RAILS CLOUD

Service Credits Policy

Compensation Framework for Service Availability Failures

Version	Effective Date	Supersedes	Review Date
1.0	**1 March 2026**	**N/A (Initial Issue)**	**1 March 2027**

1. Policy Overview

This Service Credits Policy ("Policy") sets out the compensation framework that applies when Rails Cloud fails to meet the uptime commitments defined in the Rails Cloud Service Level Agreement ("SLA"). It establishes how credits are calculated, how Customers claim them, how they are applied, and the limits that govern their use.

This Policy is incorporated by reference into the Rails Cloud SLA and Terms of Service. In the event of any conflict between this Policy and the SLA, the SLA shall prevail.

> **NOTE** Service Credits are the sole and exclusive financial remedy available to Customers for SLA failures. They do not constitute an admission of fault and do not affect any other rights available under applicable law.

2. Eligibility for Service Credits

2.1 Who May Claim

Service Credits are available to all paid Rails Cloud Customers on Starter, Business, and Enterprise tiers who experience Downtime that falls below the Monthly Uptime Percentage commitment applicable to their tier, as defined in the SLA.

The following are not eligible for Service Credits:

- Free tier or trial account holders
- Customers whose accounts are suspended or in arrears at the time of the Downtime
- Customers who have already received the maximum annual credit cap for the affected service
- Customers whose Downtime was caused by their own actions or attributable to Excluded Downtime as defined in the SLA

2.2 Per-Service Eligibility

Credits are calculated and issued on a per-service basis. The affected services and their SLA coverage are:

Rails Cloud Service	SLA Coverage	Credit Basis
Rails Cloud VPS	Yes — all tiers	Monthly VPS fees
Managed Databases	Yes — all tiers	Monthly DB fees
Rails Pay	Yes — all tiers	Monthly platform fees
Vault Suite	Yes — Business & Enterprise	Monthly Vault fees
Rails Pages	Yes — all tiers	Monthly listing fees
Rails ID	Yes — Business & Enterprise	Monthly auth fees
Beta / Preview Features	No	Not applicable

3. Credit Calculation

3.1 Credit Schedule

Where the Monthly Uptime Percentage for an affected service falls below the SLA commitment, the following credit percentages apply to the Monthly Fees for that specific service:

Uptime Achieved	Starter (target 99.5%)	Business (target 99.9%)	Enterprise (target 99.95%)
At or above target	No credit	No credit	No credit
99.0% – below target	10% of monthly fees	10% of monthly fees	10% of monthly fees
95.0% – 98.99%	25% of monthly fees	25% of monthly fees	25% of monthly fees
Below 95.0%	50% of monthly fees	50% of monthly fees	50% of monthly fees

3.2 Worked Example

The following example illustrates how a credit is calculated:

Factor	Value
Service Tier	Business
SLA Uptime Commitment	99.9%
Monthly Uptime Achieved	97.2%
Credit Tier Triggered	25% (95.0% – 98.99% band)
Monthly Fees for Affected Service	$450.00
Credit Amount	**$112.50 (applied to next invoice)**

3.3 Multiple Services in Same Month

Where multiple Rails Cloud services experience SLA failures in the same calendar month, credits are calculated independently for each affected service and applied as separate line items on the Customer's next invoice. The annual credit cap applies per service, not in aggregate.

3.4 Partial Month Scenarios

Where a Customer subscribed or terminated their subscription partway through a calendar month, Monthly Fees for credit calculation purposes are prorated to the days of active subscription within that month.

4. Credit Caps and Limitations

Cap Type	Limit	Applies To
Monthly credit cap	50% of that month's fees for the affected service	All tiers
Annual credit cap	2 months equivalent of monthly fees per service	All tiers
Cumulative cap	Credits may not exceed actual fees paid in the period	All tiers

Credits are non-cumulative with other promotional discounts, promotional credits, or contractual rate adjustments. Where both a promotional credit and an SLA credit apply in the same period, the higher of the two will be applied, not both.

5. How to Claim Service Credits

5.1 Claim Window

Credit claims must be submitted within thirty (30) calendar days of the end of the calendar month in which the SLA failure occurred. Claims submitted outside this window will not be processed.

EXAMPLE An SLA failure occurring in April 2026 must be claimed no later than 30 May 2026.

