Gallagher AI Addendum

This AI Addendum (this "**Addendum**") supplements the Parties' Data Protection Addendum or underlying service agreement (collectively, the "**Agreement**") and applies to the extent that the Vendor or its (Sub-)Processor uses or provides an AI System as part of the delivery of services or products to Gallagher. This Addendum may be updated from time to time by Gallagher.

1. **Definitions.** In addition to the defined terms in the Agreement, the following definitions shall apply to this Addendum:

"AI", "Artificial Intelligence System", "AI System"	means any system or application that is designed to operate with elements of autonomy to produce system-generated outputs such as content, predictions and decisions, and infers how to achieve a given set of objectives based on data and inputs and which does so using machine learning and knowledge-based approaches, and which is designed, developed, procured, deployed and/or used by Vendor or its (Sub-)Processors in connection with the Agreement, Gallagher Data or the delivery of services or products to Gallagher.
"AI Laws"	means any laws or regulations of any jurisdiction governing the design, development, procurement, deployment and/or use of AI Systems, in each case to the extent applicable to the AI System designed, developed, procured, deployed and/or used in connection with the Agreement and in each case as such laws are amended, repealed or replaced from time to time, including, without limitation: Regulation (EU) 2024/1689 of the European Parliament and of the Council ("EU AI Act"), the Colorado Artificial Intelligence Act ("CAIA"), and any implementing or amending legislation or regulations thereunder.
"Conformity Assessment", "Deployer", "Instructions for Use", "Provider"	have the same meanings (or equivalent conceptual terms) as in applicable AI Laws (or where not defined in applicable AI Laws, have the same meanings as defined in Article 3 of the EU AI Act).
"Gallagher Data"	means Gallagher Personal Data and Confidential Information.
"High Risk AI System"	means the AI Systems that are considered high risk under Article 6 of the EU AI Act and other applicable AI Laws with equivalent risk rating systems.
"Input"	means the Gallagher Data that is used with the AI System to generate the Output.
"Model"	means an algorithm that has been applied to a dataset.
"Model Drift"	means the decay of or drop in a Model's performance over time arising from underlying changes such as the definitions, distributions, and/or statistical properties between the data used to train the Model and the data on which it is deployed.

"Output"	means a prediction, recommendation or classification generated by processing the Input through one or more Models.
"Prohibited AI System"	means the AI Systems that are prohibited by applicable AI Laws, including, without limitation, the AI Systems that are prohibited under Article 5 of the EU AI Act.

2. **Vendor's Use of AI Systems.** Vendor shall not use an AI System in connection with the Agreement, Gallagher Data, or the delivery of services or products to Gallagher without the prior written approval of Gallagher. Each specific use case must be approved by Gallagher in writing. To the extent that Vendor uses an AI System, Vendor agrees to comply with the terms and conditions of this Addendum.

3. **Vendor Representations and Warranties.** Vendor represents and warrants that:

   a. Vendor complies with all Applicable Laws with respect to the design, development, procurement, deployment and use of the AI System. Vendor agrees that it is the Provider of the AI System and represents and warrants that it complies with its obligations as a Provider under applicable AI Laws. To the extent that Vendor is engaged to deploy the AI System on behalf of Gallagher, Vendor represents and warrants that it complies with its obligations as a Deployer under applicable AI Laws.

   b. The AI System is a not a Prohibited AI System or a High Risk AI System and Vendor agrees not to use a Prohibited AI System or High Risk AI System in connection with the Agreement, Gallagher Data, or the delivery of products or services to Gallagher. Should the Vendor become aware that it is using an AI System that is a Prohibited AI System or High Risk AI System, Vendor must notify Gallagher within seventy-two (72) hours and Gallagher may object to the continued use of the AI System and terminate the Agreement in its sole discretion, without cost, penalty or payment of any termination charges, and Vendor must refund any prepaid amounts attributable to the period following termination.

   c. Vendor has an AI governance framework and principles in place, which include training of its personnel on compliance with its' AI principles and the use of the AI System, providing Instructions for Use of the AI System to Gallagher (if applicable), identifying, managing and documenting risks associated with the AI System and conducting Conformity Assessments and/or bias audits (where required by law). Vendor will provide Gallagher with copies of such documents upon request.

   d. The AI System has been and shall be designed, developed, procured, deployed and used in such a way that it is free from bias and allows for human oversight as required by law where the Output could lead to consequential, unfair or discriminatory impacts to the legal or financial positions, life or employment opportunities or fundamental rights, including privacy rights, of Data Subjects.

   e. The AI System complies with Data Subject rights requirements under applicable Data Privacy Laws, including the right to access, correct or delete Personal Data and the option to opt out of the collection or processing of such data.

