill and diligence in work product/resources, is not explicitly present in the provided contract text. However, the contract does contain various sections that outline the obligations and expectations of the Service Provider, such as the 'Warranties of Service Provider' section. It is recommended to ensure that the contract explicitly includes a clause that clearly states the requirement for the Service Provider to have the necessary skills, qualifications, and experience, and to devote the necessary time and attention to its obligations. This will help mitigate any potential disputes regarding performance standards and ensure clarity in the expectations from the Service Provider."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** it shall comply with all Applicable Law in the performance of its obligations under this Agreement (including, but not limited to, all applicable anti-corruption and discrimination in employment laws, rules, regulations, legislation or conventions and in connection with its sole obligation to withhold and report taxes on payments made to its Personnel, and make payments into pension schemes, social security plans, or similar arrangements for the benefit of its employees);

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding compliance with all applicable laws, including anti-corruption and discrimination laws, is a common and prudent inclusion in contracts to ensure legal compliance and mitigate risks. It is recommended to include such a clause explicitly if not already present, to reinforce the parties' commitment to legal obligations. Additionally, ensure that all parties are aware of their specific obligations under applicable laws to prevent any potential legal issues."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** it has obtained, or will obtain, any and all permits, licenses and/or governmental or third party consents, approvals or assignments in a timely manner which are required in connection with the performance of this Agreement by Supplier or in order to enable Supplier to provide and Customer to use any Services and/or Deliverables performed or delivered, as the case may be, under this Agreement;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding obtaining necessary permits, licenses, and consents is not explicitly found in the provided contract text. It is a standard clause that ensures compliance with legal and regulatory requirements and should be included to protect both parties. It is recommended to review the contract for any similar clauses or to consider adding this clause to ensure all necessary approvals are obtained in a timely manner for the performance of services."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Suppliers must immediately notify <client> (security.response@<client security email address>.com / privacy@<client security email address>.com) if they know, discover or reasonably believe that there has been a Data Security Breach. In the event of a Data Security Breach, Suppliers will:

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"Since the specific clause regarding immediate notification of a Data Security Breach is not present in the contract, it is recommended to include a detailed clause outlining the notification process and contact details for incident response. This will ensure clarity and compliance with data security standards. Additionally, maintaining a documented method for incident response notification for each client is advised to enhance preparedness and response efficiency."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** • immediately investigate, correct, mitigate, remediate and otherwise handle the Data Security

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The term in question, which involves immediate action on data security events, is not explicitly found in the provided contract text. Given the neutral categorization of the term, there is no immediate concern regarding its absence. However, it is advisable to ensure that the contract includes comprehensive data security measures and incident response protocols to safeguard against potential security breaches. Consider reviewing the contract to ensure it aligns with industry standards for data protection and includes clear procedures for handling data security incidents."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Breach, including without limitation, by identifying Personal Data affected by the Data Security Breach and taking sufficient steps to prevent the continuation and recurrence of the Data Security Breach;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The term regarding data breach identification and remediation is not explicitly present in the contract text provided. It is recommended to ensure that such a clause is included to address the identification of personal data affected by a data security breach and to outline steps to prevent recurrence. This is crucial for compliance with data protection regulations and to mitigate potential liabilities. Consider reviewing the contract to include comprehensive data breach response obligations, ensuring alignment with industry standards and legal requirements."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** • provide information and assistance needed to enable <client> to evaluate the Data Security Breach and, as applicable, provide timely notices disclosing a Data Security Breach and comply with any obligations to provide information on the Data Security Breach to relevant regulators; and

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The term regarding the provision of information and assistance for evaluating a Data Security Breach and providing timely notices is not explicitly found in the provided contract text. It is recommended to ensure that such a clause is included in the agreement to clearly delineate the responsibilities of the Service Provider in the event of a data security breach. This will help in ensuring compliance with relevant data protection regulations and provide clarity on the obligations of the parties involved. Consider drafting separate clauses for client assistance in breach validation and for timely notification to regulators to avoid ambiguity and ensure enforceability."*

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### Verterim\_MSA\_Genworth\_9-14\_Verterim.pdf

**Key Sections:** Section 10 - Fees, Assignment/Subcontracting/Outsourcing, Term and Termination

**Clause Status:** Acceptable *(Absent)*

**Clause Text:** This Agreement and any disputes arising out of or relating to this Agreement will be governed by, construed and interpreted in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to any choice of law principle that would require the application of the law of another jurisdiction. The Parties expressly reject any application to this Agreement of (a) the United Nations Convention on Contracts for the International Sale of Goods; and (b) the 1974 Convention on the Limitation Period in the International Sale of Goods, as amended by that certain Protocol, done at Vienna on April 11, 1980.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The governing law clause in the provided contract text specifies that the agreement is governed by the laws of the State of Virginia, not Massachusetts. Since the clause beneficial to Verterim is not present, it is recommended to renegotiate the governing law clause to specify Massachusetts as the governing jurisdiction. Additionally, ensure that the clause explicitly rejects the application of the United Nations Convention on Contracts for the International Sale of Goods and the 1974 Convention on the Limitation Period in the International Sale of Goods, as these are beneficial exclusions for Verterim."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** This Agreement will remain in full force and effect until

**Document Location:** Term and Termination

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause defining the term of the agreement is present and clearly outlines the duration and renewal conditions. It is advisable to implement an alert system to notify relevant parties six months prior to the expiration of the current term. This will allow for timely decisions regarding renewal or termination. Additionally, establishing a workflow for handling contract renewals or terminations will ensure that actions are taken efficiently and in accordance with the contract terms."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** With <client's> prior written consent, Service Provider may subcontract the performance of specific obligations of Service Provider under a Statement of Work to a qualified Affiliate of Service Provider or to a qualified non-Affiliate third party including, but not limited to, consultants; provided, that (a) such Affiliate or third party performs those Services in a manner consistent with the terms and conditions of this Agreement; (b) Service Provider notifies <client> of the specific Services to be performed by the subcontractor and (c) Service Provider remains liable for the performance of such Affiliate or third party.

**Document Location:** Assignment/Subcontracting/Outsourcing

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause is acceptable as it allows subcontracting with the client's prior written consent, ensuring that the subcontractor adheres to the agreement's terms and conditions. It is recommended to define a workflow or alert system for the notification process to ensure compliance and transparency. Additionally, ensure that the notification process is documented and agreed upon by both parties to avoid any potential disputes."*

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**Clause Status:** Acceptable *(Absent)*

**Clause Text:** Any Service Provider Personnel (as defined in Section 3.4) identified in a Statement of Work as “Key Service Provider Personnel” will remain assigned to perform Services covered by the applicable Statement of Work as long as such individuals remain employed by or under contract with Service Provider, unless (a) an individual is unavailable for reasons of disability, illness or promotion; or (b) <client> has requested the replacement of any individual who is not performing to <client>’s reasonable satisfaction. Service Provider will cooperate with <client> in periodically reviewing the performance of the Key Service Provider Personnel and will promptly remedy any concerns to <client>’s reasonable satisfaction. Service Provider will promptly select a qualified replacement should any Key Service Provider Personnel resign or become otherwise unavailable as specified above or if <client> requests the replacement of any such Key Service Provider Personnel. <client> will have the right to approve any such replacement, which approval will not be unreasonably withheld.

