

Avalon AI Master Service Agreement

Last Updated: January 2026

This Master Service Agreement (the “Agreement”) is entered into by and between 86790 Newfoundland & Labrador Ltd. o/a Avalon AI (“Avalon AI”, “we”, “us”, or “our”), and the customer identified in an order form, statement of work, online checkout, or other ordering document referencing this Agreement (“Customer”, “you”, or “your”). This Agreement governs Customer’s access to and use of Avalon AI’s services, including AI Call Agents (inbound/outbound) and AI Social Media Management, and related support, documentation, and features (collectively, the “Services”), as described at avalonai.ca and/or in the applicable Order Form.

1. Definitions

For purposes of this Agreement, the following definitions apply:

- “Affiliate” means any entity that directly or indirectly controls, is controlled by, or is under common control with a party.
- “Confidential Information” means all non-public information disclosed by one party to the other that is marked or reasonably understood to be confidential, including business, technical, financial, product, and security information.
- “Customer Data” means data and information submitted to, collected by, or processed through the Services on Customer’s behalf, including Personal Information of End Users, call recordings, transcripts, summaries, messages, and interaction data.
- “Documentation” means user guides, technical documentation, and policies made available by Avalon AI for the Services.
- “End User” means any individual whose data is processed through the Services on Customer’s behalf, including callers, leads, customers, prospects, employees, and representatives.
- “Order Form” means an ordering document (including an online order, checkout, statement of work, or similar) that specifies subscription terms, Service plans, usage limits, pricing, and/or features.

- “Personal Information” has the meaning set out under applicable Canadian privacy laws (including PIPEDA) and generally means information about an identifiable individual.
- “Privacy Policy” means Avalon AI’s privacy policy made available to Customer as updated from time to time.
- “Subprocessor” means a third party engaged by Avalon AI to process Customer Data in connection with the Services.

2. Order of Precedence

If there is a conflict between this Agreement and an Order Form, the Order Form will control only with respect to the specific subject matter of that Order Form. If Customer and Avalon AI execute a Data Processing Agreement (“DPA”), the DPA will control with respect to privacy and processing terms to the extent of any conflict.

3. Subscription, Access, and Use

3.1 Subscription

Subject to Customer’s compliance with this Agreement and payment of applicable Fees, Avalon AI grants Customer a limited, non-exclusive, non-transferable, non-sublicensable right during the Subscription Term to access and use the Services for Customer’s internal business purposes in accordance with the Documentation and the applicable Order Form.

3.2 Authorized Users

Customer is responsible for all access to and use of the Services under Customer’s account(s), including by its employees, contractors, and representatives. Customer will ensure that Authorized Users comply with this Agreement.

3.3 Restrictions

Customer will not, and will not permit any third party to:

- Reverse engineer, decompile, or attempt to discover source code or underlying models except to the extent such restriction is prohibited by law.

- Use the Services to develop, train, or improve competing products or services (except as expressly permitted in writing).
- Interfere with or disrupt the integrity or performance of the Services, including by introducing malicious code.
- Use the Services in violation of applicable laws, including privacy, telecommunications, consumer protection, anti-spam, and marketing laws.
- Circumvent usage limits or access controls.

4. Services and Support

4.1 Services Description

The Services may include, depending on the plan and configuration: AI-powered inbound and outbound call handling, call routing, appointment scheduling, call recording, transcription and summarization, messaging, analytics, workflows, and AI-driven social media management such as content drafting, scheduling, monitoring, and engagement.

4.2 Updates and Changes

Avalon AI may improve, modify, or update the Services from time to time to maintain security, comply with legal requirements, or improve functionality. If a change materially reduces core functionality, Customer's sole remedy is to terminate the affected subscription in accordance with Section 13.3 (Termination for Cause), and Avalon AI will refund prepaid Fees for the unused portion of the affected term.

4.3 Support

Support levels (including response times and channels) are as stated in the applicable service description, with technical support provided as needed to ensure functionality of services. Unless otherwise specified, support is provided during standard business hours in the Newfoundland Time Zone (UTC – 3:30).

5. Customer Responsibilities

5.1 Customer Data and Instructions

Customer is solely responsible for the accuracy, quality, legality, and integrity of Customer Data and for Customer's instructions regarding processing. Customer represents and warrants it has all rights and permissions necessary to provide Customer Data to Avalon AI for processing.

5.2 End User Notices and Consents (Call Recording, AI Processing, and Marketing)

Customer is responsible for providing all notices and obtaining all consents required by applicable laws for: (a) call recording, (b) automated/AI interaction and processing, (c) collection and processing of Personal Information, and (d) marketing outreach (including SMS/email) where applicable. Customer will not instruct Avalon AI to process Customer Data in a manner that violates applicable law.