4. **Ownership Rights.** All rights relating to the Inputs and Outputs of the AI System, including any intellectual property rights, relating to Gallagher Data and the Agreement will accrue to Gallagher.

5. **Vendor Obligations.**

   a. Vendor must only use Gallagher Data with the AI System for the purposes of performing its obligations under this Addendum and the Agreement. Any other use must be explicitly agreed to in writing by Gallagher.

   b. Vendor must protect and maintain the confidentiality of Gallagher Data at all times, including during the design, development, procurement, deployment and use of the AI System, and must ensure that the AI System complies with the confidentiality and data security obligations in the Agreement.

   c. Vendor agrees to only use the minimum necessary Gallagher Data with the AI System to accomplish the purpose of the AI System and deliver the services or product to Gallagher.

   d. Vendor must only use Gallagher Data to improve or train Models dedicated to Gallagher, which are logically segmented, not commingled with other customer training or other public data and encrypted using a unique encryption key. Vendor must not access, use or disclose Gallagher Data or Gallagher Inputs or Outputs to improve or train Vendor's Models, public Models or Models used by the Vendor's (Sub-)Processor(s).

   e. Vendor must continually monitor for Model Drift throughout the duration of the Agreement. Should Vendor identify any Model Drift, the Vendor shall notify Gallagher within seventy-two (72) hours and Gallagher may object to the continued use of the Model and/or AI System.

   f. Vendor agrees to inform Gallagher within three (3) business days of any requests or complaints it receives directly from a Data Subject, Regulator or other third party in relation to the AI System. Vendor will cooperate with Gallagher in responding to any such request and only respond as directed by Gallagher.

   g. Vendor must notify Gallagher without undue delay and in any event within twenty-four (24) hours after Vendor's discovery of any Security Breach related to the AI System, including adversarial attacks, compromised model performance, data poisoning, prompt injections and data leakage.

   h. Vendor must provide all assistance reasonably requested by Gallagher in relation to Gallagher's compliance with applicable Data Privacy Laws and AI Laws

6. **(Sub-)Processors**. Subject to Gallagher's right to approve any (Sub-)Processor or subcontractor in the Agreement, should Vendor engage any (Sub-)Processors or subcontractor as part of the design, development, procurement, deployment and/or use of the AI System, Vendor must enter into a contract with each Sub-Processor and/or subcontractor containing terms substantially similar to the terms of this Addendum and must provide Gallagher with a copy of the contract on request.

7. **Audit.** Gallagher, on its own or using an independent auditor, shall have the right upon reasonable request to audit the AI System, Model and governance framework to ensure Vendor's compliance with this Addendum and Vendor agrees to provide reasonable cooperation in such audit by providing access to records, documents and systems upon request.

8. **Indemnity.** In addition to Vendor's indemnification obligations in the Agreement, Vendor will indemnify, defend and hold harmless Gallagher and its affiliates, officers, directors, employees, agents, successors and assigns (the "**Indemnitees**") from and against any losses, damages, liability, costs and expenses suffered or incurred by the Indemnitees arising out of or relating to, any claim by a third party (a) that the Output or AI System infringes or misappropriates the rights of any third party, including, without limitation, the infringement or misappropriation of intellectual property

rights of a third party, (b) relating to a breach of this Addendum by Vendor, (c) relating to a violation of law by Vendor's provision or use of the AI System, or the Output generated by the AI System, or (d) relating to incorrect or unexpected Output generated by the AI System.

9. **Contacts.** The following contact information must be used for purposes of communication or notices with respect to this Addendum:

    a. All general AI Addendum inquiries: AIUseCases@ajg.com

    b. Security Breach notification: cyber_security@ajg.com

10. To the extent that any of the terms in this Addendum contradict or conflict with any of the terms of the Agreement, the Parties agree that the terms of this Addendum shall take precedence and supersede the Agreement if related to the AI System, unless Gallagher reasonably determines that such terms in the Agreement provide for greater protection as it relates to the security and Processing of Gallagher Data.