**Classification Logic:** *Originally unacceptable clause marked acceptable due to absence.*

**Recommendation:** *"The specific clause regarding 'Key Service Provider Personnel' as outlined in the prompt is not present in the provided contract text. It is recommended to include a clause that specifies the terms for the assignment and replacement of Key Service Provider Personnel to ensure clarity and compliance. This clause should detail the conditions under which personnel can be replaced, the client's right to approve replacements, and any associated costs for onboarding new personnel. Additionally, it would be beneficial to establish a notification process to keep the client informed about personnel changes, ensuring the client's satisfaction with replacements."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Service Provider may terminate this Agreement or any Statement of Work if <client> fails to cure a material breach of this Agreement or of a Statement of Work within thirty (30) days after receiving written notice from Service Provider of such breach.

**Document Location:** Term and Termination

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause is present and categorized as acceptable, as it provides the Service Provider with the right to terminate the agreement if the client fails to cure a material breach within thirty days after receiving notice. This aligns with standard contractual practices. It is recommended to ensure that mechanisms are in place to alert the Service Provider promptly when a client is late on payments or defaults on other obligations, such as reviewing and approving work products within defined timeframes. This proactive approach will help in timely enforcement of the clause."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Provided that Supplier has provided to <client> (i) the Services and/or Deliverables in accordance with this Agreement (including, the applicable Statement of Work) and (ii) all the information required by Section 14, <client> shall pay all undisputed Fees on an invoice within thirty (30) days of receipt of the invoice. The obligations set forth in this Section 3 are in addition to Supplier’s other obligations with respect to Fees and is not meant limit any other restrictions on the Fees that Supplier may charge <client> set forth in this Agreement. Payment for the Services and/or Deliverables shall not constitute Customer’s approval or acceptance of such Services and/or Deliverables.

**Document Location:** Section 10 - Fees

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The payment term of 30 days is consistent with the clause provided and is categorized as acceptable. It is recommended to implement a system to highlight payment terms exceeding 30 days for clients, ensuring this information is communicated to Accounts Receivable. Additionally, regular audits of payment terms across contracts should be conducted to maintain compliance and consistency."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Service Provider agrees that pricing for any particular type of Services is firm for the period of twenty four (24) months from the date on which a Statement of Work is agreed to by the Parties and following such 24-month period, prices for similar Services (whether or not performed pursuant to the same Statement of Work) may be increased in any calendar year no more than the lesser of (a) the change in the Consumer Price Index (CPI), published by the United States Bureau of Labor Statistics from the previous calendar year and (b) three percent (5%).

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"Since the specific pricing clause described in the prompt is not present in the contract text, the contract is categorized as 'acceptable' in this context. However, it is advisable for Verterim to ensure that any pricing clauses in future agreements allow for flexibility in adjusting rates based on market conditions or other relevant factors. Additionally, any long-term pricing agreements should be subject to renegotiation or require explicit approval from senior management, especially if there are strategic reasons to secure rates for extended periods, such as commitments related to software licensing or consulting services."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** If at any time Supplier fails to obtain insurance (or provide proof of insurance) in accordance with this Agreement, or as otherwise required by Customer, Customer may obtain the coverage specified in this Agreement and charge all associated premiums and costs to Supplier. Supplier will reimburse Customer the cost thereof within fifteen (15) days of receipt of an invoice therefor from Customer.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specified clause regarding insurance obligations and cost reimbursement by the Supplier is not present in the provided contract text. Therefore, the contract is categorized as 'acceptable' in this context. It is recommended to review the contract for any other clauses that may impose similar obligations or risks. If the clause is intended to be included, it should be negotiated to ensure it aligns with the Supplier's risk management and financial policies, and it should have explicit approval from Senior Management."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** In the event that any Services do not meet the specifications or other performance criteria agreed to by Service Provider and <client> in writing, then Service Provider will, at <client>’s option, promptly (a) re-perform such Services at Service Provider’s cost; or (b) refund to <client> all amounts paid by <client> to Service Provider in connection with such Services. The provisions of this Section 7.5 are not exclusive, and <client> may seek any other right or remedy that it may have under this Agreement or otherwise.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specified clause is not present in the contract text. Therefore, the contract is categorized as 'acceptable' in this context. It is advisable to ensure that all service delivery teams are aware of the contractual obligations and that there are mechanisms in place to monitor compliance with the SOW requirements. Regular audits and reviews of service performance against the agreed specifications can help mitigate risks associated with non-compliance."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Failure to Cure. If Supplier fails to make such changes or, notwithstanding such changes, the Services or Deliverables still contain deficiencies, then Customer may, in its sole discretion and in addition to any other remedies it may have: (i) provide, in writing, additional time for Supplier to make changes; or, (ii) terminate all or part of this Agreement or a Statement of Work pursuant to Section 8 upon written notice to Supplier. Upon Customer’s election to terminate, Customer will have no further obligation to make payments to Supplier and Supplier will refund to Customer all of the Fees paid to Supplier for the non-conforming Services and/or Deliverables.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause identified as 'Failure to Cure' is not present in the provided contract text. Therefore, the contract is categorized as 'acceptable' in this context. However, it is advisable to review the contract for any similar clauses that may impose undue financial obligations on the Supplier in the event of non-conforming deliverables, especially considering the legal requirements in the Commonwealth of Massachusetts regarding payment for Time and Material work. If such clauses are found, they should be revised to ensure compliance with local laws and to prevent potential disputes."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Minor Deficiency Correction. Notwithstanding Acceptance of any Services and/or Deliverables, Supplier, at no additional charge to Customer, will correct or develop a work around for any minor deficiencies identified by Customer. Supplier will correct or develop a work around for each minor deficiency within thirty (30) days after Customer provides notice to Supplier of the minor deficiency.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"Since the specific clause regarding 'Minor Deficiency Correction' is not present in the contract text, the current contract can be categorized as 'acceptable' with respect to this term. However, it is advisable to include language addressing platform limitations to protect Verterim from incurring costs related to vendor platform limitations. This can be done by adding a clause that clearly delineates the responsibilities of the Supplier in cases where deficiencies are due to platform limitations, ensuring that Verterim is not unfairly burdened with the cost of workarounds."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** the Fees payable by <client> hereunder are as low or lower than amounts charged by Supplier to any other customer purchasing the same type and quantity of services and/or deliverables provided by Supplier hereunder;

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause stating that 'the Fees payable by <client> hereunder are as low or lower than amounts charged by Supplier to any other customer purchasing the same type and quantity of services and/or deliverables provided by Supplier hereunder' was not found in the provided contract text. Therefore, the contract does not currently impose the risk associated with guaranteeing the lowest fees across all customer engagements. It is advisable to maintain vigilance for such clauses in future contracts to avoid potential conflicts with price increase restrictions and ensure that pricing strategies remain flexible and competitive. If such a clause is proposed in negotiations, consider renegotiating to allow for flexibility in pricing adjustments based on the growth of the business relationship."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** To the extent any Supplier Existing IP is included in, or is otherwise necessary for the use of, the Work Product, Supplier hereby grants to Customer and each of its Affiliates a perpetual, irrevocable, transferable, non-exclusive, royalty-free, fully paid up, world-wide license to (a) use, reproduce, distribute, display, prepare derivative works, modify and develop the Work Product, and (b) make, have made, import, and sell and offer to sell and otherwise distribute or exploit the Supplier-Existing IP and/or Third Party IP, as applicable, to the extent either is embodied in any Work Product, or necessary to use any portion(s) of any Work Product, in each case without any accounting or additional consideration to Supplier or any third party. Supplier shall not include any Supplier Existing IP in any Work Product without the express prior written consent of Customer, which prior written consent may be given by Customer in a Statement of Work. For the avoidance of doubt, Supplier Existing IP alone shall not be deemed Work Product; however, any derivative works of Supplier Existing IP that are contained in and/or comprise the Work Product shall be deemed part of the Work Product and owned solely and exclusively by Customer.

