

You are now going to read two short extracts from another statute. They are from The Unfair Contract Terms Act (UCTA) 1977. In this statute, Parliament states what is acceptable to include in a contract and what is not acceptable. This part of the contract deals with the situation where one of the parties tries to limit his or her liability for a breach of duty.

Exercise 2

Here is a summary of a short extract from UCTA, followed by the extract itself. The summary says the same thing as the statute, but it uses less complicated language. Read the summary to help you understand the meaning of the extract from the statute, and then complete the extract by choosing a phrase from the blue box below.

Summary of paragraph 16 (subsection 1) of UCTA

This subsection says that if, in a contract, one of the parties attempts to prevent or limit his or her liability for breach of duty of care in situations connected with doing business or using a building for business purposes, then:

- the term will always be void if one of the parties tries to prevent or limit his or her liability for death or injury of the other party; and
- in any situation except death or injury, the term will be void if it was unfair or unreasonable to allow it in the contract.

Extract from UCTA

16.1 Where a term of a contract (a) _____ or restrict liability for breach of duty (b) _____ any business or from the (c) _____ used for business purposes of the occupier, that term:

16.1.1 shall be (d) _____ where such exclusion or restriction is in respect of death or personal injury;

16.1.2 shall, in any other case, (e) _____ if it was not fair and reasonable to (f) _____ in the contract.

- | | | |
|--------------------|----------------------------|------------------------------|
| ● void in any case | ● purports to exclude | ● occupation of any premises |
| ● have no effect | ● arising in the course of | ● incorporate the term |

Exercise 3

On the next page is another extract from the same statute, The Unfair Contract Terms Act. Below, you can see a summary of this extract. Choose a preposition from the blue box and put it in the correct gap in the extract.

Summary of paragraph 16 (subsection 3) of UCTA

If according to subsection 1 (the part of this statute that you have already read), a term of a contract is void, then it is not important whether the person who signed the contract knew about that term. Knowing about a term, or even agreeing to that term, does not necessarily mean that the person who signed the contract agreed to take any risk.