

Contract Checklist

Most contractual disputes are caused by assumptions being made at the time of entering the contract, that are not clearly reflected in the contract terms. It is imperative that you review, understand and are happy with contract terms before you sign. As a business you do not have the protection given to consumers against unfair contract terms. Bottom line, if you, as a business enter into a contract, you will be held to have agreed with its terms.

This checklist shows the key steps to create a contract under UK law, including the reasoning for each step:

Step	Action	Reasoning
1. Identify the Parties	Clearly define the contracting parties, including legal names and registered addresses.	Ensures clarity and prevents ambiguity about who is bound by the contract.
2. Define the Objectives	Clearly state the purpose of the contract and the intended outcomes.	Aligns both parties' expectations and avoids disputes over the purpose of the agreement.
3. Include Key Terms	Specify terms such as goods/services, price, payment terms, delivery timelines, etc.	These are the core obligations and rights of the parties; clarity here is vital.
4. Establish Consideration	Confirm that each party will provide something of value (money, services, etc.).	Under UK law, consideration is a fundamental element of a binding contract. If there is no consideration, the contract would need to be executed as a deed to be legally enforceable. Take legal advice in this situation.
5. Draft Express Terms	Write out detailed terms governing the agreement, including scope, duration, and conditions.	Provides certainty and reduces reliance on implied terms.
6. Review Applicable Laws	Check for compliance with relevant UK laws, such as consumer protection or employment laws.	Ensures the contract is enforceable and compliant with legal obligations.
7. Include Boilerplate Clauses	Add standard clauses for governing law, dispute resolution, force majeure, etc.	Addresses contingencies and provides clarity on procedural matters.
8. Ensure Clarity	Use clear and precise language, avoiding jargon or ambiguity.	Ambiguous terms can lead to disputes and unenforceability.
9. Draft Signature Blocks	Include spaces for both parties' signatures, dates, and any witness information if needed.	Ensures proper execution and evidence of agreement.

10. Negotiate Terms	Discuss and agree on the draft terms with the other party.	Ensures mutual understanding and reduces the risk of disagreement later.
11. Seek Legal Advice	Consult a solicitor if the contract involves complex or high-value transactions.	Ensures the contract is robust, enforceable, and tailored to the parties' needs.
12. Execute the Contract	Ensure both parties sign the contract in accordance with UK legal formalities.	Execution formalizes the agreement and makes it legally binding.
13. Distribute Copies	Provide each party with a signed copy of the contract.	Ensures both parties have a record of their rights and obligations.
14. Monitor Compliance	Regularly review the terms during the contract's term to ensure all obligations are met.	Helps to identify and resolve potential breaches early.
15. Diarise any key dates	Make sure you know when the contract/key terms or licences expire.	Helps to avoid becoming unlicensed or caught in expensive roll-over contract renewals

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