5.3 Telecommunications and Recording Compliance

Customer acknowledges that laws governing call recording and telecommunications may vary by jurisdiction. Customer is responsible for ensuring the legality of any recordings, outbound dialing, caller ID usage, scripted disclosures, and contact lists. Avalon AI provides tooling and configuration options, but does not provide legal advice.

5.4 Acceptable Use

Customer will not use the Services for:

- Unlawful, deceptive, abusive, harassing, discriminatory, or fraudulent activities;
- High-risk decisions where errors could lead to serious harm (e.g., emergency dispatch, medical diagnosis, or legal determinations) unless expressly approved in writing with additional safeguards;
- Sending unsolicited commercial electronic messages in violation of Canada's Anti-Spam Legislation (CASL) or similar laws;
- Collecting sensitive categories of Personal Information without appropriate legal basis and safeguards.

6. Fees, Billing, and Taxes

6.1 Fees

Customer will pay the fees set out in the applicable Order Form (“Fees”). Unless otherwise stated, Fees are due in advance and are non-cancelable and non-refundable except as expressly provided in this Agreement.

6.2 Usage-Based Charges

Some Services may be billed based on usage (e.g., call minutes, message volume, number of managed social accounts, storage, or other metered metrics). Usage-based charges will be calculated and invoiced as described in the Order Form or pricing page.

6.3 Taxes

Customer is responsible for all applicable taxes except taxes based on Avalon AI’s net income.

6.4 Late Payments

Late payments may bear interest at the lesser of 1.5% per month or the maximum rate permitted by law. Avalon AI may suspend Services for overdue amounts after providing reasonable notice.

7. Data Rights, Security, and Privacy

7.1 Customer Data Ownership

As between the parties, Customer retains all rights, title, and interest in and to Customer Data. Avalon AI does not acquire ownership rights in Customer Data.

7.2 Avalon AI Processing Role

Avalon AI processes Customer Data as a service provider/processor on Customer’s behalf to provide, maintain, and improve the Services, in accordance with this

Agreement, the Privacy Policy, and any DPA. Customer is generally the controller of Personal Information within Customer Data.

7.3 Security Measures

Avalon AI will implement and maintain reasonable administrative, technical, and physical safeguards designed to protect Customer Data against unauthorized access, disclosure, alteration, and destruction. Security measures include access controls, encryption in transit and at rest where appropriate, monitoring, and incident response procedures.

7.4 Data Retention and Deletion

Customer Data is retained in accordance with Avalon AI's retention practices and the Privacy Policy, including retention of call recordings and transcripts that may extend beyond 30 days for quality assurance, service improvement, dispute resolution, and legal compliance, unless Customer's configuration or Order Form specifies otherwise. Upon termination, Avalon AI will provide Customer a reasonable opportunity to export Customer Data, after which Avalon AI may delete or anonymize Customer Data consistent with its legal obligations.

7.5 Breach Notification

Avalon AI will maintain a security incident response program and, where required by applicable law, will notify Customer of a breach of security safeguards involving Customer Data in its custody or control. Customer is responsible for any notifications to End Users unless otherwise agreed in writing.

7.6 Cross-Border Processing

Customer acknowledges that Customer Data may be processed or stored outside Canada (for example, where cloud infrastructure or Subprocessors are located). Avalon AI will take reasonable steps to ensure appropriate contractual safeguards are in place for such transfers, consistent with the Privacy Policy and applicable law.

7.7 Subprocessors

Avalon AI may engage Subprocessors to support service delivery (e.g., cloud hosting, telephony, analytics, and AI infrastructure). Avalon AI remains responsible for Subprocessors' performance of their obligations with respect to Customer Data. Where required, Avalon AI will make available information regarding Subprocessors upon request or via a DPA.

8. AI Features and Model Improvement

8.1 AI Output and Human Oversight

Customer acknowledges that AI outputs (including transcriptions, summaries, suggested responses, routing decisions, and social media drafts) may contain inaccuracies. Customer is responsible for reviewing AI outputs where appropriate and for decisions made using the Services.

8.2 Use of Customer Data to Improve Services

Avalon AI may use Customer Data as requested by the Customer to improve and develop the Services, analytics, and quality assurance processes. If a DPA provides additional restrictions, the DPA controls.

9. Confidentiality

9.1 Obligations

Each party will protect the other party's Confidential Information using at least the same degree of care it uses to protect its own confidential information, and no less than reasonable care. Confidential Information will be used solely to perform obligations or exercise rights under this Agreement.