**Document Location:** Intellectual Property

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The clause as it stands imposes a significant restriction on Verterim's ability to leverage its existing IP without prior written consent from the customer. It is recommended to negotiate a revision of this clause to allow Verterim to use its existing IP in delivering services without needing to obtain express consent each time. This could be achieved by including a provision that acknowledges the benefit of using Verterim's existing IP in the delivery of services and obtaining a blanket consent from the customer for such use. This would streamline project execution and reduce administrative burdens."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** • reimburse <client> for the reasonable expenses that <client> may incur as a result of such Data Breach caused by their acts or omissions or those of any of their authorized subcontractors, including but not limited to, the expenses incurred in investigating the Data Security Breach and notifying affected individuals, and providing these individuals with the support necessary under the circumstances, such as credit monitoring.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"Since the term regarding reimbursement for data breach expenses is not present in the contract, it is categorized as acceptable. However, it is advisable to include a clause that clearly outlines the responsibilities and liabilities in the event of a data breach. This should include provisions for reimbursement of reasonable expenses incurred by the client due to breaches caused by acts or omissions of the supplier or its subcontractors. Additionally, ensure that all employees and contractors are informed about this potential liability through Security Awareness Training. This will help mitigate risks and ensure compliance with best practices in data protection."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** Rejection and Cure. If Customer determines that any portion of the Services or Deliverables fails to meet the Acceptance Criteria, Customer will notify Supplier in writing with a description of deficiencies. Without limiting Customer’s other remedies, in such event, Supplier will, at no additional charge to Customer, make any necessary changes to the Services or Deliverables to correct any deficiencies. Supplier will resubmit the corrected Services or Deliverables within the timeframe requested by Customer or if no timeframe is requested, within fifteen (15) days after Customer notifies Supplier of the deficiencies of the Services or Deliverables. The Acceptance process in this Section 5(a) will apply to any resubmitted Services, including a new Acceptance Period.

**Document Location:** Section 5(a)

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The clause is categorized as unacceptable due to the potential ambiguity and lack of clarity regarding the timeframe for curing deficiencies. It is recommended to negotiate a more specific and mutually agreeable timeframe for the cure period, ensuring that both parties have a clear understanding of the expectations and obligations. Additionally, consider specifying the review period to assess whether the cure period is feasible and aligns with the operational capabilities of both parties."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Service Provider will send all invoices, which will reference this Agreement and the relevant Purchase Order (PO) number, to the attention of “Accounts Payable” at the following address:

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The contract does not explicitly contain the clause stating that the Service Provider will send all invoices referencing the Agreement and the relevant Purchase Order (PO) number to the attention of 'Accounts Payable' at a specified address. It is recommended to include such a clause to ensure clarity in the invoicing process and to prevent any potential disputes regarding invoice delivery. Additionally, it would be prudent to include a notification mechanism to the Accounts Receivable to ensure all invoices contain the appropriate references and are sent to the correct address. This addition will enhance the administrative efficiency and accuracy of the invoicing process."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Service Provider will maintain all materials, data and documentation obtained or generated by Service Provider in the course of preparing for and providing Services, including computerized records and files (collectively, the “Records”) in a secure area reasonably protected from fire, theft and destruction, and <client> shall have reasonable access to such Records and the right to obtain photocopies of such Records. All Records will be the property of <client>. Service Provider will not transfer, deliver or otherwise provide any Records to any party other than <client> or its Affiliates, without the prior written approval of <client>.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause regarding the secure maintenance and access to records by the client is not present in the provided contract text. It is recommended to ensure that such a clause is included to clearly define the responsibilities of the Service Provider in maintaining and securing client records, as well as the client's rights to access these records. This would enhance the clarity and enforceability of the agreement, particularly in terms of data security and client access rights."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** All Records will be retained by Service Provider for a minimum period of two (2) years following completion of the applicable Statement of Work, or longer if required by applicable law or regulation. Service Provider will, at the direction and written request of <client>, promptly deliver Records to <client> or its designee, or dispose of the Records, unless the Records are required to be retained by Service Provider by applicable law or regulation or for insurance purposes. In no event will Service Provider dispose of any Records without first giving <client> sixty (60) days’ prior written notice of its intent to do so.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"Since the specific data retention clause is not present in the contract text, it is recommended to review the contract for any general data retention policies that may apply. If the clause is deemed necessary for compliance or operational purposes, consider negotiating its inclusion in the contract. Additionally, establish a data retention flag for each client contract to ensure compliance with data retention and destruction requirements, and implement a mechanism to alert when data can be destroyed."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will carry, with financially sound and reputable insurers, insurance coverage (including worker’s compensation at or above the applicable statutory limits, comprehensive liability and professional liability/errors and omissions coverage) with respect to the conduct of its business against loss from such risks and in such amounts as is customary for well-insured companies engaged in similar businesses and sufficient to support its obligations under this Agreement. Upon the request of <client>, Service Provider will provide <client> with a Certificate of Insurance evidencing such coverage and providing that thirty (30) days advance written notice will be given to <client> of any material change or cancellation in coverage or limits.

**Document Location:** Insurance

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral and standard in requiring the Service Provider to maintain adequate insurance coverage and provide a Certificate of Insurance upon request. It is advisable to establish a Certificate of Insurance (COI) request process to ensure compliance with this clause. Additionally, maintaining a profile of existing insurance policy coverages to compare with client requirements is recommended. If discrepancies arise, initiate a redline process and renegotiate terms as necessary. Implement a workflow or alert system to manage these processes efficiently."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Supplier agrees to maintain the following minimum limits of insurance with respect to, but not limited to, the coverages required hereunder:

**Document Location:** Insurance

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral as it requires the Supplier to maintain necessary insurance limits, which is standard practice. However, it does not specify the requirement for a Certificate of Insurance (COI). It is advisable to compare the specific insurance requirements outlined in this clause with those in similar contracts to ensure compliance and adequacy. If the requirements are not met, consider renegotiating or redlining the contract to include a request for a COI to ensure proper documentation and verification of insurance coverage."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** In the event of a breach of this Agreement by Service Provider which cannot be cured (e.g., breach of confidentiality obligations under Section 6), <client> may terminate this Agreement or any Statement of Work with immediate effect, at any time upon written notice to Service Provider. Further, <client>a may terminate this Agreement or a Statement of Work at any time upon thirty (30) days’ prior written notice to Service Provider.

**Document Location:** Section 2. Term and Termination

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause allowing termination upon thirty days' notice is present and categorized as neutral, as it provides flexibility to the client without being overly restrictive to the service provider. To enhance clarity and operational efficiency, it is recommended to implement a system for tracking termination notices. This could involve a digital acknowledgment system, such as a checkbox confirmation upon receipt of an email or a mailed notice, to ensure both parties are aware and have documented the termination process. Additionally, it may be beneficial to review the clause to ensure it aligns with any specific business needs or legal requirements that may have arisen since the contract's drafting."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will perform all Services in accordance with the applicable Statement of Work, (b) with requisite care, skill and diligence and (c) in accordance with all applicable laws, rules, regulations, orders and industry standards. If specified in a Statement of Work, Services will be rendered in accordance with

**Document Location:** 3. Services

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is present and categorized as neutral. It ensures that the Service Provider is obligated to perform services with care, skill, and in compliance with applicable laws and standards. However, the sentence is incomplete, which may lead to ambiguity. It is recommended to complete the sentence to ensure clarity and avoid potential disputes. Additionally, consider specifying any particular frameworks or processes that align with the skill and diligence language to enhance clarity and enforceability."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Without limiting any existing confidentiality obligations between the Parties as of the Effective Date, this Agreement, together with the attached Appendix A and any fully-signed Statements of Work, each of which are incorporated into this Agreement by reference, constitute the entire agreement between the Parties with respect to the specific subject matter of this Agreement, and all prior agreements, oral or written, with respect to such subject matter are superseded. If there is any conflict, discrepancy or inconsistency between the terms contained in the body of this Agreement and any Statement of Work, the terms set forth in the body of this Agreement will govern, control, and take precedence. No provision included in any purchase order, quotation, invoice or other communication between the Parties that is different than, in conflict with or in addition to any provision of this Agreement (including any Statement of Work) shall have any force or effect and each Party hereby gives notice of its objection to any such proposed additional, different or conflicting provision.

