

AI Contract Risk Analysis Report

Contract Category: Employment | **Contract Subcategory:** Executive | **Confidence:** 28.5% | **Identified Keywords:** 17



Overall Risk Score: 60/100 (HIGH)

Contract Summary

This employment agreement poses a HIGH risk to the Employee. For Cause Definition is critically missing from the Termination clause (Clause 8.2), leaving the Employer with unchecked discretion to terminate at will. Additionally, the lack of clear guidelines on post-probation salary in Clause 11.2 creates uncertainty and potential for unfair treatment. Immediate negotiation is required to address these substantial concerns before signing.

Contract Statistics

Metric	Count
Total Clauses Analyzed	15
High-Risk Clauses	0
Unfavorable Terms	17
Missing Protections	5
Clause Interpretations	15

Keywords Analysis

Classification Reasoning:

- Moderate keyword presence for employment (55% keyword match)
- Specific subcategory identified: executive

Detected Top Keywords:

employee	employment	employer	job	position	salary	compensation
benefits	sick leave	probation	termination	job description	duties	confidentiality

Unfavorable Terms

Clause Reference	Severity	Risk Score	Explanation
9.5, 9.3	HIGH	70	Clauses 9.5 and 9.3 contain conflicting terms creating legal ambiguity.
clause 10, 8.1	HIGH	70	Clauses clause 10 and 8.1 contain conflicting terms creating legal ambiguity.
17.1, 6.2	HIGH	70	Clauses 17.1 and 6.2 contain conflicting terms creating legal ambiguity.
N/A	LOW	25	Missing critical protection: for_cause_definition. Critical protection missing from contract
N/A	LOW	25	Missing critical protection: liability_cap. No limit on potential financial damages
N/A	LOW	22	Missing critical protection: prior_ip_exclusion. Could claim ownership of your existing work
N/A	LOW	20	Missing critical protection: mutual_indegnification. One-sided liability protection
N/A	LOW	18	Missing critical protection: severance_provision. Critical protection missing from contract
15.1.3	LOW	15	High-risk term 'breach' detected in restrictive_covenants clause.
clause 10	LOW	15	High-risk term 'damages' detected in compensation_benefits clause.
clause 10	LOW	15	High-risk term 'breach' detected in compensation_benefits clause.
clause 10	LOW	15	High-risk term 'release' detected in compensation_benefits clause.
N/A	LOW	15	Missing critical protection: dispute_resolution. Critical protection missing from contract
N/A	LOW	12	Missing critical protection: confidentiality_duration. Critical protection missing from contract
N/A	LOW	12	Missing critical protection: insurance_requirements. Critical protection missing from contract
N/A	LOW	10	Missing critical protection: change_control_process. Critical protection missing from contract
N/A	LOW	8	Missing critical protection: force_majeure. Critical protection missing from contract

Missing Protections

Protection Name	Importance	Risk Score	Explanation
For Cause Definition	CRITICAL	35	Without a clear 'for cause' definition, termination grounds remain ambiguous and subject to interpretation abuse. This creates significant job insecurity and potential for arbitrary termination without proper recourse.
Severance Provision	HIGH	28	Missing severance provision means zero financial protection if terminated without cause. Industry standards provide 2-3 months salary to support transition and mitigate sudden income loss.
Confidentiality Duration Limit	MEDIUM	22	Indefinite confidentiality obligations unreasonably restrict future business activities indefinitely. Industry standards limit confidentiality to 3-5 years post-termination for most information.
Insurance Requirements	MEDIUM	12	Missing insurance requirements leave you exposed to uncovered liabilities. Proper coverage transfers risk and provides financial protection for both parties.
Force Majeure Protection	LOW	8	Without force majeure protection, you remain liable for performance during unforeseeable events beyond control. This clause provides reasonable relief during extraordinary circumstances.

