

ACME CORPORATION

Standard Contract Terms Reference Guide

Procurement & Legal Department | Version 3.2 | Effective January 2026

PURPOSE

This guide establishes Acme Corporation's standard contractual positions for vendor agreements. All vendor contracts should align with these standards unless deviation is approved by Legal.

STANDARD POSITIONS BY CATEGORY

LIABILITY CAPS

Vendor Category	Standard Cap	Notes
Tier 1 - Critical Data	3x annual fees	Vendors with access to PII, financial data, or core systems
Tier 2 - Business Services	2x annual fees	Standard business tools without sensitive data access
Tier 3 - Commodity Services	1x annual fees	Low-risk, easily replaceable services

INDEMNIFICATION

Our Standard: Vendors providing data services MUST indemnify us for:

- Data breaches and security incidents
- Regulatory violations (CCPA, GDPR, industry-specific)
- IP infringement claims
- Vendor's negligent or willful misconduct

Our Exposure: We typically only indemnify for our gross negligence or willful misconduct.

INTELLECTUAL PROPERTY

Work Product: All deliverables, customizations, and derivative works owned by Acme.

Data Usage: Vendors prohibited from using our data for ML training, benchmarking, or marketing.

License Rights: Perpetual, irrevocable, worldwide, transferable rights to any vendor tools incorporated.

INSURANCE REQUIREMENTS

Coverage Type	Tier 1	Tier 2	Tier 3
General Liability	\$2M	\$1M	\$1M

Professional E&O	\$5M	\$2M	\$1M
Cyber Liability	\$10M	\$5M	\$2M
Tech E&O	\$5M	\$2M	N/A

DATA SECURITY

Minimum Requirements:

- SOC 2 Type II certification (or equivalent)
- 24-hour breach notification
- Annual third-party security audits
- Customer audit rights with reasonable notice
- Written information security program

TERMINATION RIGHTS

Standard: 30 days notice for us; 90 days notice for vendor

For Cause: Immediate upon material breach (30-day cure period)

Change of Control: Immediate termination right if vendor acquired or materially changes

DEVIATION APPROVAL

Any deviation from these standards requires written approval from:

- Minor deviations: Senior Corporate Counsel
- Major deviations: General Counsel
- Dealbreaker compromises: General Counsel + CFO