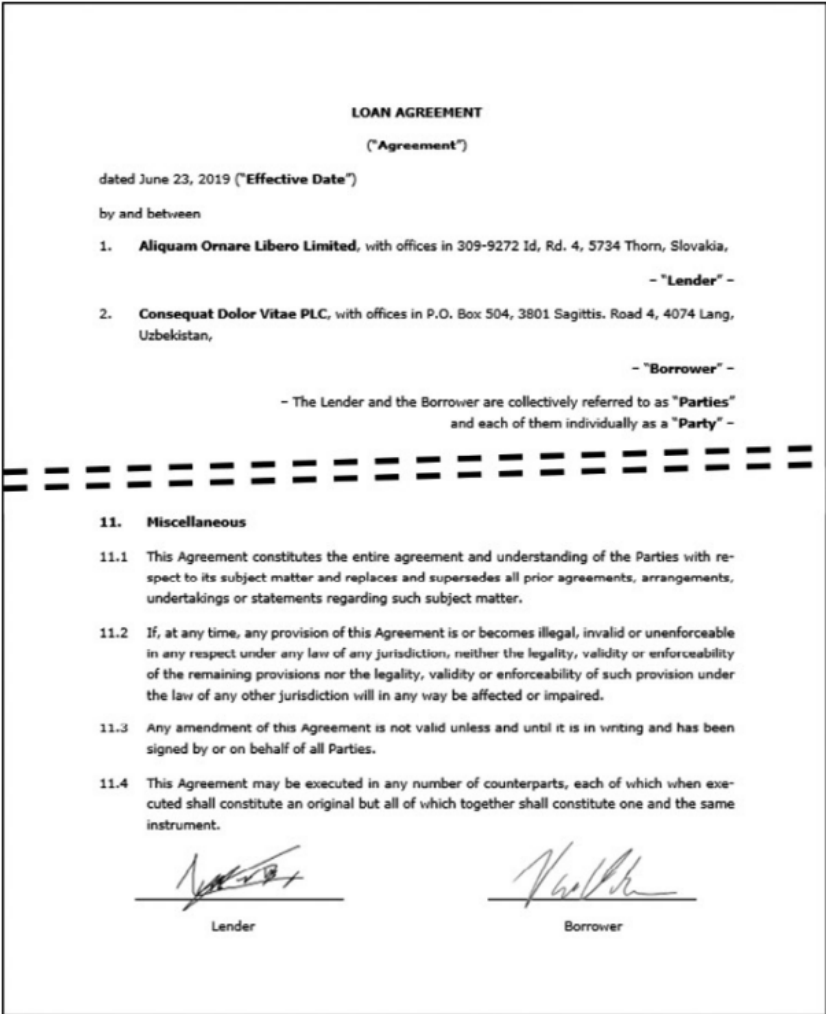


## Contract Metadata and Beyond

March 13, 2024 | Klaus Gresbrand

# #1 Types of contract metadata

# What is contract metadata?



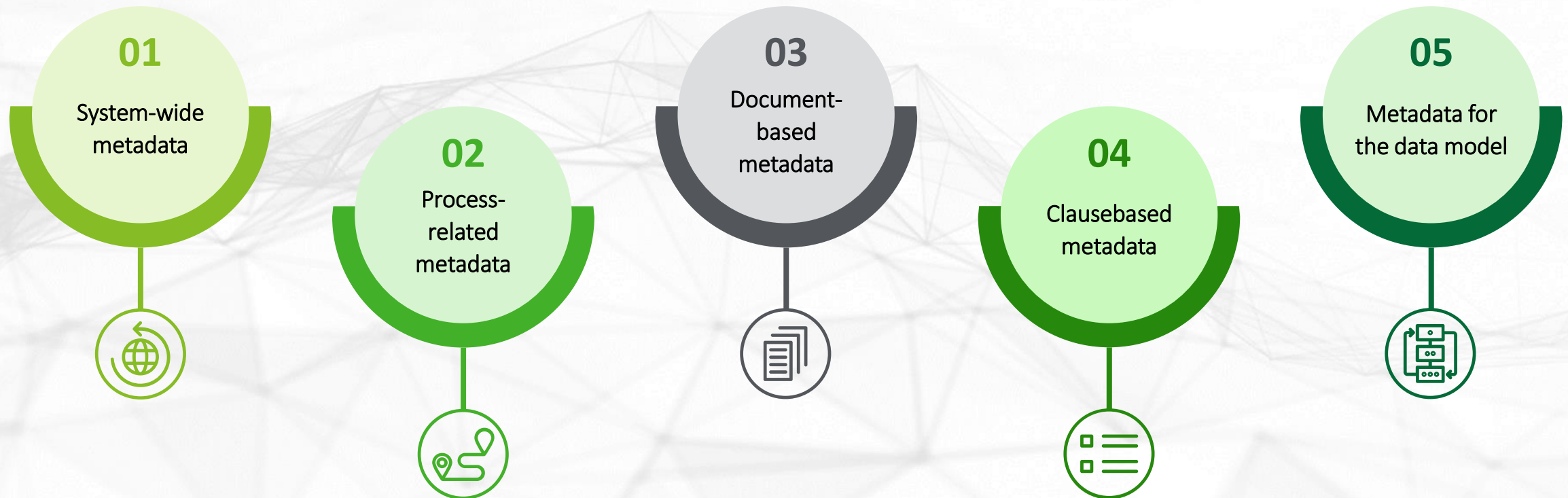
**Contract ("the data")**  
- unstructured data -

