

LOCALIGN AI ANNEX

Version 0.1

AT A GLANCE

This is a short summary. If it says something different from the legal text below, the legal text prevails.

These agreements are about how we handle artificial intelligence, abbreviated as AI. This document sits alongside our main contract, the Terms of Service and the Data Processing Agreement.

Our most important commitments:

- We do not use your data to train our AI.
- AI from other companies is only used without your personal data, or if you give consent. You can also set every question to ask for consent first. In the admin panel you can switch off any AI company, for the whole organisation or per user.
- We tell people in every conversation that AI is involved. You stay in control of how AI is used in your organisation.
- Do you want to use AI for staff selection, assessments, loans or grading? Then extra rules apply. Indicate this in the admin panel or contact us.
- If something goes wrong with the AI, we let you know.

The current list of AI models is on trust.localign.com.

PARTIES

Version: 0.1 Date: _____

1. The Customer (deployer)

Organisation name: _____

Legal form: _____

Registered office: _____

Address: _____

Chamber of Commerce number: _____

Duly represented by: _____

Position: _____

Hereinafter referred to as: "Customer".

2. Localign B.V. (provider)

Registered office in 's-Hertogenbosch, the Netherlands.

Address: Stationsplein 91, 5211 BM 's-Hertogenbosch, the Netherlands.

Chamber of Commerce number: 99040417.

Contact for privacy and AI questions: trust@localign.com.

Duly represented by: Casper Rutjes.

Position: Managing Director.

Hereinafter referred to as: "Localign".

Customer and Localign hereinafter jointly referred to as: “Parties”, and each individually as: “Party”.

WHEREAS

1. the Customer and Localign have entered into a Main Agreement pursuant to which Localign provides the Localign product to the Customer (hereinafter: the “Main Agreement” and the “Product”), the Main Agreement being concluded through self-serve subscription via the Localign website or through a separately signed agreement, and have additionally entered into a Data Processing Agreement governing the Processing of Personal Data (hereinafter: the “Data Processing Agreement”);
2. the Product makes use of AI systems, including AI models hosted by Localign itself within the EEA and, based on Customer’s configuration and instructions, AI models from third parties;
3. Regulation (EU) 2024/1689 (hereinafter: the “EU AI Act”) applies to the supply and use of the Product, and that this regulation imposes role allocations, transparency obligations and additional safeguards that are not fully covered by the Data Processing Agreement or the Terms of Service;
4. Localign places the Product on the market as a general-purpose AI assistant and not as a High-Risk AI System within the meaning of Annex III of the EU AI Act, and that Localign in that capacity acts as AI Provider and Customer acts as Deployer;
5. this AI Annex forms part of the Main Agreement and supplements the General Terms and the Data Processing Agreement for matters that specifically concern the application of the EU AI Act, and that the operational and technical implementation is set out on the Trust pages published at trust.localign.com.

AGREE AS FOLLOWS

This AI Annex forms an integral part of the Main Agreement and supplements the General Terms and the Data Processing Agreement. For matters that specifically concern the application of the EU AI Act, this AI Annex prevails. For matters concerning the Processing of Personal Data, the Data Processing Agreement applies.

1. Definitions

Terms defined in the Data Processing Agreement (including Customer, Localign, Product, Customer Data, End User, Sub-processor, Third-Party AI Models and Data Processing Agreement) have the same meaning in this AI Annex. The following additional definitions apply:

1.1 EU AI Act

Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence.

1.2 AI System

A system as defined in Article 3 of the EU AI Act.

1.3 AI Provider

The party that develops or has developed an AI system and places it on the market or puts it into service under its own name or trademark, as defined in Article 3 of the EU AI Act.

1.4 Deployer

The party that uses an AI system under its own authority, as defined in Article 3 of the EU AI Act.

1.5 High-Risk AI System

An AI system that falls within the criteria of Article 6 and Annex III of the EU AI Act.

1.6 Prohibited AI Practices

The practices listed in Article 5 of the EU AI Act.

1.7 Main Agreement

The agreement between the Parties pursuant to which Localign provides the Product to the Customer. The Main Agreement consists, in the case of self-serve subscription via the Localign website, of the Order Confirmation together with the General Terms, the Data Processing Agreement, and the AI Annex. In the case of a separately signed agreement, the Main Agreement consists of that agreement and the documents incorporated into or replacing it.

1.8 Order Confirmation

The order confirmation that the Customer receives from Localign after successful payment, containing at least the party details, the selected package, the number of Seats, the price, the start date, the term, the Renewal Date, the applicable versions of the General Terms, the Data Processing Agreement, and the AI Annex, and the time of acceptance.