**Document Location:** Entire Agreement

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral, setting a clear precedence order for conflicting terms between the agreement, Appendix A, and any Statement of Work. It is advisable to review Appendix A to ensure consistency and completeness, as it is incorporated by reference. Additionally, ensure that all parties are aware of this precedence to avoid any potential disputes over conflicting terms in future communications or documents."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** All invoices submitted by Supplier must identify the Purchase Order number of the Purchase Order under which <client> authorized the applicable Fees. If the Statement of Work expressly states that the Fees will be calculated on a time and materials basis, the invoice must also set forth the following information: (i) the names of Supplier’s Personnel who performed work under the Statement of Work; (ii) documentation of the expenses of each of its Personnel, with receipts; (iii) for each of its Personnel, the number of hours worked (which for the avoidance of doubt, excludes time for lunch) and a description of the work performed; (iv) the hourly rate of each individual; and (v) any other information reasonably requested by <client> or as may be requested in the Purchase Order. <client> shall be responsible for the payment of all taxes in connection with this Agreement that are legally required to be paid by <client>, and not for any taxes based on Supplier’s income or taxes that are not legally required to be paid by <client>. If <client> is required to withhold taxes from any payments due to Supplier, then <client> will forward any withholding receipts to Supplier at [address/email address]. <client> shall be entitled to return incomplete invoices unpaid.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific invoicing clause as described in the prompt is not present in the provided contract text. It is recommended to ensure that all invoicing requirements, including the identification of the Purchase Order number and detailed breakdowns for time and materials invoices, are explicitly included in the contract to avoid any ambiguity. Additionally, a workflow should be established for Accounts Receivable to process invoices in accordance with the agreed terms. This will ensure compliance and reduce the risk of disputes over incomplete or incorrect invoices."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** If <client> wishes to dispute any of the Fees invoiced by Supplier, no later than thirty (30) days from receipt of the invoice in question, <client> shall notify Supplier of the amount in dispute and the basis of such dispute. Upon receipt of notice from <client>, Supplier shall work with <client> in good faith to promptly resolve the dispute on Fees. With respect to disputed Fees, <client> shall pay the resolved amount within thirty (30) days following mutual written resolution of the dispute by the Parties. <client> shall not be in default of its obligation to pay the invoice while the dispute remains unresolved.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The contract does not contain the specific clause allowing the client to dispute fees within thirty days and resetting the payment terms clock. It is recommended to incorporate such a clause to provide clarity on the process for fee disputes and ensure both parties understand the adjusted payment timelines. This addition would help avoid potential conflicts and ensure smoother financial transactions."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Acceptance Testing. Customer has the right to inspect, review, test and otherwise evaluate the Services or Deliverables after delivery for compliance with the applicable Acceptance Criteria. Such inspection and testing will be performed within the Acceptance Period in order to identify and resolve all errors, defects, and nonconformities with the Services or Deliverables. Upon completion of such evaluation, Customer will issue to Supplier a notice of Acceptance or rejection of the Services or Deliverables. Customer’s failure to reject the Services and/or Deliverables within the Acceptance Period will constitute Customer’s rejection of the applicable Services and/or Deliverables. The Acceptance Criteria and the Acceptance Period may be defined within each Statement of Work. In the event no Acceptance Criteria and/or Acceptance Period is defined in the Statement of Work, this MSA shall prevail.

**Document Location:** Acceptance Testing

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is categorized as neutral due to the absence of a specified timeframe for the Acceptance Period. To enhance clarity and enforceability, it is recommended to define a specific timeframe for the Acceptance Period within the Statement of Work or the Master Services Agreement. This will ensure both parties have a clear understanding of the evaluation period and reduce potential disputes regarding the acceptance or rejection of deliverables."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** it shall comply with all descriptions and specifications set forth in each Statement of Work (including performance capabilities, accuracy, completeness, uniformity, characteristics, configurations, standards, functions and requirements) and will use individuals with suitable training, education, experience, and skill to fulfill its obligations under a Statement of Work;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The term in question does not appear to be explicitly present in the provided contract text. Given the neutral categorization, there are no immediate concerns regarding its absence. However, it is advisable to ensure that the contract includes clear obligations regarding compliance with specifications and the use of qualified personnel in the performance of work. This can help mitigate risks related to performance capabilities and ensure that the services meet the required standards. If similar clauses are found in other sections, they should be reviewed to ensure they meet the contractual and operational needs of both parties."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** it has the skills, qualifications and experience necessary to perform its obligations under this Agreement and Supplier shall devote all the necessary time and attention for the proper performance of its obligations set out in a Statement of Work;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause in question, which places responsibility on Verterim for skill and diligence in work product/resources, is not explicitly present in the provided contract text. However, the contract does contain general representations and warranties regarding the quality and professionalism of services provided by the Supplier. It is recommended to ensure that the contract includes a specific clause that explicitly states the Supplier's obligation to have the necessary skills, qualifications, and experience, as well as the commitment to devote the necessary time and attention to the performance of its obligations. This would provide clearer accountability and reduce potential ambiguities regarding the Supplier's responsibilities."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** it shall comply with all Applicable Law in the performance of its obligations under this Agreement (including, but not limited to, all applicable anti-corruption and discrimination in employment laws, rules, regulations, legislation or conventions and in connection with its sole obligation to withhold and report taxes on payments made to its Personnel, and make payments into pension schemes, social security plans, or similar arrangements for the benefit of its employees);

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding compliance with applicable laws, including anti-corruption and discrimination laws, is not explicitly found in the provided contract text. It is advisable to include such a clause to ensure that both parties are aware of their obligations to comply with relevant laws and regulations. This is a common and important provision in contracts to mitigate legal risks. Consider reviewing the contract to ensure that all necessary compliance clauses are included."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** it has obtained, or will obtain, any and all permits, licenses and/or governmental or third party consents, approvals or assignments in a timely manner which are required in connection with the performance of this Agreement by Supplier or in order to enable Supplier to provide and Customer to use any Services and/or Deliverables performed or delivered, as the case may be, under this Agreement;

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specified clause regarding obtaining necessary permits, licenses, and consents is not explicitly present in the provided contract text. However, it is common and advisable to include such a clause to ensure that the Supplier is obligated to secure all necessary approvals for the performance of the agreement. It is recommended to review the contract to ensure that this obligation is clearly outlined, either in the main body of the agreement or within the Statements of Work (SOWs). If not present, consider adding a clause to this effect to mitigate any potential compliance risks."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Suppliers must immediately notify <client> (security.response@<client security email address>.com / privacy@<client security email address>.com) if they know, discover or reasonably believe that there has been a Data Security Breach. In the event of a Data Security Breach, Suppliers will:

**Document Location:** Nondisclosure

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding notification of a data security breach is present and outlines the process and contact details for incident response. It is recommended to ensure that the contact details are up-to-date and that there is a documented method for incident response notification. Additionally, it would be prudent to verify that the Supplier's obligations regarding data breach notifications align with applicable data protection laws and regulations to ensure compliance."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** • immediately investigate, correct, mitigate, remediate and otherwise handle the Data Security