9.2 Exclusions

Confidential Information does not include information that: (a) is or becomes public through no fault of the receiving party; (b) was known by the receiving party without restriction before receipt; (c) is independently developed without use of the disclosing

party's Confidential Information; or (d) is rightfully received from a third party without breach of obligation.

9.3 Compelled Disclosure

If required by law to disclose Confidential Information, the receiving party will (to the extent legally permitted) provide notice to the disclosing party and cooperate in seeking protective treatment.

10. Intellectual Property

10.1 Avalon AI IP

Avalon AI and its licensors retain all right, title, and interest in and to the Services, Documentation, models, workflows, and any improvements or derivatives thereof. No rights are granted to Customer except as expressly stated in this Agreement.

10.2 Feedback

If Customer provides suggestions or feedback, Customer grants Avalon AI a perpetual, irrevocable, worldwide, royalty-free license to use and incorporate such feedback into the Services without obligation.

11. Compliance and Legal Obligations

11.1 Customer Compliance

Customer will comply with all laws applicable to its use of the Services, including privacy laws, consumer protection laws, advertising laws, and telecommunications laws. Customer is responsible for determining whether the Services are appropriate for Customer's use case.

11.2 Export Controls and Sanctions

Customer will comply with applicable export control and sanctions laws. Customer will not use the Services in prohibited jurisdictions or for prohibited end uses.

12. Warranties and Disclaimers

12.1 Limited Warranty

Avalon AI warrants that it will provide the Services in a professional and workmanlike manner consistent with generally accepted industry standards. Customer's exclusive remedy for breach of this warranty is re-performance of the affected Services or, if Avalon AI cannot reasonably re-perform, termination of the affected subscription and refund of prepaid unused Fees.

12.2 Disclaimer

EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, THE SERVICES ARE PROVIDED "AS IS" AND "AS AVAILABLE". AVALON AI DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT. AVALON AI DOES NOT WARRANT THAT THE SERVICES WILL BE ERROR-FREE OR UNINTERRUPTED, OR THAT AI OUTPUTS WILL BE ACCURATE.

13. Term, Renewal, and Termination

13.1 Subscription Term

This Agreement begins on the Effective Date and continues until all subscriptions under Order Forms have expired or have been terminated. Each Order Form will specify the subscription term ("Subscription Term").

13.2 Renewal

Unless otherwise stated in an Order Form, subscriptions renew automatically for successive renewal terms equal to the expiring term at then-current rates, unless either party provides written notice of non-renewal at least 1 day before the end of the then-current term.

13.3 Termination for Cause

Either party may terminate this Agreement or an Order Form upon written notice if the other party materially breaches and does not cure the breach within 30 days of notice.

Avalon AI may suspend access immediately if Customer's use poses a security risk, violates law, or threatens harm to Avalon AI, the Services, or third parties.

13.4 Effect of Termination

Upon termination or expiration: (a) Customer's rights to access and use the Services cease; (b) Customer must stop using the Services; and (c) upon request, Avalon AI will provide a reasonable data export window. Sections that by their nature should survive termination will survive, including payment obligations accrued, confidentiality, IP, disclaimers, limitation of liability, indemnities, and governing law.

14. Indemnification

14.1 Customer Indemnity

Customer will indemnify, defend, and hold harmless Avalon AI and its Affiliates from and against any third-party claims, damages, liabilities, costs, and expenses (including reasonable legal fees) arising from: (a) Customer Data or Customer's use of the Services; (b) Customer's failure to obtain required consents or provide legally required notices; (c) Customer's violation of applicable law; or (d) use of the Services in breach of this Agreement.

15. Limitation of Liability

15.1 Exclusion of Certain Damages

TO THE MAXIMUM EXTENT PERMITTED BY LAW, NEITHER PARTY WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, OR FOR LOSS OF PROFITS, REVENUE, DATA, OR BUSINESS INTERRUPTION, ARISING OUT OF OR RELATING TO THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY.

15.2 Liability Cap

TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH PARTY'S TOTAL LIABILITY ARISING OUT OF OR RELATING TO THIS AGREEMENT WILL NOT EXCEED THE TOTAL FEES PAID OR PAYABLE BY CUSTOMER IN THE TWELVE (12) MONTHS PRECEDING THE EVENT GIVING RISE TO THE CLAIM.

15.3 Exceptions

The exclusions and caps in this Section do not apply to: (a) Customer's payment obligations; (b) Customer's breach of Section 3.3 (Restrictions) or Section 5 (Customer Responsibilities); (c) a party's breach of confidentiality obligations; or (d) a party's willful misconduct to the extent not prohibited by law.

