

## Artificial Intelligence Terms

### a. Definitions

1. "Artificial Intelligence" has the meaning as set forth Public Law 115-232 § 238(g), 132 Stat. 1636, 1704 (2018).
2. "Agentic AI" means a class of AI systems capable of autonomous and proactive actions to achieve specific goals, often with minimal human intervention, demonstrating a degree of agency beyond simple task execution.
3. "AI Tool" means any application of computational tools to address tasks traditionally requiring human analysis. AI Tools include Deep Learning Tools. To the extent Work under this Contract consists of or incorporates an AI Tool, "AI Tool" and "Work" shall be synonymous.
4. "Deep Learning Tools" means machine learning tools that are designed to use artificial neural networks to analyze large data sets and generate unique outputs (e.g., text, images, speech) and include Generative AI and Agentic AI.
5. "Generative AI" or "GenAI" means the class of AI models that emulate the structure and characteristics of input data in order to generate derived synthetic content including images, videos, audio, text, and other digital content.
6. "Input" means data, logic, instructions, fine-tuning, customizations, or infrastructure entered or collected into or processed by an AI Tool or used to provide an AI Tool.
7. "Model Customizations" means any customizations, optimizations, fine-tuning, reinforcement learning with human feedback (RLHF), retrieval-augmented generation (RAG) models, or other modifications or enhancements to any AI Tool that are developed, trained, or created using TVA Data.
8. "Output" means any data, information, text, images, videos, audio, or any other encodings or form of content that is generated, produced, or created by an AI Tool (including creative works, predictive models, synthesized media, statistical analyses, derivatives or any other results or artifacts resulting from the processing of input data or instructions provided to an AI Tool).
9. "Subcontractor(s)" means Contractor's Affiliates, subsidiaries, subcontractors, suppliers, and agents, whether entities or persons, and the employee(s) of such entities or persons, at any tier, in each case, which or who supply or perform Work on Contractor's behalf under this Contract. "Affiliate" means a corporate entity (1) in which a party owns or controls, directly or indirectly, greater than 50% of the entity's controlling interests; or (2) that is the parent of, or is owned or controlled, directly or indirectly, by the same parent entity that owns or controls the party, provided that, the parent entity must own greater than 50% of the controlling interests of both the party and the other corporate entity to be considered an "Affiliate" of both.
10. "TVA Data" means all (a) data, metadata, reports, Input and Output processed or generated by or on behalf of TVA as a result of its use of the Work, (b) any data or other information owned or controlled by TVA to which Contractor or any Subcontractor(s) or agent(s) has or obtains access (including any personal information), (c) Model Customizations, and (d) with respect to (a) and (b), any data or other information developed or derived therefrom (including Output and any other processing output and results).
11. "Usage Data" means data (including metadata) collected, generated, or derived by Contractor or its personnel or subcontractors from TVA's use of the Work, including navigational, transactional,

processing, billing, computer (such as IP address and browser), demographical, statistical and other analytical data.

**b. Contractor's Use of AI Tools**

1. Approval for Use of AI Tools. If Contractor submits a written request to TVA to use an AI Tool in connection with its Work, Contractor must include a detailed description of Contractor's proposed use of the AI Tool, identify the AI Tool model name, the manner in which the AI Tool will be used, whether the AI Tool is a Deep Learning Tool, and any potential third party rights associated with such use. TVA will review and may approve or reject such Contractor request. Unless TVA approves, in advance and in writing, Contractor's request to use the AI Tool (as Contractor has described it), Contractor shall not: (i) use any AI Tool in its performance of Work; and (ii) itself, or permit others to, upload or submit any TVA Data or Personally Identifiable Information provided by TVA into any AI Tool.
2. Contractor shall not deliver to TVA AI-generated content without human oversight. Contractor is responsible and liable for the accuracy, completeness, and compliance of all Work with the requirements of its Contract(s) with TVA, regardless of whether any portion was developed using an AI Tool. Contractor shall ensure that Output is accurate and subject to comprehensive review and approval by qualified Contractor personnel prior to delivery to TVA. Without limiting TVA's other rights and remedies, if Contractor discovers that Output included in materials provided to TVA does not comply with the terms of the relevant Contract(s), Contractor will promptly notify TVA and remedy such non-compliance, at its expense. Upon request, Contractor shall disclose the nature and extent of Deep Learning Tool usage in the creation of any deliverables, including the names and roles such tools played in the development process.

**c. TVA's Use of AI Tools Provided by Contractor**

1. Approval for Training of AI Tools using TVA Data. Unless TVA approves, in advance and in writing, a Contractor request to train or tune any Contractor-provided or third party AI Tool using TVA Data, Contractor shall not: (i) directly or indirectly train or tune any Contractor-provided or third party AI Tool using TVA Data, or (ii) retain or reuse any Output or instance of the AI Tool that has been trained or tuned on TVA Data. Contractor shall not provide AI Tools altered by Model Customizations to third parties.
2. Performance, Improvement and Portability
  - i. Contractor will: (i) establish and maintain measurable performance benchmarks for the AI Tool, and provide information related to performance against those benchmarks to TVA; (ii) notify TVA of any new or updated features of the AI Tool; (iii) not effectuate any updates to the AI Tool in a manner that would degrade the features, functionality, or performance thereof; and (v) offer new generally available features at no additional cost to TVA.
  - ii. Contractor shall ensure that all data and system Outputs generated or used by the AI Tool are portable and, to the extent feasible, interoperable with other common platforms and systems. Upon termination or expiration of the Contract, Contractor shall provide TVA, at no additional cost, all TVA Data and associated metadata in a commonly-used, machine-readable format. Contractor shall provide reasonable assistance to transition services to a new provider, including documentation, Application Programming Interface accessibility to the extent feasible, and technical support, for a period of up to 90 days after termination or expiration of this Contract. The AI Tool shall not include proprietary dependencies that would prevent or materially hinder such transition.