Negotiation Strategy

Priority	Issue	Current Language	Proposed Language
2	Add For Cause Definition	[NOT PRESENT IN CONTRACT]	"For Cause" means: (a) gross negligence or willful misconduct; (b) material breach of this Agreement after 30-day written notice and cure period; (c) conviction of a felony; or (d) fraud, dishonesty, or embezzlement. This definition shall be deemed to include any conduct that is substantially similar to the foregoing.
3	Conflicting Restrictive_Covenants Clauses	The Employee represents warrants and covenants that he /she is not and or he/she shall not apply in any company associated with the same Industry as the Employer carries out and during the probation period or during his term of service as well as a calendar period of twenty-four months after termination.	The Employee represents and warrants that he/she is not and will not apply in any company associated with the same Industry as the Employer carries out during the probation period or during his term of service, and for a calendar period of 12 months after termination.
3	Conflicting Compensation_Benefits Clauses	The Employee shall devote all of his/her time, attention, knowledge, and skill solely and exclusively to the Business and the interests of Employer, and Employer shall be entitled to all benefits, emoluments, profits, or other issues arising from or incident to any and all work services and advice of Employee.	The Employee shall devote a reasonable amount of time and attention to the Business and the interests of Employer, and Employer shall be entitled to all benefits, emoluments, profits, or other issues arising from or incident to any and all work services and advice of Employee.
3	Conflicting Termination_Rights Clauses	Notwithstanding anything contained herein the Employer reserves to terminate this Agreement at any point of time, for any reason whatsoever, with a notice of 15 days.	The Employer reserves the right to terminate this Agreement with a minimum of [30-60] days' written notice to the Employee. This termination shall be deemed "For Cause" unless otherwise specified in writing.
4	Address restrictive covenants risks (score: 100/100)	Multiple clauses in restrictive_covenants category present elevated risk (e.g., 9.5).	The obligations of confidentiality shall survive termination of this Agreement for a period of five years. Trade secrets shall be protected indefinitely. Confidential Information shall not include information that is or becomes publicly available through no fault of Receiving Party.
4	Address termination rights risks (score: 100/100)	Multiple clauses in termination_rights category present elevated risk (e.g., 17.1).	Contractor shall maintain at its own expense: (a) Commercial General Liability insurance with limits of \$1,000,000 per occurrence; (b) Professional Liability insurance with limits of \$2,000,000 per claim; and (c) Workers' Compensation insurance as required by law. Certificates of insurance shall be provided to Client upon request.
4	Address compensation benefits risks (score: 81/100)	Multiple clauses in compensation_benefits category present elevated risk (e.g., 9.2).	Request balanced, market-standard terms for compensation benefits provisions

Priority	Issue	Current Language	Proposed Language
5	Add Confidentiality Duration Limit	[NOT PRESENT IN CONTRACT]	The obligations of confidentiality shall survive termination of this Agreement for a period of five years. Trade secrets shall be protected indefinitely. Confidential Information shall not include information that is or becomes publicly available through no fault of Receiving Party.
5	Add Insurance Requirements	[NOT PRESENT IN CONTRACT]	Contractor shall maintain at its own expense: (a) Commercial General Liability insurance with limits of \$1,000,000 per occurrence; (b) Professional Liability insurance with limits of \$2,000,000 per claim; and (c) Workers' Compensation insurance as required by law. Certificates of insurance shall be provided to Client upon request.

Risk Category Breakdown

Category	Score	Summary
Restrictive Covenants	100/100	Overly restrictive non-compete, non-solicit, or confidentiality terms that may significantly limit future opportunities
Termination Rights	100/100	Unbalanced termination rights with immediate termination, 'at-will' clauses, or unequal notice periods favoring one party
Confidentiality	100/100	Overly broad confidentiality scope, perpetual duration, or insufficient protection exceptions
Liability Indemnity	100/100	Unbalanced indemnification, unlimited liability exposure, or insufficient liability caps
Intellectual Property	86/100	Overly broad IP assignment that may cover personal projects or lacks proper prior IP exclusion
Compensation Benefits	81/100	Compensation structure lacks clarity, contains vague terms, or has unfavorable payment conditions
Warranties	24/100	Comprehensive warranty coverage with reasonable limitations and clear guarantees
Dispute Resolution	11/100	Reasonable dispute resolution process with fair arbitration and cost allocation
Insurance	8/100	Comprehensive insurance requirements with clear coverage specifications
Force Majeure	5/100	Comprehensive force majeure protection with reasonable relief and termination rights
Assignment Change	4/100	Reasonable assignment rights and change control processes favorable to both parties
Penalties Liability	0/100	Standard liability limitations, reasonable penalty provisions, and balanced indemnification terms
Governing Law	0/100	Reasonable governing law and jurisdiction provisions favorable to both parties
Payment Terms	0/100	Favorable payment terms with reasonable payment periods and clear conditions

