GenAl in Action Insights from Axiom's First GenAl Pilot

Exploring GenAl's Potential In Law

The legal market faces a moment of unprecedented change, driven by the emergence of Generative AI (GenAI), a transformative technology tailored to work with language – the foundation of legal practice. This technology has the potential to reshape the fundamental tasks that define the legal profession, but it is not without limitations in its current form.

As a market leader in providing legal services, Axiom recognized the potential of this technology early on. We have been closely monitoring the evolution of GenAl tools in the legal sector to identify the most suitable applications for the broad range of work we do on behalf of our clients. We took the time to carefully assess its strengths, limitations, and trajectory, before acting to strategically leverage its capabilities.

Our research highlighted that GenAl tools showed strong early promise in commercial contract review and negotiation, which accounts for a large segment of Axiom's client engagements, so we chose our first pilot to experiment in this key area.

Overview of the GenAl Pilot

Commercial contract review and negotiation make up a large segment of our work, but each engagement varies in scope

and workflow. We focused on a common aspect across this work: reviewing and editing contracts within Microsoft Word.

To find the right tool, we ran a detailed request for proposal (RFP) with eight vendors. This included a thorough review to assess product capabilities, commercial terms, and ability to meet our stringent security and data privacy requirements. DraftPilot emerged as the optimal choice for several key reasons:

- It is particularly strong in reviewing and markingup 3rd party contracts.
- It can rapidly convert a template or contract into a reusable playbook.
- It comes with pre-built playbooks, which could easily be customized by attorneys.
- Attorneys can **easily verify and edit** Al suggestions before they are applied.
- It is accessed within Microsoft Word and is tailored to attorneys' ways of working.
- It has an intuitive interface which required minimal training for user onboarding.

Rather than imposing the pilot on specific engagements, we invited motivated attorneys, who were excited about GenAl and believed their work was a good fit, to volunteer. The pilot involved 18 attorneys having access to DraftPilot for eight weeks to use on client work. During this time, they received training, used the product across a variety of tasks on their client engagements, and attended regular feedback sessions to share their experiences.

We approached this pilot as an opportunity to learn and explore how genuinely motivated users could derive value from GenAl in real world client scenarios. Our objective was to observe and understand, rather than to force a specific return on investment (ROI).

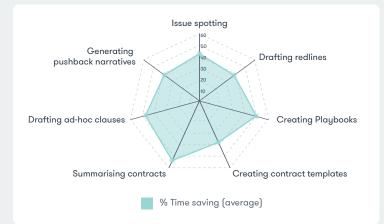
Key Insights & Results

User feedback was gathered through surveys, product analytics, and individual calls with all pilot participants. Our key insights include an assessment of the most suitable use cases, along with the impact on time saving, and attorneys' work quality.

USE CASES

The Axiom Attorneys using DraftPilot, both during the pilot and after, have seen their turnround times, and productivity overall, increase significantly.

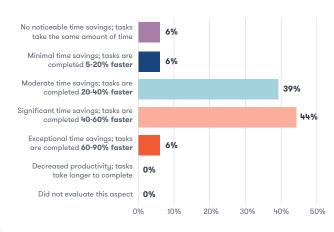
For example, clients experienced significant benefits when creating playbooks, identifying issues and drafting redlines. Summarizing contracts, creating contract templates, and justifying push-back to counter parties were also popular and impactful use cases.

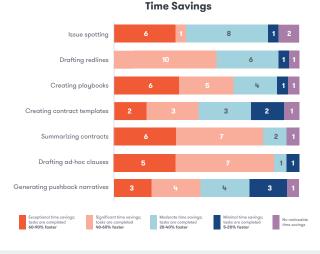


TIME SAVINGS

We saw greater time savings than expected, with 60%+ savings reported in certain use cases. Creating playbooks and summarizing contracts routinely saw the greatest efficiency gains. "For short contracts, review is reduced from two hours to 30 minutes. Time savings would be even greater on longer contracts."

"The summary feature cut a task that would take approx. five days down to approx. one day". "I saved four hours using this to create a playbook last night."





Overall Time Savings Compared to Not Using the Tool

Key Insights & Results

WORK QUALITY

We did not expect DraftPilot to impact work quality, but attorneys reported that the product consistently adds noticeable value to their work quality. "The quality of the redlines it suggests and especially the comments with justifications for those redlines are really impressive. I don't always add comments when I do redlines...these might help facilitate the negotiations"

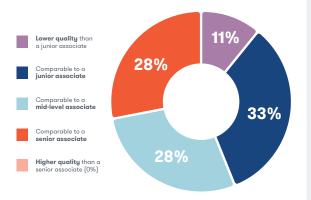
"Output is more consistent as it uses the playbook religiously."