16. Force Majeure

Neither party will be liable for delay or failure to perform due to events beyond its reasonable control, including natural disasters, acts of government, labor disputes, internet/telecom failures, or utility outages. The affected party will use reasonable efforts to mitigate the impact.

17. Notices

Notices under this Agreement must be in writing and will be deemed given when delivered personally, by reputable courier, or by email to the addresses set out in the Order Form (or to such other address as a party may designate in writing). Notices to Avalon AI may be sent to: info@avalonai.ca.

18. Assignment

Customer may not assign or transfer this Agreement without Avalon AI's prior written consent. Avalon AI may assign this Agreement in connection with a merger, acquisition, corporate reorganization, or sale of substantially all assets.

19. Governing Law and Venue

This Agreement is governed by the laws of the Province of Newfoundland and Labrador and the federal laws of Canada applicable therein, without regard to conflict of laws principles. The parties submit to the exclusive jurisdiction of the courts located in Newfoundland and Labrador for disputes arising from this Agreement.

20. General

20.1 Entire Agreement

This Agreement, together with all Order Forms, the Privacy Policy, and any DPA, constitutes the entire agreement between the parties regarding the Services and supersedes all prior and contemporaneous agreements and understandings.

20.2 Severability and Waiver

If any provision is held unenforceable, the remaining provisions will remain in effect. No failure or delay by either party to enforce any right will be deemed a waiver.

20.3 Relationship of the Parties

The parties are independent contractors. Nothing in this Agreement creates a partnership, joint venture, or employment relationship.

20.4 Amendments

Avalon AI may update these Terms from time to time. For materially adverse changes, Avalon AI will provide notice through reasonable means (e.g., email or in-app notice). Customer's continued use of the Services after the effective date of an update constitutes acceptance, unless Customer terminates in accordance with Section 13.3.

Appendix A – Service-Specific Terms (AI Call Agents and Social Media Management)

A.1 AI Call Agents

Customer may configure call flows, scripts, routing rules, scheduling logic, and escalation pathways. Customer is responsible for (a) the content and legality of scripts and prompts, (b) accuracy of appointment availability provided to the system, and (c) ensuring appropriate disclosures are delivered (including call recording and AI interaction notices).

A.2 Outbound Calling and Messaging

For outbound calling and messaging, Customer is responsible for ensuring contact lists are lawfully obtained and that outreach complies with applicable laws, including consent and do-not-call requirements. Customer will honor opt-out requests and suppression lists.

A.3 Social Media Management

If Customer uses AI-driven social media features, Customer is responsible for reviewing and approving content where appropriate, maintaining brand compliance, and ensuring rights to use any content, logos, or third-party materials. Avalon AI may provide drafting and scheduling tools but does not guarantee engagement metrics or campaign outcomes.

Appendix B – Privacy Policy Consistency Matrix (January 2026)

This Appendix summarizes key alignment points between this Agreement and Avalon AI's Privacy Policy (January 2026). In the event of any inconsistency on privacy/data processing, the Privacy Policy and any DPA control for those topics.

- **Privacy Policy Scope:** Agreement 7.2 confirms Avalon AI processes Customer Data on Customer's behalf; Customer generally acts as controller.
- **Consent & Notices:** Agreement 5.2 and Appendix A require Customer to provide call recording and AI processing notices/consents, consistent with Privacy Policy Section 9 and call recording disclosures.
- **Call Recording & Retention:** Agreement 7.4 states recordings/transcripts may be retained beyond 30 days for QA/improvement/compliance, consistent with Privacy Policy Section 10–11.
- **No Sale of Data:** Agreement 7.1–7.2 and data rights reflect Privacy Policy statement that Avalon AI does not sell personal information.
- **Security Safeguards:** Agreement 7.3 mirrors Privacy Policy Section 14 regarding administrative/technical/physical safeguards including encryption and access controls.
- **Breach Notification:** Agreement 7.5 aligns with Privacy Policy Section 15 and PIPEDA breach response/notification commitments.

- **Cross-Border Transfers:** Agreement 7.6 aligns with Privacy Policy Section 13 acknowledging potential processing/storage outside Canada with safeguards.
- **Subprocessors:** Agreement 7.7 aligns with Privacy Policy Section 12 regarding trusted service providers/subprocessors.
- **Individual Rights:** Agreement directs privacy handling to Privacy Policy; Customer remains responsible for end-user requests unless otherwise agreed, consistent with Privacy Policy Section 16.
- **Children's Privacy:** Agreement acceptable use and appropriateness language is consistent with Privacy Policy Section 19 (not intended for minors).
- **Contact:** Agreement Notices and Contact align with Privacy Policy contact info (info@avalonai.ca).