**Document Location:** Nondisclosure

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding immediate action on security breaches is present and categorized as neutral. It aligns with industry standards for data security incident response. No immediate changes are necessary, but it is advisable to ensure that the clause is consistently applied across all agreements to maintain uniformity in security protocols. Additionally, regular reviews of the clause's effectiveness in practice should be conducted to ensure it meets evolving security challenges."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Breach, including without limitation, by identifying Personal Data affected by the Data Security Breach and taking sufficient steps to prevent the continuation and recurrence of the Data Security Breach;

**Document Location:** Nondisclosure

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause regarding data security breaches is present and aligns with the neutral categorization. It outlines the responsibilities of the Supplier in the event of a data security breach, including notification and remediation steps. No immediate changes are necessary, but it is recommended to ensure that all parties are aware of their obligations under this clause and that appropriate measures are in place to comply with these requirements. Regular audits and reviews of the Supplier's security measures and breach response plans should be conducted to ensure ongoing compliance and effectiveness."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** • provide information and assistance needed to enable <client> to evaluate the Data Security Breach and, as applicable, provide timely notices disclosing a Data Security Breach and comply with any obligations to provide information on the Data Security Breach to relevant regulators; and

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause requiring Verterim to provide information and assistance for evaluating a Data Security Breach and providing timely notices is not present in the provided contract text. It is recommended to review the contract to ensure that these obligations are clearly delineated and agreed upon in separate clauses to avoid ambiguity. Consider drafting distinct clauses that separately address the client's assistance for validation and the requirement for timely notification to relevant regulators. This will enhance clarity and ensure that both parties have a mutual understanding of their obligations in the event of a data security breach."*

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### MSA-VERTERIM\_8-19--MDTC\_9-4u\_-\_Verterim\_Executed\_-\_09112019.pdf

**Key Sections:** Termination, Key Personnel and Other Supplier Personnel, Term; Termination; Effect of Termination, Governing Law and Jurisdiction, General/Miscellaneous

**Clause Status:** Acceptable *(Present)*

**Clause Text:** This Agreement and any disputes arising out of or relating to this Agreement will be governed by, construed and interpreted in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to any choice of law principle that would require the application of the law of another jurisdiction. The Parties expressly reject any application to this Agreement of (a) the United Nations Convention on Contracts for the International Sale of Goods; and (b) the 1974 Convention on the Limitation Period in the International Sale of Goods, as amended by that certain Protocol, done at Vienna on April 11, 1980.

**Document Location:** Governing Law and Jurisdiction

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause is beneficial as it specifies Massachusetts law as the governing law, which is advantageous for Verterim. It also excludes the application of the UN Convention on Contracts for the International Sale of Goods and the 1974 Convention on the Limitation Period, which aligns with the company's interests. No further action is required unless there is a strategic reason to renegotiate the governing law or the exclusion of international conventions. Ensure that senior management is aware and approves of the governing law choice."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** This Agreement will remain in full force and effect until

**Document Location:** Term; Termination; Effect of Termination

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause defining the term of the agreement is present and acceptable. It is recommended to implement an aging function that alerts the parties when the contract is within six months of expiration. This will allow for timely decisions regarding termination or renewal. Additionally, establishing a workflow for both actions—termination and renewal—will ensure that the necessary steps are taken promptly and efficiently."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** With <client's> prior written consent, Service Provider may subcontract the performance of specific obligations of Service Provider under a Statement of Work to a qualified Affiliate of Service Provider or to a qualified non-Affiliate third party including, but not limited to, consultants; provided, that (a) such Affiliate or third party performs those Services in a manner consistent with the terms and conditions of this Agreement; (b) Service Provider notifies <client> of the specific Services to be performed by the subcontractor and (c) Service Provider remains liable for the performance of such Affiliate or third party.

**Document Location:** General/Miscellaneous

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause is acceptable as it allows subcontracting with conditions that protect the client's interests. It is recommended to define a clear workflow or alert system for notifying the client about subcontracting arrangements. This will ensure compliance and maintain transparency. Additionally, ensure that all subcontractors are bound by the same confidentiality and performance standards as the primary service provider."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Any Service Provider Personnel (as defined in Section 3.4) identified in a Statement of Work as “Key Service Provider Personnel” will remain assigned to perform Services covered by the applicable Statement of Work as long as such individuals remain employed by or under contract with Service Provider, unless (a) an individual is unavailable for reasons of disability, illness or promotion; or (b) <client> has requested the replacement of any individual who is not performing to <client>’s reasonable satisfaction. Service Provider will cooperate with <client> in periodically reviewing the performance of the Key Service Provider Personnel and will promptly remedy any concerns to <client>’s reasonable satisfaction. Service Provider will promptly select a qualified replacement should any Key Service Provider Personnel resign or become otherwise unavailable as specified above or if <client> requests the replacement of any such Key Service Provider Personnel. <client> will have the right to approve any such replacement, which approval will not be unreasonably withheld.

**Document Location:** Key Personnel and Other Supplier Personnel

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause is beneficial as it allows the client to request the replacement of underperforming personnel and ensures that replacements are approved by the client. However, it is recommended to include a provision that explicitly requires notifying the client of any new resource and confirming their satisfaction with the replacement to ensure compliance with the clause. Additionally, consider clarifying any costs associated with onboarding new personnel to avoid potential disputes."*

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**Clause Status:** Acceptable *(Present)*

**Clause Text:** Service Provider may terminate this Agreement or any Statement of Work if <client> fails to cure a material breach of this Agreement or of a Statement of Work within thirty (30) days after receiving written notice from Service Provider of such breach.

**Document Location:** Termination

**Classification Logic:** *Acceptable clause remains acceptable as it was found in the document.*

**Recommendation:** *"The clause is acceptable as it provides the Service Provider with a clear right to terminate the agreement in the event of a material breach by the client, which is a standard protective measure. It is recommended to ensure that the triggers for a material breach are clearly defined within the contract to avoid ambiguity. Additionally, implementing a system to alert the Service Provider when a client is late on payments or has defaulted could be beneficial. This proactive approach will help in managing breaches effectively and maintaining the contractual relationship."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** Provided that Supplier has provided to <client> (i) the Services and/or Deliverables in accordance with this Agreement (including, the applicable Statement of Work) and (ii) all the information required by Section 14, <client> shall pay all undisputed Fees on an invoice within thirty (30) days of receipt of the invoice. The obligations set forth in this Section 3 are in addition to Supplier’s other obligations with respect to Fees and is not meant limit any other restrictions on the Fees that Supplier may charge <client> set forth in this Agreement. Payment for the Services and/or Deliverables shall not constitute Customer’s approval or acceptance of such Services and/or Deliverables.

**Document Location:** Section 3: Payment Terms

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The term as identified in the provided instructions is not present in the contract text. Instead, the contract specifies a payment term of sixty (60) days, which is in excess of the desired thirty (30) days. It is recommended to negotiate with the client, Mars Information Services, Inc., to amend the payment terms to align with the standard thirty (30) days. Additionally, ensure that this payment information is communicated to the Accounts Receivable department to monitor and manage payment timelines effectively."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** Service Provider agrees that pricing for any particular type of Services is firm for the period of twenty four (24) months from the date on which a Statement of Work is agreed to by the Parties and following such 24-month period, prices for similar Services (whether or not performed pursuant to the same Statement of Work) may be increased in any calendar year no more than the lesser of (a) the change in the Consumer Price Index (CPI), published by the United States Bureau of Labor Statistics from the previous calendar year and (b) three percent (5%).