2. Roles under the EU AI Act

2.1 Localign as AI Provider

Localign is the AI Provider of the Product within the meaning of Article 3 of the EU AI Act. In that capacity, Localign is subject to the obligations that the EU AI Act imposes on AI Providers.

2.2 Customer as Deployer

Customer is the Deployer of the Product within the meaning of Article 3 of the EU AI Act. In that capacity, Customer is subject to the obligations that the EU AI Act imposes on Deployers.

2.3 Prohibition on reclassifying acts by Customer

Customer is not permitted to substantially modify the Product, to place the Product on the market under its own name or trademark, or to use the Product for a purpose not intended by Localign, save under prior written amended terms agreed between the Parties. Any such act in the absence of amended terms qualifies as a material breach and entitles Localign to suspend supply, in whole or in part, or to terminate the Main Agreement, in accordance with the General Terms.

If Customer acts in breach of this article, Customer may, on the basis of Article 25 of the EU AI Act, be considered an AI Provider with all corresponding obligations. Localign is not responsible for that, and Customer fully indemnifies Localign against claims by third parties, supervisory authorities and Data Subjects arising from such reclassification.

3. Risk classification and high-risk use

3.1 Intended purpose of the Product

Localign places the Product on the market as a general-purpose AI assistant. The intended purpose does not include uses that would qualify the Product as a High-Risk AI System within the meaning of Article 6 and Annex III of the EU AI Act.

3.2 No high-risk obligations for Localign

Because the Product is not offered as a High-Risk AI System, Localign is not subject to the obligations that the EU AI Act imposes on providers of High-Risk AI Systems. Localign complies with the obligations applicable to it as provider of a limited-risk AI system, including the transparency obligations of Article 50.

3.3 Current risk assessment

The current risk assessment and classification of the Product are published on trust.localign.com/controls/ai-safety and form, pursuant to article 6.3, an integral part of this AI Annex.

3.4 Use by Customer for high-risk purposes

If Customer uses the Product for a purpose listed in Annex III of the EU AI Act, Customer shall, on the basis of Article 25(1)(c) of the EU AI Act, be considered a provider of a High-Risk AI System. In that case, Customer is subject to all obligations that the EU AI Act imposes on providers of High-Risk AI Systems, including a risk management system, technical documentation, conformity assessment, registration in the EU database and post-market monitoring.

3.5 Prior consultation

Customer does not use the Product for purposes listed in Annex III without prior written consultation with Localign. In that consultation, the Parties shall record which additional safeguards, information and any further contractual arrangements are needed to enable Customer to comply with its obligations under Article 25.

3.6 Prohibited AI Practices

Customer does not use the Product for Prohibited AI Practices within the meaning of Article 5 of the EU AI Act.

3.7 Suspension upon breach

In the event of a breach of article 3.5 or 3.6, Localign may suspend the supply of the Product in whole or in part in accordance with the procedure set out in the Terms of Service and the Data Processing Agreement.

4. Third-Party AI Models and consent flow

4.1 Off by default

Third-Party AI Models are off by default in the Product. Without activation by Customer, no Personal Data is shared with Third-Party AI Models.

4.2 Activation by Customer

Customer activates Third-Party AI Models on a per-model basis through the admin panel of the Product. Such activation constitutes a written instruction from Customer to Localign within the meaning of article 11.7 of the Data Processing Agreement to engage the relevant Third-Party AI Model as a (sub-)processor. The general provisions of article 11 of the Data Processing Agreement apply in full to such engagement.

4.3 Deactivation by Customer

Customer may deactivate a Third-Party AI Model at any time through the admin panel. Deactivation takes immediate effect for new Processing. The lawfulness of Processing already carried out is not affected by deactivation.

4.4 List of Third-Party AI Models

The current list of available Third-Party AI Models, including the provider, hosting location, legal role under the EU AI Act and applicable safeguards, is published on trust.localign.com/subprocessors. The list forms, pursuant to article 6.3, an integral part of this AI Annex.

The procedure of article 11.4 of the Data Processing Agreement applies mutatis mutandis to the addition, replacement or removal of Third-Party AI Models. Localign informs Customer at least thirty calendar days in advance of any intended change via the announcement on trust.localign.com/subprocessors and, where Customer has activated the model concerned in the admin environment, by direct notice to the contact person known to Localign. Customer may lodge a reasoned written objection within thirty calendar days of the notice in accordance with article 11.5 of the Data Processing Agreement.