Clause Interpretations

Clause Reference	Favorability	Summary	Key Points
15.1.3	UNFAVORABLE	This clause states that if the employee breaks any promises or representations made in this agreement, they will be held accountable. This means that the employee must be truthful and accurate when making statements about themselves.	<ul style="list-style-type: none"> The clause covers representations, warranties, covenants, and declarations It applies to breaches of these promises The employee is responsible for keeping their word
clause 10	UNFAVORABLE	This clause states that if an employee breaches their contract, they will not receive their salary, leave encashments, or other forms of compensation. Additionally, the company may withhold experience and release letters.	<ul style="list-style-type: none"> No payment for breach Investigation required Company can withhold certificates
9.7	UNFAVORABLE	When an employee leaves the company, they must return all company assets and resources within 7 days. This means handing over things like passwords, online accounts, and other necessary materials.	<ul style="list-style-type: none"> Employee must hand over company assets within 7 working days This includes passwords, online accounts, and other necessary materials Failure to comply may result in termination
9.5	UNFAVORABLE	This clause restricts the employee from working for a company in the same industry as their current employer during and after their employment term. This means they cannot apply to or work for a competitor.	<ul style="list-style-type: none"> The restriction applies during the probation period It also extends for 24 months after termination of service This clause aims to protect the employer's interests
17.1	UNFAVORABLE	The employer has the right to terminate this agreement at any time, with 15 days' notice, for any reason. This means they can end the agreement quickly and without giving a specific explanation.	<ul style="list-style-type: none"> The employer's termination rights are unconditional They only need to give 15 days' notice before terminating Termination can happen for any reason
9.3	UNFAVORABLE	This clause restricts an employee's ability to make contracts or commitments on behalf of their employer without written consent. It aims to prevent the employee from making deals that might harm the employer's interests.	<ul style="list-style-type: none"> The employee must obtain written consent before making any agreements No oral agreements are allowed Any existing contracts must be disclosed
10.3	UNFAVORABLE	This clause restricts the employee from pursuing similar business opportunities without the company's approval, even after they've left the job. This means the employee is essentially locked into not competing with their former employer for two years.	<ul style="list-style-type: none"> The restriction applies to new business and service opportunities Similar in all material respects to the company's business Requires prior written approval from the company
9.2	UNFAVORABLE	This clause requires employees to dedicate all their time and effort to the employer's business, giving up any personal or outside pursuits. The employer gets exclusive rights to all benefits and profits from the employee's work.	<ul style="list-style-type: none"> Employee must prioritize employer's interests All work services and advice belong to the employer No room for personal projects or side hustles

Clause Reference	Favorability	Summary	Key Points
17.5	UNFAVORABLE	This clause states that an employee must provide a 90-day notice period before leaving their job and complete any outstanding projects or transfer tasks to colleagues.	<ul style="list-style-type: none"> The employee is responsible for serving a 90-day notice period They must attend to their workplace professionally during this time Projects and job descriptions must be transferred to colleagues
17.3	UNFAVORABLE	When an employee's contract is terminated, they must return all company-provided electronic devices and materials. This includes things like phones, laptops, and stationery.	<ul style="list-style-type: none"> Employee must surrender all company-provided equipment This applies to all types of devices and materials Termination triggers this requirement
6.2	UNFAVORABLE	This clause states that if an employee wants to leave the company during their probation period, they must give a 1-month notice. This applies only to weekdays, with weekends being designated as holidays.	<ul style="list-style-type: none"> Notice period is non-negotiable Probationary employees are bound by these rules Weekends are considered holidays
12.1.5	NEUTRAL	This clause explains the duration of each type of leave and how it's governed by company policies. Employees should refer to the Human Resource Handbook for details.	<ul style="list-style-type: none"> Leave duration is stipulated in the Human Resource Handbook Leave policies are framed by management and published in the handbook Employees must be notified of these policies
8.1	NEUTRAL	This clause outlines the salary compensation for an employee during their probation period. The employer will pay the employee a fixed amount of INR 7.06 LPA.	<ul style="list-style-type: none"> The salary is only applicable during the probation period The amount is INR 7.06 LPA The employer is responsible for paying the salary
23.1	UNFAVORABLE	This clause states that the written agreement is the only one between parties and replaces any previous agreements. This means that all terms are contained in this document, and there's no room for misinterpretation.	<ul style="list-style-type: none"> The agreement supersedes all other agreements It contains the sole and entire understanding between parties All terms are contained within
10.7	UNFAVORABLE	This clause prevents employees from working with other companies or individuals for financial gain during their employment. This means they can't have a side job, freelance, or receive payment from another source.	<ul style="list-style-type: none"> The Employee is restricted from any form of transaction with financial consideration This applies to part-time, full-time, contractual, and freelance work It also covers other forms of transactions beyond just employment