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"Since the specific clause regarding firm pricing for 24 months is not present in the contract, the current pricing terms should be reviewed to ensure they align with Verterim's strategic objectives. If there is a need to secure rates for a long-term contract, it is advisable to negotiate terms that allow for periodic review or adjustment based on market conditions. Additionally, any pricing agreements should have explicit approval from Senior Management to ensure they meet the company's financial goals and risk management strategies."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** If at any time Supplier fails to obtain insurance (or provide proof of insurance) in accordance with this Agreement, or as otherwise required by Customer, Customer may obtain the coverage specified in this Agreement and charge all associated premiums and costs to Supplier. Supplier will reimburse Customer the cost thereof within fifteen (15) days of receipt of an invoice therefor from Customer.

**Document Location:** Insurance

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The clause is identified as 'unacceptable' due to its potential financial burden on the Supplier if they fail to meet the insurance requirements. It is recommended that this clause be renegotiated to include a provision for mutual agreement on the insurance coverage obtained by the Customer on behalf of the Supplier. Alternatively, explicit approval from Senior Management should be obtained to ensure that the financial implications are fully understood and agreed upon. Consider adding a grace period or a warning system before the Customer takes action to obtain insurance, allowing the Supplier an opportunity to rectify the situation."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** In the event that any Services do not meet the specifications or other performance criteria agreed to by Service Provider and <client> in writing, then Service Provider will, at <client>’s option, promptly (a) re-perform such Services at Service Provider’s cost; or (b) refund to <client> all amounts paid by <client> to Service Provider in connection with such Services. The provisions of this Section 7.5 are not exclusive, and <client> may seek any other right or remedy that it may have under this Agreement or otherwise.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause in question is not present in the provided contract text. To ensure compliance and accountability, it is recommended that the Service Delivery team reviews the contract thoroughly to identify any similar clauses that may impose obligations on Verterim. Additionally, it would be prudent to implement a system for alerting the Service Delivery team of any such clauses in future contracts to ensure adherence to all Statement of Work (SOW) requirements."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** Failure to Cure. If Supplier fails to make such changes or, notwithstanding such changes, the Services or Deliverables still contain deficiencies, then Customer may, in its sole discretion and in addition to any other remedies it may have: (i) provide, in writing, additional time for Supplier to make changes; or, (ii) terminate all or part of this Agreement or a Statement of Work pursuant to Section 8 upon written notice to Supplier. Upon Customer’s election to terminate, Customer will have no further obligation to make payments to Supplier and Supplier will refund to Customer all of the Fees paid to Supplier for the non-conforming Services and/or Deliverables.

**Document Location:** Section 5(a)(iii) - Failure to Cure

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The clause is identified as overreaching, particularly in the context of Time and Material work in Massachusetts, where payment is required regardless of deliverable acceptance. It is recommended to revise the clause to ensure compliance with local laws and industry standards. Consider specifying that refunds apply only to fixed-price contracts or where explicitly agreed upon in writing. Additionally, consult with legal counsel to ensure the clause aligns with the contractual obligations and legal requirements in the relevant jurisdiction."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** Minor Deficiency Correction. Notwithstanding Acceptance of any Services and/or Deliverables, Supplier, at no additional charge to Customer, will correct or develop a work around for any minor deficiencies identified by Customer. Supplier will correct or develop a work around for each minor deficiency within thirty (30) days after Customer provides notice to Supplier of the minor deficiency.

**Document Location:** Acceptance of Services and Deliverables

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"It is recommended to revise the clause to include language that addresses platform limitations. This will ensure that Verterim is not unfairly burdened with costs associated with deficiencies that arise due to such limitations. Specifically, the clause should clarify that any workarounds required due to inherent platform limitations should not be at Verterim's expense. Additionally, consider negotiating a cap on the number of minor deficiency corrections to prevent excessive demands on Verterim's resources."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** the Fees payable by <client> hereunder are as low or lower than amounts charged by Supplier to any other customer purchasing the same type and quantity of services and/or deliverables provided by Supplier hereunder;

**Document Location:** Representations and Warranties

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The clause stipulating that the fees charged to Mars must be as low or lower than those charged to any other customer poses a significant risk to the Supplier. This clause could potentially limit the Supplier's pricing flexibility and profitability. It is recommended to renegotiate this clause to allow for more flexibility in pricing, perhaps by tying the best rates to specific conditions such as volume commitments or long-term agreements. Additionally, review any related clauses on price increase restrictions to ensure there are no conflicts and that the Supplier retains the ability to adjust prices in response to market conditions or cost increases."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** To the extent any Supplier Existing IP is included in, or is otherwise necessary for the use of, the Work Product, Supplier hereby grants to Customer and each of its Affiliates a perpetual, irrevocable, transferable, non-exclusive, royalty-free, fully paid up, world-wide license to (a) use, reproduce, distribute, display, prepare derivative works, modify and develop the Work Product, and (b) make, have made, import, and sell and offer to sell and otherwise distribute or exploit the Supplier-Existing IP and/or Third Party IP, as applicable, to the extent either is embodied in any Work Product, or necessary to use any portion(s) of any Work Product, in each case without any accounting or additional consideration to Supplier or any third party. Supplier shall not include any Supplier Existing IP in any Work Product without the express prior written consent of Customer, which prior written consent may be given by Customer in a Statement of Work. For the avoidance of doubt, Supplier Existing IP alone shall not be deemed Work Product; however, any derivative works of Supplier Existing IP that are contained in and/or comprise the Work Product shall be deemed part of the Work Product and owned solely and exclusively by Customer.

**Document Location:** Intellectual Property

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"It is recommended to amend the clause to allow Verterim to leverage its existing IP in the delivery of services without needing explicit prior written consent from the customer. This can be achieved by including a provision that acknowledges the benefit of using existing IP and obtaining the client's agreement to such use upfront. This amendment would streamline the process and reduce administrative burdens, ensuring that Verterim can efficiently deliver services while protecting its proprietary interests."*

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**Clause Status:** Unacceptable *(Absent)*

**Clause Text:** • reimburse <client> for the reasonable expenses that <client> may incur as a result of such Data Breach caused by their acts or omissions or those of any of their authorized subcontractors, including but not limited to, the expenses incurred in investigating the Data Security Breach and notifying affected individuals, and providing these individuals with the support necessary under the circumstances, such as credit monitoring.

**Classification Logic:** *Originally acceptable clause marked unacceptable due to absence.*

**Recommendation:** *"The specific clause regarding reimbursement for data breach expenses caused by Verterim's acts or omissions is not present in the contract text. Given its absence, the contract is categorized as 'acceptable' under the current analysis. However, it is advisable to ensure that any future agreements include clear terms regarding liability and reimbursement for data breaches to protect both parties. Additionally, it is recommended to develop a method to inform Service Delivery of potential liabilities and incorporate this into Security Awareness Training for all employees and contractors to mitigate risks associated with data breaches."*

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**Clause Status:** Unacceptable *(Present)*

**Clause Text:** Rejection and Cure. If Customer determines that any portion of the Services or Deliverables fails to meet the Acceptance Criteria, Customer will notify Supplier in writing with a description of deficiencies. Without limiting Customer’s other remedies, in such event, Supplier will, at no additional charge to Customer, make any necessary changes to the Services or Deliverables to correct any deficiencies. Supplier will resubmit the corrected Services or Deliverables within the timeframe requested by Customer or if no timeframe is requested, within fifteen (15) days after Customer notifies Supplier of the deficiencies of the Services or Deliverables. The Acceptance process in this Section 5(a) will apply to any resubmitted Services, including a new Acceptance Period.