5. Obligations under the EU AI Act

5.1 Obligations of Localign as AI Provider

Localign:

- A. complies with the obligations imposed on it under the EU AI Act, including technical documentation, post-market monitoring and cooperation with the AI Office and competent national authorities;
- B. ensures that End Users are informed at first use of the Product that they are interacting with an AI system, in accordance with Article 50(1) of the EU AI Act;
- C. marks AI-generated Output in a machine-readable manner in accordance with Article 50(2) of the EU AI Act, taking into account the Code of Practice on Transparency of AI-Generated Content as in force at the relevant time. The current technical implementation is published on trust.localign.com/controls/ai-safety
- D. designs the Product such that human oversight by Customer is feasible, in accordance with Article 14 of the EU AI Act;
- E. does not use Customer Data for training, fine-tuning or improving AI models, and imposes this obligation contractually on Sub-processors and Third-Party AI Models, in accordance with article 11.2 of the Data Processing Agreement;
- F. reports serious incidents within the meaning of Article 73 of the EU AI Act to the competent authority and informs Customer of incidents that affect Customer's deployment, in conjunction with the personal data breach procedure in article 15 of the Data Processing Agreement;
- G. has designated an AI point of contact reachable to Customer and supervisory authorities at trust@localign.com.

5.2 Obligations of Customer as Deployer

Customer:

- A. uses the Product in accordance with the instructions for use and the documentation published on trust.localign.com
- B. organises effective human oversight of the use of the Product, in accordance with Article 14 of the EU AI Act, and applies such oversight before Output is used for

- decisions that have effects on Data Subjects, in addition to article 7.4 of the Data Processing Agreement;
- C. ensures that staff using the Product have an adequate level of AI literacy, in accordance with Article 4 of the EU AI Act;
 - D. informs End Users and Data Subjects of the use of AI, in conjunction with article 9.1 of the Data Processing Agreement, and, where the Product is integrated into Customer's own environment, takes responsibility for the transparency obligation under Article 50(1) of the EU AI Act;
 - E. carries out, where legally required, a Fundamental Rights Impact Assessment in accordance with Article 27 of the EU AI Act prior to deployment of the Product. Localign provides assistance in accordance with article 8.5 of the Data Processing Agreement; supporting information is published on trust.localign.com/compliance/ai-act
 - F. publishes deepfakes and AI-generated text on matters of public interest only with the disclosure required by Article 50(4) of the EU AI Act, to the extent such use takes place via the Product;
 - G. informs Localign in good time if Customer wishes to use the Product for a purpose listed in Annex III of the EU AI Act, and in that case complies with its obligations under Article 25 of the EU AI Act.

6. Final provisions

6.1 Relationship with the Main Agreement, General Terms and Data Processing Agreement

This AI Annex forms an integral part of the Main Agreement and supplements the General Terms and the Data Processing Agreement. For matters concerning the Processing of Personal Data, the Data Processing Agreement applies. For matters specifically concerning the application of the EU AI Act, this AI Annex applies. In the event of a conflict that cannot be resolved along that line, the Data Processing Agreement prevails.

6.2 Amendments

Article 21 of the Data Processing Agreement applies mutatis mutandis to amendments of this AI Annex. Amendments that are necessary on the basis of the EU AI Act, delegated or implementing acts, or binding guidelines from the AI Office or a competent national authority, may be implemented by Localign in accordance with the procedure of article 21.3 of the Data Processing Agreement.

6.3 Incorporation of Trust pages

The Trust pages published on trust.localign.com and referred to in this AI Annex form an integral part of this AI Annex, in accordance with article 21.8 of the Data Processing Agreement.

6.4 Governing law and competent court

Article 22 of the Data Processing Agreement applies mutatis mutandis to this AI Annex.

6.5 Order of documents

In the event of a conflict between documents, the following order applies, with the higher-listed document prevailing over the lower-listed:

- A. mandatory provisions of Union law and Dutch law, including the GDPR and the EU AI Act;

- B. the Data Processing Agreement, for matters concerning the Processing of Personal Data;
- C. this AI Annex, for matters specifically concerning the application of the EU AI Act;
- D. the separately signed Main Agreement between the Parties, where applicable;
- E. the Order Confirmation, in the case of self-serve subscription via the Localign website;
- F. the General Terms;
- G. the Trust pages incorporated under article 21.8 of the Data Processing Agreement and article 6.3 of this AI Annex;
- H. other documents agreed between the Parties.

This order applies only insofar as there is an actual conflict between documents. Documents are interpreted, as much as possible, in mutual coherence and as supplementing each other.

6.6 Languages

This AI Annex is executed in Dutch and is also available in an English translation ('Localign-AI-Bijlage-EN'). The Dutch version ('Localign-AI-Bijlage-NL') is the legally binding text. In the event of any discrepancy or ambiguity in interpretation between the Dutch and English versions, the Dutch version prevails.