

# Commercial Contract

## WAIVER OF LIABILITY



*Empowered lives.  
Resilient nations.*



## Small and Medium Enterprises Development Authority

### Ministry of Industries & Production

### Government of Pakistan

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January 2013

## **Waiver of Liability**

Pro-Gole (Right to do Business)

Legal Services, B&SDS

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### **LEGAL SERVICES, SMEDA**

The Legal Services (LS) department is a part of Business & Sector Development Services Division of the Small Medium Enterprises Development Authority and plays a key role in providing an overall facilitation and support to the small businesses. The LS believes that information dissemination among the small businesses on the existing legal & regulatory environment and business to business and business to client contracting is of paramount importance and plays a pivotal role in their sustainable development.

In order to facilitate small businesses, the LS, under the Pro-GOLE (Right to do business) project, a joint SMEDA-UNDP initiative for supporting the small businesses, has developed user-friendly contract templates.

### **Pro-GOLE, (Right to do Business)**

The UNDP has partnered with the Small and Medium Enterprises Development Authority to initiate and execute the Pillar 4 (Right to do business) component of the UNDP PRO-GOLE project which seeks to enhance the legal awareness and mobility of marginalized/ informal businesses. Under the project legal services outreach shall be extended to small businesses including home based enterprises, small shopkeepers, growers, women entrepreneurs, hawking vendors etc. In addition, small business shall be mobilized to access legal services.

### **The Need for Commercial Contracts Templates**

In an increasingly complex and competitive industry, it is vital that suppliers and purchasers are fully protected against legal and commercial risks. To counter such risks, a viable solution; available as- of the shelf commercial contract templates- will provide the users with first class ready to use support. With obligations properly set out and liabilities accurately defined, the users will be in a far better position to look after their rights and interests and move forward from their marginalized positions to being active players of the economy. The Legal Service Providers can equally take benefit of these templates for their professional and business development.

### **Disclaimer**

The information contained in this template is meant to facilitate the businesses in documenting transaction with reference to business protection. However, SMEDA, UNDP or any of their employees or representatives accept no responsibility and expressly disclaim any and all liabilities for any and all losses/shortfalls caused by or motivated by recommendations from the information contained within this document. Although SMEDA's ambition is to provide accurate and reliable information; yet, the document is not an alternative to expert legal advice and should ideally be used in conjunction with the same. Any person using this document and or benefiting from the information contained herein shall do so at his/her own risk and costs and be deemed to have accepted this disclaimer.

All information contained in this document may be freely used provided that relevant acknowledgement is accurately quoted with each usage.

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### **6. WAIVER OF LIABILITY**

**THIS WAIVER OF LIABILITY AGREEMENT** (hereinafter referred to as the "Agreement" is made and entered into at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_,

#### **BY AND BETWEEN:**

M/s [insert Name], a public/private company incorporated under the Companies Ordinance, 1984, having its registered office at [insert Address] through its [insert Designation], Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a partnership concern of Mr/Mrs/Ms [insert Name] and Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through its Partner, Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a sole proprietorship concern of Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through Mr/Mrs/Ms [insert Name];

(Hereinafter referred to as the "Business", which expression shall, wherever the context so permits, mean and include its assigns, nominees, agents and successors-in-interest)

#### **AND**

M/s [insert Name], a public/private company incorporated under the Companies Ordinance, 1984, having its registered office at [insert Address] through its [insert Designation], Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a partnership concern of Mr/Mrs/Ms [insert Name] and Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through its Partner, Mr/Mrs/Ms [insert Name];

**OR**

M/s [insert Name], a sole proprietorship concern of Mr/Mrs/Ms [insert Name], having its place of business at [insert Address] through Mr/Mrs/Ms [insert Name];

**OR**

Mr/Mrs/Ms [insert Name], son/wife/daughter of [insert Name], r/o [insert Address] CNIC # [insert Number]

(Hereinafter referred to as the "Claimant", which expression shall, wherever the context so permits, mean and include its heirs, assigns, nominees, agents)

(The Business and the Claimant are hereinafter collectively referred to as the "Parties", and individually as the "Party").

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**WHEREAS** the Claimant holds claims against the Business for [describe the indebtedness/ claims] (hereinafter referred to as the "Indebtedness").

**AND WHEREAS** the Business hereby agrees to [describe the consideration] in return for a release of its Indebtedness to the Claimant.

**NOW THEREFORE**, in consideration of the payment of Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_) (insert amount) (hereinafter referred to as the "Consideration Amount"), the receipt and sufficiency of which is hereby acknowledged by the Parties, the Claimant hereby finally and irrevocably releases the Business from any and all liability to the Claimant, and settles all actions or causes of action against the Business for damages or loss sustained by the Claimant, however arising, present and future, known and unknown at this time, relating to [describe potential liability situation], on the following terms and conditions:

1. The Claimant, hereby, releases, discharges, acquits and forgives the Business forever, jointly and severally, from any and all claims, actions, suits, demands, agreements, and each of them, if more than one, liabilities, judgments and proceedings, both at law and in equity arising from the beginning of time to the date of these presents, and as more particularly related to or arriving from [insert potential liability situation].
2. If the Claimant has instituted any legal proceedings against the Business regarding any claim which is settled by this Agreement, the Claimant covenants to have the same withdrawn at the Claimant's own cost, and with express prejudice to bringing further proceedings, arising out of the same matter, against the Business.
3. The Claimant also covenants not to make any claim or institute any proceedings against any person who might claim contribution or indemnity from the Business in connection with any matter for which this Agreement is executed.
4. The Claimant also acknowledges that the Business does not admit any liability to the Claimant in connection with any matter for which this Agreement is executed, and further more expressly denies any such liability.
5. This Agreement shall be binding upon and inure to the benefit of the Parties, their successors, assigns and personal representatives.
6. The Parties agree and acknowledge that no other debt, obligation, or liability by and between the Parties, which if existing, shall survive this release.
7. That the receipt of the Consideration Amount shall be construed as a complete settlement and satisfaction of the actions, causes of action, claims and demands with respect to the matter for which this Agreement is executed.
8. This Agreement envisages the entire agreement between the Parties, and the recitals hereto form and integral part of the Agreement.
9. This Agreement shall be subject to and governed by the laws of Pakistan.

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**IN WITNESS WHEREOF** the Parties have set their respective hands on this Agreement at the place and on the date aforementioned.

\_\_\_\_\_  
For and on behalf of  
The Business

\_\_\_\_\_  
For and on behalf of  
The Claimant

Witnesses:

1. \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_