

# 10. What Can You Write In a Contract NOW That Will Protect You During the Next Crisis?

## Bonus #4

### How to Prepare

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Since this bonus requires a lengthy effort, let me summarize the clauses that will protect you:

**1. Revise your contracts now, by inserting all the new clauses we discussed. Then you can make the contract more flexible.**

#### **Renegotiation Clause:**

*“The involved parties take the mutual benefits into account, and agree that the renegotiation of the contract shall take place whenever deemed necessary by either party.*

*During the negotiation:*

*Both parties agree on the rules of collaboration that aren't covered by the present contract.*

*With good cause, any party may unilaterally denounce the contract—under the conditions set out in [article/paragraph], [number, letter, or line].”*

#### **Written Notifications**

“1. After signing this contract, any notification that one signer sends to another shall be valid if it is transmitted via email, fax, or letter. An acknowledgement of the receipt of the notification should be sent to the email address that’s shown in the introductory part of this agreement.

2. Verbal notifications shall not be taken into account by either party, unless they are confirmed by one of the modalities provided in the preceding paragraph.”

**Termination clause:**

"The contract shall be terminated by either party within \_\_\_ days—without any other prior proceedings, and without the need for a court intervention."

OR

“Either signer may terminate this agreement by giving six (6) months’ notice (in writing) to the other party.

If the termination of this AGREEMENT is initiated by the RECEIVER, he/she has the obligation to pay the following amount: \_\_\_.

a) If the RECEIVER sends the termination documents to the PROVIDER six months before the termination of the contract, the RECEIVER has the obligation to make monthly payments to the PROVIDER for the agreed-on sums specified in annex \_\_, article \_\_ during this six-month period.

b) Perhaps the termination of this AGREEMENT is initiated by the RECEIVER, who partially or totally disregards the six-month period specified above. If so, the RECEIVER is obligated to make monthly payments to the PROVIDER in the agreed-upon amounts.

According to annex \_\_, article \_\_: in order for the PROVIDER to terminate the labor contracts within the agreed-upon period of six months, the PROVIDER must pay the amount of \_\_ euros. This amount includes all costs incurred by the PROVIDER, and all court orders connected with the termination of employment contracts, as mentioned by the staff.

This amount (\_\_ euros) cannot be modified by a Court of Law, a Court of Arbitration

(national or international), or any other institution that may have competence in this regard."

### **Jurisdiction Clause**

"Litigations that cannot be amicably resolved will be settled by a court at the headquarters of the [payer/beneficiary/provider]."

Ask your lawyer if your local laws allow you to insert such a clause!

### **Probability Clause**

"The currency that this agreement refers to is the euro. Therefore, if the euro disappears, the signers agree to continue to take the exchange rate into account. The contract will automatically assume the general inflation index—from the date of the signature of this agreement until the moment that the currency changes. But the signers may agree on another way of calculating changes after the new currency is implemented."

OR:

"The (hourly) price of the services or goods delivered will be automatically updated with the inflation rate—whenever this rate exceeds 3%."

**2. Start discussions with the bank about using the factoring procedure for small sums.**

**3. Ask your bank to give you the escrow model they use. (Remember, it's not a secret contract! Some of the banks even publish it on their websites.)**

**4. Start now, because a crisis doesn't wait!**