

Limitation of Liability for Breach Clause Example

SAMPLE CLAUSE

Limitation of Liability for Breach.

Except as otherwise provided herein, in no event shall either party be liable to the other for any indirect, incidental, special, consequential, or punitive damages (including, without limitation, loss of profits, revenue, data, or use) arising out of or relating to any breach of this Agreement, whether in contract, tort (including negligence), or otherwise, even if such party has been advised of the possibility of such damages.

The total cumulative liability of either party arising from or relating to this Agreement, whether in contract, tort, or otherwise, shall not exceed the total amounts paid by the Client to the Service Provider under this Agreement during the twelve (12) months preceding the event giving rise to such liability. The limitations set forth in this clause shall not apply to liability arising from willful misconduct, gross negligence, or breaches regarding confidentiality, intellectual property, or indemnification obligations.

IMPORTANT NOTES

- This clause limits each party's liability exposure in the event of a breach of contract.
- It typically excludes certain types of damages and caps monetary exposure.
- Some liabilities (e.g., intentional misconduct, confidentiality breaches) may be excepted from limitation.
- Clauses should comply with applicable laws and may not be enforceable in all jurisdictions.
- Careful drafting and legal review are recommended to ensure fair and effective limitation.