**Document Location:** Acceptance of Services and Deliverables

**Classification Logic:** *Unacceptable clause remains unacceptable as it was found in the document.*

**Recommendation:** *"The clause is categorized as 'unacceptable' due to the potential for the cure period to be unreasonably short, depending on the complexity of the deficiencies. It is recommended to negotiate a more flexible timeframe for resubmission that considers the nature of the deficiencies and allows for adequate time to address them. Additionally, it would be prudent to define the review period explicitly to ensure both parties have a clear understanding of the timelines involved."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will send all invoices, which will reference this Agreement and the relevant Purchase Order (PO) number, to the attention of “Accounts Payable” at the following address:

**Document Location:** Payment Terms

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral and provides clear guidelines for invoicing, which is beneficial for maintaining organized financial records. However, it is recommended to include a notification mechanism to Accounts Receivable to ensure all invoices contain the appropriate references and are sent to the correct address. This will help in preventing any discrepancies or delays in payment processing."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** Service Provider will maintain all materials, data and documentation obtained or generated by Service Provider in the course of preparing for and providing Services, including computerized records and files (collectively, the “Records”) in a secure area reasonably protected from fire, theft and destruction, and <client> shall have reasonable access to such Records and the right to obtain photocopies of such Records. All Records will be the property of <client>. Service Provider will not transfer, deliver or otherwise provide any Records to any party other than <client> or its Affiliates, without the prior written approval of <client>.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specified clause regarding the secure storage and access to client records by the service provider is not present in the provided contract text. Given the neutral categorization of the clause, there is no immediate concern regarding its absence. However, it is advisable to ensure that similar provisions are included in the contract to safeguard client data and provide clear guidelines on data access and ownership. This can help prevent potential disputes related to data management and ensure compliance with data protection standards. It is recommended to review the contract for any existing data protection clauses and consider incorporating a clause that explicitly addresses the secure storage, access, and ownership of client records."*

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**Clause Status:** Neutral *(Absent)*

**Clause Text:** All Records will be retained by Service Provider for a minimum period of two (2) years following completion of the applicable Statement of Work, or longer if required by applicable law or regulation. Service Provider will, at the direction and written request of <client>, promptly deliver Records to <client> or its designee, or dispose of the Records, unless the Records are required to be retained by Service Provider by applicable law or regulation or for insurance purposes. In no event will Service Provider dispose of any Records without first giving <client> sixty (60) days’ prior written notice of its intent to do so.

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The specific clause regarding the retention and disposal of records is not present in the provided contract text. It is recommended to ensure that a data retention clause is included in the contract to establish clear guidelines for record retention and disposal. This will help in maintaining compliance with applicable laws and regulations and provide clarity on the responsibilities of the Service Provider. Additionally, implementing a data retention flag and an alert mechanism for each client contract, as noted, would be beneficial for managing data lifecycle effectively."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will carry, with financially sound and reputable insurers, insurance coverage (including worker’s compensation at or above the applicable statutory limits, comprehensive liability and professional liability/errors and omissions coverage) with respect to the conduct of its business against loss from such risks and in such amounts as is customary for well-insured companies engaged in similar businesses and sufficient to support its obligations under this Agreement. Upon the request of <client>, Service Provider will provide <client> with a Certificate of Insurance evidencing such coverage and providing that thirty (30) days advance written notice will be given to <client> of any material change or cancellation in coverage or limits.

**Document Location:** Insurance

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral and standard in nature, requiring the Service Provider to maintain adequate insurance coverage and provide a Certificate of Insurance upon request. It is advisable to establish a process for requesting and providing Certificates of Insurance to ensure compliance. Additionally, the Service Provider should maintain a profile of existing insurance coverages to compare with client requirements. If discrepancies arise, initiate a redline and renegotiate terms as necessary. Implementing a workflow or alert system to manage these processes efficiently is recommended."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Supplier agrees to maintain the following minimum limits of insurance with respect to, but not limited to, the coverages required hereunder:

**Document Location:** Insurance

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral and outlines the insurance requirements without mentioning the need for a Certificate of Insurance (COI). It is advisable to ensure that the specific insurance requirements are met. If there are discrepancies or unmet requirements, consider renegotiating or redlining the contract to address these issues. Additionally, consolidating similar clauses for consistency and clarity could be beneficial."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** In the event of a breach of this Agreement by Service Provider which cannot be cured (e.g., breach of confidentiality obligations under Section 6), <client> may terminate this Agreement or any Statement of Work with immediate effect, at any time upon written notice to Service Provider. Further, <client>a may terminate this Agreement or a Statement of Work at any time upon thirty (30) days’ prior written notice to Service Provider.

**Document Location:** Termination

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is categorized as neutral, allowing the client to terminate the contract for any reason within a 30-day period with written notice. It is advisable to implement a system to track and confirm receipt of termination notices, such as a checkbox for email or mailed notice acknowledgment. This will ensure clarity and prevent disputes regarding the delivery and receipt of termination notices."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Service Provider will perform all Services in accordance with the applicable Statement of Work, (b) with requisite care, skill and diligence and (c) in accordance with all applicable laws, rules, regulations, orders and industry standards. If specified in a Statement of Work, Services will be rendered in accordance with

**Document Location:** Representations and Warranties

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is comprehensive and aligns with industry standards for ensuring the service provider's obligations are met with requisite care, skill, and diligence. It is recommended to ensure that any specific frameworks or processes that the supplier aligns with are explicitly mentioned to avoid ambiguity. Additionally, it may be beneficial to include a mechanism for periodic review of compliance with these standards to ensure ongoing adherence."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Without limiting any existing confidentiality obligations between the Parties as of the Effective Date, this Agreement, together with the attached Appendix A and any fully-signed Statements of Work, each of which are incorporated into this Agreement by reference, constitute the entire agreement between the Parties with respect to the specific subject matter of this Agreement, and all prior agreements, oral or written, with respect to such subject matter are superseded. If there is any conflict, discrepancy or inconsistency between the terms contained in the body of this Agreement and any Statement of Work, the terms set forth in the body of this Agreement will govern, control, and take precedence. No provision included in any purchase order, quotation, invoice or other communication between the Parties that is different than, in conflict with or in addition to any provision of this Agreement (including any Statement of Work) shall have any force or effect and each Party hereby gives notice of its objection to any such proposed additional, different or conflicting provision.

**Document Location:** General/Miscellaneous

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral and establishes the precedence of the agreement terms over any conflicting terms in Statements of Work or other communications. It is recommended to ensure that Appendix A is thoroughly reviewed as it is incorporated by reference. Additionally, it is advisable to confirm that all parties are aware of the precedence rules to avoid potential disputes."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** All invoices submitted by Supplier must identify the Purchase Order number of the Purchase Order under which <client> authorized the applicable Fees. If the Statement of Work expressly states that the Fees will be calculated on a time and materials basis, the invoice must also set forth the following information: (i) the names of Supplier’s Personnel who performed work under the Statement of Work; (ii) documentation of the expenses of each of its Personnel, with receipts; (iii) for each of its Personnel, the number of hours worked (which for the avoidance of doubt, excludes time for lunch) and a description of the work performed; (iv) the hourly rate of each individual; and (v) any other information reasonably requested by <client> or as may be requested in the Purchase Order. <client> shall be responsible for the payment of all taxes in connection with this Agreement that are legally required to be paid by <client>, and not for any taxes based on Supplier’s income or taxes that are not legally required to be paid by <client>. If <client> is required to withhold taxes from any payments due to Supplier, then <client> will forward any withholding receipts to Supplier at [address/email address]. <client> shall be entitled to return incomplete invoices unpaid.