"It suggests things that wouldn't have crossed my mind."

"DraftPilot tended to summarize agreements better than I could myself if I were going through it manually."



How would you rate the quality of DraftPilot output compared to a human attorney?



Benefits of Al-enabled Legal Services for Clients

Axiom believes that legal AI should be applied judiciously, with the right tools applied to the correct types of work. Our research and hands-on experience with GenAI products have shown us that at this moment in time, there is not a general tool that will accelerate every piece of legal work. However, the correct application of GenAI to suitable use cases can result in significant impact.

In the specific case of contract review and negotiation, our pilot found that Axiom attorneys using DraftPilot could deliver client work more efficiently whilst also enhancing work quality.

For about the cost of one billable hour per month (covering Axiom's DraftPilot technology cost), our clients can receive the benefit of these efficiency gains, with Axiom attorneys saving several hours on routine contracting tasks. As the leader in global alternative legal services, Axiom is proud to pass this savings on to our clients. We believe the following activities in the contract review and negotiation use case present clear ROI opportunities:

+ Identifying issues in 3rd party contracts.
+ Drafting or applying redlines, and providing justifications for each proposed change.
+ Creating or updating contract templates.
+ Creating or updating playbooks.
+ Summarizing contracts.
+ Drafting ad-hoc clauses.
+ Generating pushback narratives.

Engagements which involve these work activities on a consistent basis will see the greatest ROI from the use of DraftPilot enabled Axiom attorneys.

NEXT STEPS

Axiom's AI-Enhanced Legal Services

We are excited to invite our clients to collaborate with us to find the true ROI of legal AI for their specific needs. Axiom is now offering DraftPilot on engagements where both the client and our team believe an ROI exists.

To enjoy this benefit, a \$250/month technology fee applies, with Axiom legal talent required to work on an Axiom laptop.

Axiom is also currently piloting several AI tools to complement DraftPilot on handling various other use cases. These include bulk executed contracts review tools, some of which can inventory clauses in executed agreements in order to close M&A or joint venture deals, while providing significant time and cost savings to clients.



To learn more about how to work with Axiom to apply AI to your legal work, please contact your Axiom account manager or reach out to **<u>ai@axiomlaw.com</u>**

DraftPilot Overview

Does DraftPilot automate contract review completely?

No, DraftPilot is designed to assist lawyers, not replace them. It acts as a "copilot," helping lawyers identify issues, suggest language, and enhance efficiency. Final decisions always rest with the lawyer.

Can DraftPilot help with all types of contracts?

DraftPilot can work on any contract in Microsoft Word, but is most impactful when reviewing contracts which are on third-party paper. It does not work with contracts in PDF format.

Can counterparties see that DraftPilot has been used?

No. Counterparties won't be able to see playbooks or know that DraftPilot's Al suggestions have been used. Likewise, any comments or wording inserted from DraftPilot will appear under your Axiom attorney's name, which is appropriate because the Axiom attorney is fully in control of DraftPilot's actions and reviewing its suggestions.

Does DraftPilot work in multiple languages?

Yes. Both the playbooks and the Al suggestions can handle contracts in any language.

General Use

How do Axiom lawyers use DraftPilot?

DraftPilot is a Microsoft Word add-in which Axiom lawyers can access when using Word on an Axiom laptop.

Can Axiom lawyers use DraftPilot on a client laptop or virtual desktop?

On a client laptop or virtual desktop, access is only possible if the client's IT department has approved installation of the DraftPilot add-in for Microsoft Word from the Microsoft App Store within their environment, or if the client has purchased and deployed their own DraftPilot licenses.

Can clients use DraftPilot directly?

Axiom cannot provide clients with direct access to DraftPilot. If seeing the benefits of Axiom legal talent using DraftPilot inspires you to want access yourself, Axiom is happy to provide a priority introduction to the DraftPilot sales team. DraftPilot configurations already created by Axiom talent can be transferred to your organization. Contact your Axiom account manager to get started.

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Confidentiality and Data Security

Will my data be used to train public Al models?

No. Your data will not be used to train public Al models or to train DraftPilot's models.

What safeguards are in place to protect my data in DraftPilot?

DraftPilot are SOC 2 Type 1 and ISO 27001 certified, and have passed Axiom's rigorous security and privacy reviews. Rest assured; your contracts will never be used to train AI models.