3. Third Party Model Policies. The AI Tool may be subject to third-party license terms and related prohibited uses, which will be set forth in the applicable order form or statement of work; however, such restrictions shall not prohibit or restrict TVA's use of the AI Tool, or the Output.

#### d. TVA Data

1. Ownership of TVA Data. TVA owns the exclusive right, title, and interest in all TVA Data, and will own all Output. Contractor shall not use TVA Data except for the sole purpose of providing Work to TVA, unless TVA approves of other use(s) in advance and in writing.
2. Security. Contractor shall treat all TVA Data accessed by or used with the AI Tools as TVA's Confidential Information, as defined in the Contract(s)' **Nondisclosure** section, and protect any Personally Identifiable Information contained in the AI Tools in compliance with TVA's terms for Personally Identifiable Information and Privacy Act, located at <https://www.tva.com/Information/Supplier-Connections/Documents--Referenced-Clauses>. If Contractor accesses or uses TVA Data with AI Tools, Contractor must ensure that the AI Tool: (i) prevents access to the AI Tool by any unauthorized user; (ii) is capable of promptly restricting and removing users from having access to the AI Tool; (iii) stores TVA Data only within the United States and is logically separated from any third party data; (iv) creates and maintains backups and logs of TVA Data at least weekly; (v) purges, deletes, or removes TVA Data from the AI Tool within 60 days upon TVA's request, and (vi) enables TVA to self-perform the requirements of subsections (i) and (ii), above, at no additional cost.
3. Contractor does not own, and shall ensure that neither it nor the model provider (if not Contractor) will ever own or assert ownership rights over, the Input, Output, or Model Customizations. If and to the extent any such ownership rights to Input, Output, or Model Customizations vest in Contractor (under Applicable Laws or otherwise), Contractor hereby irrevocably transfers, conveys, and assigns to TVA such ownership rights. Neither Contractor nor any third party claiming under or through Contractor will restrict, disturb, or interrupt TVA's use of all Output and AI Tools.
4. Usage Data. TVA owns all Usage Data, and all Usage Data is TVA Confidential Information, as defined in the Contract(s). To the extent that ownership rights to Usage Data do not originally vest in TVA, Contractor hereby irrevocably assigns to TVA all such rights in the Usage Data. Contractor shall not, without TVA's prior written consent, capture any Usage Data, except to the extent strictly necessary for the purpose of performing Contractor's obligations under its Contract(s) with TVA. Contractor will provide TVA with a log of Usage Data as reasonably requested by TVA from time to time. TVA grants to Contractor a limited, revocable, non-transferable, non-sublicensable, non-exclusive license to use Usage Data (if any), solely for the purpose of performing Contractor's obligations under such Contract(s).

#### e. AI Tool Performance

1. Oversight and Testing. Contractor shall: (i) implement human oversight over the functionality of the AI Tool; (ii) ensure Contractor personnel are sufficiently trained to support the AI Tool; (iii) test any Deep Learning Tools periodically for undesirable behaviors (including, without limitation, fabrication, bias, discrimination, or hallucination), or ethical risks; and (iv) promptly remediate any deficiencies revealed by such evaluations. Upon TVA's request, Contractor shall facilitate human review of any AI-generated decision that materially impacts TVA or its customers.
2. Data Integrity and Transparency. Contractor shall ensure that the: (i) data sets used to train the AI Tool models are not derived from unlawful, deceptive, or inaccurate data sets, and include a statistically sufficient sample size; and (ii) AI Tool is designed, developed, and deployed in a way that ensures its operation is sufficiently transparent to enable TVA to understand and use the AI

Tool and its Output, including maintaining records related to the model limitations and assumptions, and other logic behind the creation of the Output.

3. Compliance and Standards. Contractor shall: (i) maintain all permissions and licenses required by Applicable Laws for its provision and both parties' use of the AI Tool and any Output; (ii) comply with Unbiased AI Principles in the development and provision to TVA of any AI Tool, consistent with the Executive Order, *Preventing Woke AI in the Federal Government*, and its implementing regulations, including decommissioning costs for noncompliance; (iii) implement and maintain a risk-based AI governance program aligned with the NIST AI Risk Management Framework, or, to the extent a more stringent standard is adopted by U.S. Governmental Authorities, comply with such alternate policy(ies); and (iv) provide sufficient transparency to enable TVA to exercise audit rights as set forth in the Contract(s). Contractor shall, at its expense, perform all necessary updates or modifications to the AI Tool required to comply with Applicable Laws.

**f. Indemnity**

Contractor shall indemnify, defend, and hold harmless TVA from and against any Claims related to the AI Tools, training thereof, or Output, consistent with the Contract(s)' Applicable Laws and Infringement of Intellectual Property Rights sections. TVA is not responsible or liable to Contractor in connection with any Claims related to the Output or TVA's use of the AI Tools in compliance with the Contract(s).