Detailed Clause Analysis

Reference	Category	Confidence	Risk Score	Original Text	Risk Indicators
9.5	Restrictive Covenants	0.9	16.5	The Employee represents warrants and covenants that he /she is not and or he/she shall not apply in any company associated with the same Industry as the Employer carries out and during the probation period or during his term of service as well as a calendar period of twenty-four months after termination.	termination, covenant
9.7	Restrictive Covenants	1.0	16.5	The employee agrees and accepts that upon termination all company assets, resources, online accounts, passwords etc. needed to be handed over to the company within 7 working days. 10. Restrictive Covenants Of The Employee:	termination, covenant
9.3	Restrictive Covenants	0.9	16.5	The Employee represents and covenants that he/she is not having and or he shall not have the right to make any contracts or other commitments for or on behalf of the Employer without the written consent of the Employer.	covenant
15.1.3	Restrictive Covenants	1.0	16.5	The breach of any representations, warranties, covenants and declarations made by the Employee under this Agreement.	breach, representation, covenant
12.1.5	Restrictive Covenants	1.0	16.5	Loss Of Pay (LOP) 12.2. The duration of each form of leave is stipulated in the Human Resource Handbook provided to the employees. Period of leave shall be subject to leave policies framed by the management which shall be published in the handbook and duly notified to the employees.	None
9.2	Compensation Benefits	0.7	12.7	The Employee shall devote all of his/her time, attention, knowledge, and skill solely and exclusively to the Business and the interests of Employer, and Employer shall be entitled to all benefits, emoluments, profits, or other issues arising from or incident to any and all work services and advice of Employee.	exclusive
clause 10	Compensation Benefits	1.0	12.7	11.2. The Employee agrees and accepts that he/she will not be paid his/her running month salary, earned leaves encashments, and any other form of compensation in lieu of the damages caused to the company subject to proper enquiry and investigation. 11.3. The Employee will not get any experience letter, release letter or any other certificate from the company upon breach of	damages, breach, release
8.1	Compensation Benefits	1.0	12.7	The Employer shall pay the Employee a salary of INR 7.06 LPA during the period of probation.	None
17.1	Termination Rights	0.6	10.3	Notwithstanding anything contained herein the Employer reserves to terminate this Agreement at any point of time, for any reason whatsoever, with a notice of 15 days.	terminate, notice

Reference	Category	Confidence	Risk Score	Original Text	Risk Indicators
23.1	Termination Rights	0.0	10.3	This written Agreement contains the sole and entire agreement between the parties and supersedes any other agreements between them.	None
10.3	Termination Rights	1.0	10.3	The Employee agrees that in case of new business and or service opportunities which are similar in all material respects to the business of the Company in relation to in any geographical region other than those in which the Company operates, the Employee shall not engage in such business opportunity, without the prior written approval of the Company post two years of resignation or termination.	termination
6.2	Termination Rights	0.6	10.3	If the candidate wants to leave the company in the probation period, he/she has to serve a notice period of 1 month (not negotiable). 7. Hours of work: The Employee is required to work from 10 a.m. to 7 p.m. during the Weekdays. The weekly holiday would be on Saturday and Sunday. 8. Remuneration:	notice
17.5	Termination Rights	0.6	10.3	Pursuant to clause 17.4 the employee shall be liable to serve a notice period of ninety days and shall attend to his workplace in a professional manner to execute his pending projects and transfer of such job descriptions allotted to his concerned colleagues.	notice
17.3	Termination Rights	0.6	10.3	On termination, the Employee shall surrender to the management and stop the usage of all electronic devices, sim cards, visiting cards, stationery, gadgets, passwords, software or hardware and ancillary perks as awarded by the Employer during the course of employment.	termination
10.7	Termination Rights	-0.0	10.3	The Employee agrees and acknowledges that he shall not during the tenure of his employment apply and/or enter into any part-time, full-time, contractual, freelance, or other form of transaction with financial consideration with any third party.	None