

Your AI Vendor Contract Is Probably **a Recycled SaaS Template.**

Standard software agreements weren't built for AI. Here are the ten clauses that actually protect you.

SWIPE →

Ten clauses, four categories.

- 01** What standard SaaS contracts miss about AI
 - 02** Data, security, and performance clauses
 - 03** Liability and regulatory protections
 - 04** Exit terms most vendors won't offer voluntarily
-

01

Data rights and ownership.

Your inputs and outputs belong to you. The vendor is explicitly barred from training on your data without written consent — this needs to be explicit, not implied.

04

Performance and accuracy warranties.

Minimum accuracy thresholds for your specific use case, with an obligation to retrain if performance drops. Without this, you have no recourse when the pilot's results don't survive production.

09

Termination, exit, and data return. The right to export data and model artefacts, proof of data destruction, and a minimum 90-day transition period — most vendor templates give you almost none of this by default.

Ten clauses in total — the rest cover security, SLAs, liability, regulatory compliance, audit rights, custom IP, and dispute resolution.



The technology may be new. The exposure is not.

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on why AI contracts need their own clauses

Standard SaaS vs. what AI actually needs.

STANDARD SAAS CONTRACT

Covers function, cost, uptime, exit

Assumes static, predictable software

Silent on training-data rights

WHAT AI CONTRACTS NEED

Accuracy warranties tied to your use case

Explicit bar on training on your data

Defined exit with model-artefact return

The contract is your protection, **not the law — yet.**

AI regulation is still catching up with practice. That creates a window where vendors' standard terms are written to protect them, not you. These clauses don't require extraordinary negotiation leverage — they require knowing what to ask for, before you sign.

The full checklist.

- 01 Data rights and ownership
- 02 Confidentiality and security
- 03 SLA and performance
- 04 Performance and accuracy warranties
- 05 Liability allocation
- 06 Regulatory compliance
- 07 Transparency and audit rights
- 08 IP rights in custom development
- 09 Termination, exit, and data return
- 10 Dispute resolution and governing law

The full clause-by-clause breakdown:

terencekok.com/blog/what-your-ai-vendor-contract-is-probably-missing

Ask before you sign, **not after it breaks.**

Review your current AI vendor agreements against this list. For new engagements, treat these ten as the minimum, not optional.



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