**Document Location:** 3. Payment Terms

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is comprehensive and outlines all necessary invoicing requirements, including tax responsibilities and the right to return incomplete invoices. It is recommended to ensure that the workflow for invoice processing is aligned with these requirements to avoid any discrepancies. Additionally, consider implementing a checklist or automated system to verify that all required information is included in each invoice before submission to streamline the process and reduce the likelihood of returned invoices."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** If <client> wishes to dispute any of the Fees invoiced by Supplier, no later than thirty (30) days from receipt of the invoice in question, <client> shall notify Supplier of the amount in dispute and the basis of such dispute. Upon receipt of notice from <client>, Supplier shall work with <client> in good faith to promptly resolve the dispute on Fees. With respect to disputed Fees, <client> shall pay the resolved amount within thirty (30) days following mutual written resolution of the dispute by the Parties. <client> shall not be in default of its obligation to pay the invoice while the dispute remains unresolved.

**Document Location:** 3. Payment Terms

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral and outlines a clear process for disputing fees, which is beneficial for both parties to ensure any discrepancies are addressed promptly. It is recommended to ensure that both parties have a clear mechanism for documenting and communicating disputes to avoid any misunderstandings. Additionally, it may be beneficial to include a provision for interest on any disputed amounts that are resolved in favor of the Supplier, to incentivize timely resolution. Ensure all parties are aware of this clause and the process it entails to facilitate smooth operations."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Acceptance Testing. Customer has the right to inspect, review, test and otherwise evaluate the Services or Deliverables after delivery for compliance with the applicable Acceptance Criteria. Such inspection and testing will be performed within the Acceptance Period in order to identify and resolve all errors, defects, and nonconformities with the Services or Deliverables. Upon completion of such evaluation, Customer will issue to Supplier a notice of Acceptance or rejection of the Services or Deliverables. Customer’s failure to reject the Services and/or Deliverables within the Acceptance Period will constitute Customer’s rejection of the applicable Services and/or Deliverables. The Acceptance Criteria and the Acceptance Period may be defined within each Statement of Work. In the event no Acceptance Criteria and/or Acceptance Period is defined in the Statement of Work, this MSA shall prevail.

**Document Location:** Acceptance of Services and Deliverables

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is neutral as it stands, but it lacks a specific timeframe for the Acceptance Period. It is recommended to define a specific timeframe for the Acceptance Period within the Statement of Work to avoid ambiguity and ensure clarity in the acceptance process. This will help both parties manage expectations and avoid potential disputes regarding the timeliness of acceptance or rejection of deliverables."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** it shall comply with all descriptions and specifications set forth in each Statement of Work (including performance capabilities, accuracy, completeness, uniformity, characteristics, configurations, standards, functions and requirements) and will use individuals with suitable training, education, experience, and skill to fulfill its obligations under a Statement of Work;

**Document Location:** Representations and Warranties

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is categorized as neutral, indicating that it neither provides a significant benefit nor poses a substantial risk. It places responsibility on the supplier, Verterim, to ensure that individuals with appropriate qualifications are used to fulfill obligations under a Statement of Work. There are no immediate recommendations for changes, but it is advisable to ensure that the clause aligns with the overall contractual framework and objectives. Regular audits or reviews could be implemented to verify compliance with this clause."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** it has the skills, qualifications and experience necessary to perform its obligations under this Agreement and Supplier shall devote all the necessary time and attention for the proper performance of its obligations set out in a Statement of Work;

**Document Location:** Representations and Warranties

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is categorized as neutral, indicating that it does not inherently benefit or harm either party. It places responsibility on the Supplier, Verterim, to ensure they have the necessary skills and qualifications, which is a standard expectation in service agreements. No immediate changes are necessary unless there are specific concerns about the Supplier's capabilities. It is advisable to monitor the Supplier's performance to ensure compliance with this clause. If there are any doubts about the Supplier's ability to meet these obligations, consider adding more specific performance metrics or evaluation criteria in the Statement of Work."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** it shall comply with all Applicable Law in the performance of its obligations under this Agreement (including, but not limited to, all applicable anti-corruption and discrimination in employment laws, rules, regulations, legislation or conventions and in connection with its sole obligation to withhold and report taxes on payments made to its Personnel, and make payments into pension schemes, social security plans, or similar arrangements for the benefit of its employees);

**Document Location:** Representations and Warranties

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is a standard representation and warranty regarding compliance with applicable laws, which is essential for ensuring legal adherence by the Supplier. It is recommended to retain this clause as it provides a clear obligation for the Supplier to comply with relevant laws, thereby mitigating potential legal risks. Regular audits and compliance checks should be conducted to ensure adherence to this clause."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** it has obtained, or will obtain, any and all permits, licenses and/or governmental or third party consents, approvals or assignments in a timely manner which are required in connection with the performance of this Agreement by Supplier or in order to enable Supplier to provide and Customer to use any Services and/or Deliverables performed or delivered, as the case may be, under this Agreement;

**Document Location:** 6. Representations and Warranties

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is a standard representation and warranty clause, ensuring that the Supplier is responsible for obtaining all necessary permits and licenses. This is a common and neutral clause that is typically included in contracts to ensure compliance and smooth performance of contractual obligations. No immediate changes are necessary, but it is advisable to periodically review such clauses to ensure they align with any changes in regulatory requirements or business practices."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Suppliers must immediately notify <client> (security.response@<client security email address>.com / privacy@<client security email address>.com) if they know, discover or reasonably believe that there has been a Data Security Breach. In the event of a Data Security Breach, Suppliers will:

**Document Location:** Appendix C - DATA SECURITY BREACH NOTIFICATION

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is present and categorized as neutral, indicating it is neither beneficial nor harmful but serves as a standard notification process in the event of a data security breach. It is recommended to ensure that the contact details for incident response are up-to-date and accessible. Additionally, it would be prudent to establish a documented procedure for incident response notification that aligns with this clause, ensuring all suppliers are aware of their obligations and the necessary steps to take in the event of a data breach. Regular audits and training sessions could be conducted to reinforce these procedures."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** • immediately investigate, correct, mitigate, remediate and otherwise handle the Data Security

**Document Location:** Appendix C - Data Security Breach Notification

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is present and categorized as neutral, indicating it is neither beneficial nor harmful in its current context. It is important to ensure that the obligations outlined in the clause are feasible and that the supplier has the necessary resources and processes in place to comply with the requirements. Regular audits and updates to the data security strategy should be conducted to maintain compliance and readiness for any potential data security breaches. Additionally, ensure that all personnel involved are adequately trained and aware of the procedures to follow in the event of a data security breach."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** Breach, including without limitation, by identifying Personal Data affected by the Data Security Breach and taking sufficient steps to prevent the continuation and recurrence of the Data Security Breach;

**Document Location:** Appendix C - DATA SECURITY BREACH NOTIFICATION

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is categorized as neutral, indicating it is neither beneficial nor harmful. It is a standard clause for data security breach notification and management. Ensure that the supplier is aware of these obligations and has the necessary processes in place to comply. Regular audits and reviews of the supplier's data security measures may be advisable to ensure ongoing compliance and to minimize the risk of data breaches."*

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**Clause Status:** Neutral *(Present)*

**Clause Text:** • provide information and assistance needed to enable <client> to evaluate the Data Security Breach and, as applicable, provide timely notices disclosing a Data Security Breach and comply with any obligations to provide information on the Data Security Breach to relevant regulators; and

**Document Location:** Appendix C - DATA SECURITY BREACH NOTIFICATION

**Classification Logic:** *Neutral classification maintained based on analysis.*

**Recommendation:** *"The clause is categorized as neutral, indicating it is neither beneficial nor harmful. However, it is recommended to separate the requirements for client assistance in validation and timely notification into distinct clauses for clarity and enforceability. This separation will ensure that both parties clearly understand their obligations and can agree to them independently. Additionally, review the clause to ensure compliance with applicable data protection laws and regulations, and consider any industry-specific standards that may apply."*

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