



Legal consultation needed for customer contract clause ambiguity

Due: 18/Dec/24 - Created: 22/Nov/24 11:41 AM - Updated: 02/Dec/24 4:02 PM

Status:	In Progress
Project:	Commercial Legal Service Desk

Type:	Questions for legal	Priority:	High
Reporter:	Cassi Owens	Assignee:	Max Taylor
Resolution:	Unresolved		
Labels:	liability-limit		

Request Type:	Current or Prospective customer question
Time to resolution:	77h 50m •

Description

I am currently negotiating a large enterprise deal with **AGI Inc.** worth approximately \$1.2M annually.

During the contract review, the prospective customer requested to remove the \$500,000 cap on our **liability limitation**. Please provide guidance on whether we can accommodate this change.

Forms

Legal Inquiry - Customer Contract Review

Time-sensitive?	Yes, set to close in 10 days.
Contract value	\$1.2M
Response deadline	2024-12-18
Customer name	AGI Inc.
Nature of request	Contract Review
Foreseeable risks if approved	Significant financial exposure in the event of a large data breach. Setting a precedent that other customers might demand in future contracts. Challenges in renewing our cybersecurity insurance policy if liability limits are waived
Alternative resolutions suggested	Suggested raising the cap to \$1M instead of removing it entirely, but this was rejected. Offered to include an explicit exclusion for damages caused by third-party breaches, but no agreement was reached.
Past similar situations	In a previous deal with MegaTech Ltd., we allowed a higher liability cap (\$750,000) after extensive negotiation but retained the exclusion for consequential damages.
Current or prospective customer	Prospective