5.2 Claim Submission

Claims must be submitted by email to support@railscloud.co using the following format:
- Subject line: "SLA Credit Claim – [Account Name] – [Month Year]" (e.g. "SLA Credit Claim – Acme Corp – April 2026")

- Body must include: account ID or registered email address, affected service name, dates and times of experienced Downtime, description of the impact to Customer's operations
- Attachments (where available): application logs, monitoring screenshots, error responses

5.3 Rails Cloud's Review Process

1. Rails Cloud will acknowledge receipt of the claim within 2 business days.
2. Rails Cloud will compare Customer's reported Downtime against its own monitoring records and internal incident logs.
3. Rails Cloud will issue a written determination within 10 business days of receiving the complete claim.
4. Where the claim is approved, the credit amount will be stated in the determination notice.
5. Where the claim is partially approved or rejected, Rails Cloud will provide a written explanation with reference to specific monitoring data.

5.4 Dispute Resolution

If Customer disputes Rails Cloud's determination, Customer may escalate in writing to legal@railscloud.co within 15 business days of the determination. Rails Cloud will appoint a senior technical reviewer not involved in the original determination. A final written response will be issued within 15 business days of escalation.

6. Credit Application

6.1 Application to Invoice

Approved credits are applied as a deduction against the Customer's next scheduled invoice for the affected service. Rails Cloud will clearly itemise the credit on the invoice with reference to the claim reference number and the month in which the SLA failure occurred.

6.2 No Cash Redemption

Service Credits have no cash value. They may not be:

- Redeemed for cash or bank transfer
- Transferred to another account or third party
- Carried forward beyond the 12-month annual cap window
- Applied against setup fees, professional services fees, or one-time charges

6.3 Account in Arrears

Credits will not be applied to accounts with outstanding overdue balances. Where an account falls into arrears after a credit has been approved but before it has been applied, the credit will be held and applied once the account is brought current.

6.4 Credit on Account Closure

Where a Customer closes their account with an unapplied approved credit balance, Rails Cloud will issue a final invoice reflecting the credit as a deduction against any outstanding balance. Where the credit exceeds the outstanding balance, the net credit is forfeited unless otherwise agreed in writing.

7. Relationship to Other Remedies

Service Credits constitute the sole and exclusive financial remedy for SLA failures. They do not affect:

- Customer's right to terminate under Section 9 of the SLA where persistent failures meet the recurring failure threshold
- Customer's rights to data portability and migration assistance on SLA-driven termination
- Any rights available to Customer under the Consumer Contracts Act or other applicable Zimbabwean consumer protection legislation
- Any liability caps or indemnity provisions set out in the Rails Cloud Terms of Service

Rails Cloud's total aggregate liability for SLA failures in any calendar year shall not exceed the total fees paid by Customer in that year for the affected service, regardless of the form of action.

8. Industry Parity and Transparency Commitment

Rails Cloud is committed to operating to the same standards of transparency and accountability that enterprise Cloud customers expect from global providers. This Policy has been structured in alignment with the compensation frameworks published by major cloud providers including AWS and Microsoft Azure, with specific adaptations for the African market context.

Rails Cloud publishes:

- Real-time service status at status.railscloud.co
- Monthly uptime reports by service, published on the 5th of each following month
- Annual transparency report covering aggregate SLA performance across the platform
- Post-incident reports for all P1 and P2 incidents within 5 business days of resolution

9. Policy Amendments

Rails Cloud may amend this Policy from time to time. Amendments that reduce Customer entitlements will be communicated with no less than 60 days written notice to registered account email addresses and via the Status Page. Amendments that improve Customer entitlements take effect immediately upon publication.

Continued use of Rails Cloud services after the effective date of an amendment constitutes acceptance of the revised Policy.

10. Contact

Query Type	Contact	Response Time
Credit claims	support@railscloud.co	2 business days
Credit disputes	legal@railscloud.co	3 business days

Query Type	Contact	Response Time
General SLA queries	support@railscloud.co	1 business day
Enterprise contract queries	enterprise@railscloud.co	1 business day

This Policy forms part of the Rails Cloud legal framework alongside the Service Level Agreement, Data Portability & Exit Policy, and Terms of Service. All documents are available at railscloud.co/legal. Registered entity: Rails Net (Private) Limited, Reg. 84172A0722026, Zimbabwe.