

Sample Limited Liability Clause

Date: _____

This Limited Liability Clause ("Clause") forms part of the Service Agreement between _____ ("Service Provider") and _____ ("Client") (collectively, the "Parties").

LIMITED LIABILITY

- a. **Maximum Liability.** To the fullest extent permitted by applicable law, the total and aggregate liability of the Service Provider arising out of or in connection with this Agreement, whether in contract, tort (including negligence), statute or otherwise, shall not exceed the total amount of fees paid by the Client for the services rendered under this Agreement during the twelve (12) months immediately preceding the event giving rise to such liability.
- b. **Exclusion of Certain Damages.** In no event shall the Service Provider be liable for any indirect, special, incidental, or consequential damages, including but not limited to loss of profits, loss of data, business interruption, or reputational damage, even if advised of the possibility of such damages.
- c. **Exceptions.** Nothing in this Clause shall operate to exclude or limit liability for (i) gross negligence, (ii) willful misconduct or fraud, or (iii) any liability that cannot be lawfully excluded under applicable law.
- d. **Third Parties.** The Service Provider shall not be liable for any claims, losses, or damages resulting from acts or omissions of third parties not under its direct control.

Important Notes:

- This clause should be customized to fit the nature and risks of each specific service agreement.
- Parties should consult with legal professionals to ensure compliance with applicable laws and regulations in their jurisdiction.
- Some liabilities cannot be excluded or limited by law; always review statutory requirements.
- Clearly defining the scope of services and parties' roles elsewhere in the contract helps strengthen the effectiveness of this clause.