

IMPORTANT NOTICE

This clause is a GENERAL draft of a Force Majeure Clause. The appropriateness and efficacy of this Force Majeure Clause will depend on a number of variables which includes your sector of operation, business model, specific counter-party vulnerabilities, location of a counter-party, and place of performance of a contract. You are advised to seek legal counsel specific to your situation

1. “**Force Majeure Event** means any circumstance not within a party’s reasonable control including, without *limitation*: **(i)** acts of God, flood, drought, earthquake or other natural disaster;**(ii)** epidemic or pandemic; **(iii)** terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations; **(iv)** nuclear, chemical or biological contamination or sonic boom; **(e)** any law or any action taken by a government or public authority, including without limitation imposing an export or import restriction, quota or prohibition, or failing to grant a necessary licence or consent ;**(f)** collapse of buildings, fire, explosion or accident; **(g)** any labour or trade dispute, strikes, industrial action or lockouts (other than in each case by the party seeking to rely on this clause, or companies in the same group as that party); **(h)**[non-performance by suppliers or subcontractors [(other than by companies in the same group as the party seeking to rely on this clause)]; and **(i)** interruption or failure of utility service.

Provided it has complied with Clause 3 below, if a party is prevented, hindered or delayed in or from performing any of its obligations under this agreement by a Force Majeure Event (**Affected Party**), the Affected Party shall not be in breach of this agreement or otherwise liable for any such failure or delay in the performance of such obligations. The time for performance of such obligations shall be extended accordingly.

2. The corresponding obligations of the other party will be suspended, and its time for performance of such obligations extended, to the same extent as those of the Affected Party.
3. The Affected Party shall: **(a)** as soon as reasonably practicable after the start of the Force Majeure Event but no later than 48 hours from its start of the Force majeure Event, notify the other party in writing of the Force Majeure Event, the date on which it started, its likely or potential duration, and the effect of the Force Majeure Event on its ability to perform any of its obligations under the agreement; and **(b)** use all reasonable endeavours to mitigate the effect of the Force Majeure Event on the performance of its obligations.
4. If the Force Majeure Event prevents, hinders or delays the Affected Party’s performance of its obligations for a continuous period of more than [3 months], the party not affected by the Force Majeure Event may terminate this agreement by giving [3 weeks’] written notice to the Affected Party.”