**Spreadsheet (data about "the data" = metadata)**  
- structured data -

	A	B	C	D
1	Party 1 Name	Party 2 Name	Agreement Type	Fully signed
2	Aliquam Ornare Libero Limited	Consequat Dolor Vitae PLC	Loan Agreement	Yes
3				
4				
5				

# Types of contract metadata

## Introduction



# Types of contract metadata

## System-wide & process-related metadata

### 1. System-wide metadata



Number of contracts in the system



Contracts associated with certain contract types or counterparties are connected



Average time for processing contracts from initiation to signing

### 2. Process-related metadata



Approval process: requested and granted approvals, date and version of the contract



Negotiation process: duration, interactions, redlining, pushback of the counterparty



Signing process: signatories, time of signing signature, applicant for signature



KYC process: summary of the results of the Know-Your Client procedure

# Types of contract metadata

## System-wide & process-related metadata

### 3. Document-based metadata



Document title, type, size, details of the creation/modification, version number



Distinction between actually signed contracts and additional information

### 4. Clause-based metadata



Clause master data: Identification and description of clauses, dependencies, approval information



Clause transaction data: data used in contracts clause versions, amendments during negotiations

### 5. Metadata on the data model



Development of metadata over time



Tracking of changes and recording of process-related metadata

# #2 Sensible goal setting

# Sensible goal setting for a contract metadata model

What does my organization want/need to know about its contract landscape?

Which of these is worth the effort of being recorded continuously and pre-emptively?

= minimal metadata model



- How often is the data required?
- From how many users?
- Can they be recorded on an ongoing basis with reasonable effort?



# Sensible goal setting for a contract metadata model

Which of these is worth the effort of being recorded continuously and pre-emptively?

Approach	Merits	Demerits
Ad hoc human review (potentially AI-empowered)	<ul style="list-style-type: none"><li>• Delivers answers to any conceivable question</li><li>• Effort is only spent once a question emerges</li><li>• Effort can be clearly allocated to the question (your question, your budget)</li><li>• You get a perfectly tailored answer to the question</li></ul>	<ul style="list-style-type: none"><li>• Costly and time-consuming, especially if many contracts need review</li><li>• Cost and effort are triggered anew each time a question arises</li><li>• It can be challenging to manage consistency, especially in teams with many reviewers</li></ul>
Track and maintain metadata	<ul style="list-style-type: none"><li>• Delivers answers instantly and effortlessly, even if many questions are asked by many people every day</li><li>• Data quality can be managed consistently</li></ul> <p><b>Side effect:</b> Your metadata model may reduce the time and effort needed for ad hoc reviews to the extent that it can be used to narrow down the contracts that require human or AI-empowered review</p>	<ul style="list-style-type: none"><li>• Can only answer questions which were anticipated when the metadata model was set up</li><li>• The effort of initial collection and ongoing maintenance of metadata is difficult to measure and allocate budget-wise</li><li>• Upfront investment is required to answer questions that have not yet been asked (and may never be)</li></ul>

# #3 Data quality & user adoption

# Data quality & user adoption

1

Automate data entry  
wherever possible



2

Make manual data entry as user-friendly as possible

Strategies for increasing data quality with manual input:

- Keep the number of manual data fields low
- Keep the number of selection options in e.g. drop-down menus low
- Helpful explanation of data fields in context
- Query data fields at the right time
- Query data fields from the correct user
- Validation of the input

**Gladly:** Reliable testing before introduction.

**Very welcome:** Regular review of user-friendliness and adaptation of the system (*kaizen*)

# #4 A look to the future

## LOAN AGREEMENT

(“Agreement”)

dated February 6, 2019 (“Effective Date”)

by and between

1. **Nascetur Ridiculus Co., Ltd.**, with offices in 3154 Nulla Av. 3, N9 2XR San Calogero, Canada,

– “Lender” –

2. **Magnis Dis Parturient Corp.**, with offices in P.O. Box 967, 8830 Nullam Rd. 3, 69186 Chatillon, Mauritania,

– “Borrower” –

– The Lender and the Borrower are collectively referred to as “Parties”  
and each of them individually as a “Party” –

## **7. Assignment and transfer**

- 7.1 The Lender may at any time assign and transfer and/or encumber any of its rights under this Agreement.
- 7.2 The Borrower may assign and transfer and/or encumber any of its rights under this Agreement only upon prior written consent of the Lender.

---

## **9. Termination**

- 9.1 The right to an ordinary termination of this Agreement is excluded. The provisions of § 314 BGB remain unaffected thereby.
- 9.2 In case of any changes in the shareholding structure of the Borrower, the Lender shall have a right to immediately terminate the Agreement.

+ New DocAssist chat

DocAssist / Your Knowledge Database

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## LLI WHITE PAPER

Contract metadata from a legal perspective |  
What data to track on contracts, and how

Baltasar Cevc / Maik Ebersoll / Klaus Gresbrand / Susanne Marks / Kai Jacob /  
Jutta Löwe / Dmitri Geidel



Free whitepaper

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future is to *create* it.”

—Peter Drucker

Klaus Gresbrand  
Partner



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