

SERVICE LEVEL AGREEMENT

This Service Level Agreement ("SLA") is made on [date] between:

Customer: [Customer's full legal name], of [address] ("Customer"), and

Provider: [Provider's full legal name], of [address] ("Provider").

This SLA forms part of the [name of main agreement, e.g. "Master Service Agreement"] between the parties dated [date] (the "Main Agreement"). If this SLA and the Main Agreement conflict about service levels or service credits, this SLA controls. On every other subject, the Main Agreement controls.

1. Covered Service

This SLA applies to the following service (the "Service"): [describe the service, e.g. "hosted accounting file server and remote backup," "customer-facing web application at [URL]," "IT help desk for Customer's staff"].

Not covered: [e.g. Customer-owned hardware, third-party software not supplied by Provider, or "Nothing else"].

Service hours: ☐ 24 hours a day, 7 days a week ☐ [days], [start time] to [end time] [time zone], excluding [holidays].

2. Definitions

Monthly Minutes means the total number of minutes in a calendar month.

Unavailable means [define precisely, e.g. "the Service returns errors or does not respond to Provider's monitoring checks from at least two locations for five or more consecutive minutes"].

Downtime means the total minutes in a month during which the Service is Unavailable, not counting Excluded Downtime.

Excluded Downtime means minutes of unavailability caused by the events listed in Section 7.

Incident means any event reported by Customer or detected by Provider that disrupts or degrades the Service.

3. Availability Target

Provider will make the Service available at least [99.9]% of the time in each calendar month (the "Availability Target").

Monthly availability is calculated as:

$(\text{Monthly Minutes minus Excluded Downtime minus Downtime}) \div (\text{Monthly Minutes minus Excluded Downtime}) \times 100$

4. Measurement and Reporting

Provider will measure availability using [monitoring tool or method] checking the Service at least every [number] minute(s). Provider will send Customer a report within [number] business days after the end of each month showing monthly availability, each Incident, its cause and its duration.

If Customer disagrees with a report, it may give Provider its own evidence within [number] days, and the parties will review both sets of data in good faith.

5. Support and Response Times

Customer may report Incidents by [phone number, email, support portal]. Provider will respond and update Customer as follows:

Severity	Definition	First response	Updates	Target resolution or workaround
1: Critical	Service Unavailable or a core function unusable for all users	[30 minutes], [24/7]	Every [1] hour	[4 hours]
2: High	Core function seriously degraded, or unusable for some users, with no workaround	[2 hours], service hours	Every [4] hours	[1 business day]
3: Normal	Non-core function affected, or a workaround exists	[1 business day]	As progress is made	[5 business days]
4: Low	Questions, requests, cosmetic issues	[2 business days]	As agreed	As scheduled

Provider assigns the initial severity in good faith, based on Customer's description, and will change it if the facts change. Response time means a qualified person has acknowledged the Incident and started work. Resolution targets are goals Provider will use reasonable efforts to meet; missing them does not by itself earn service credits unless the table in Section 6 says otherwise.

6. Service Credits

If monthly availability falls below the Availability Target, Customer will receive a credit against the monthly fee for the Service for that month, as follows:

Monthly availability	Credit (% of that month's fee for the Service)
Below [99.9]% but at least [99.5]%	[10]%

Monthly availability	Credit (% of that month's fee for the Service)
Below [99.5]% but at least [99.0]%	[25]%
Below [99.0]%	[50]%

☐ In addition, if Provider misses the Severity 1 first response time more than [number] times in a month, Customer will receive a credit of [percentage]% of that month's fee.

Claiming credits. Customer must request a credit in writing within [30] days after receiving the monthly report. Provider will apply approved credits to the next invoice, or refund them if the Main Agreement has ended.

Cap. Total credits in any month will not exceed [50]% of that month's fee for the Service.

Nature of credits. Credits are a price adjustment reflecting the reduced value of the Service, not a penalty. Credits are Customer's sole monetary remedy for failing to meet the Availability Target, but they do not limit Customer's rights under Section 9 or any rights under the Main Agreement for other breaches.

7. Exclusions

The following are Excluded Downtime and do not count against the Availability Target:

- scheduled maintenance, if Provider gives at least [number] days' notice and it takes place within [maintenance window, e.g. "Sundays 1 a.m. to 5 a.m. Eastern"], up to [number] hours per month;
- emergency maintenance to fix a security vulnerability, if Provider notifies Customer as soon as practical;
- problems caused by Customer's equipment, software, network, or use of the Service against the Main Agreement or Provider's documented instructions;
- failures of the public internet or of third-party services that Provider does not control and did not select, [or list excluded third parties];
- events beyond Provider's reasonable control as described in the Main Agreement; and
- suspension of the Service under the Main Agreement for non-payment or misuse.

8. Customer Responsibilities

Customer will report Incidents promptly through the channels in Section 5, provide the information and access Provider reasonably needs to investigate, and keep its own contact list for Incident notices current.

9. Chronic Failure

If monthly availability falls below [99.5]% in any [three] months within a rolling [six]-month period, Customer may end the Main Agreement as it applies to the Service by written notice within [30] days after the third such month, without any early termination fee. Provider will refund any fees paid in advance for

the period after termination.

10. Review and Changes

The parties will review this SLA at least ☐ every six months ☐ annually. Provider will not reduce any service level during the term. Any change to this SLA must be in writing and signed by both parties.

11. General Terms

Governing law. This SLA is governed by the laws of the State of [State], unless the Main Agreement chooses a different law, in which case that law applies.

Severability. If any part of this SLA is found invalid, the rest stays in effect.

Counterparts and electronic signatures. The parties agree this agreement may be signed electronically and in counterparts, and an electronic signature has the same effect as a handwritten one.

Signatures

Customer

Signature: _____

Name: [full name]

Date: [date]

Provider

Signature: _____

Name: [full name]

Date: [date]