

DEFINING YOUR LIABILITY IN ADVANCE: LIQUIDATED DAMAGES, LIMITATION AND EXCLUSION CLAUSES

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Legal Briefings

Parties to commercial contracts commonly seek to set some parameters around what will happen in the event of a breach. They may for example agree a fixed sum that is payable on breach, or set a maximum sum for any damages, or exclude liability (or particular categories of liability) altogether.

Such clauses may not always have the effect the parties expect, either because of how they are interpreted by the courts or because they are held to be unenforceable as a result of statute or common law principles.

In this sixth guide we consider the main types of clause that may be used and the extent to which they will (or will not) be effective, and provide some practical tips for commercial parties.

You can click [here](#) to download the PDF guide or contact Jane Webber to access the archived version of our webinar exploring these issues. The webinar lasts an hour and qualifies for one CPD point.

If you would prefer a shorter version focusing on key practical tips, which may appeal in particular to business colleagues, James has presented this [10 minute podcast](#).

The five previous editions in the series, listed below, can be accessed from [this page](#) of our Litigation Notes blog:

When do you have a binding contract? It may be more (or less) often than you think

What does your contract mean? How the courts interpret contracts

Pre-contractual statements: When can they come back to bite you?

How far can you act in your own self-interest? The role of good faith in commercial contracts

Endeavours obligations: How hard do you have to try?

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



DAVID NITEK
PARTNER, LONDON

+44 20 7466 2453
david.nitek@hsf.com

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