

# Contract Terms

## Business & Management

Which terms matter most, and what happens when each is breached.

*General common-law classification.*

| Term                    | Breach allows                                   |
|-------------------------|-------------------------------------------------|
| <b>Condition</b>        | Damages AND termination                         |
| <b>Warranty</b>         | Damages only                                    |
| <b>Innominate term</b>  | Depends on the seriousness of the effect        |
| <b>Express term</b>     | Agreed explicitly                               |
| <b>Implied term</b>     | By statute, custom or necessity                 |
| <b>Exclusion clause</b> | Limits liability — subject to statutory control |

Educational reference. Exclusion clauses are heavily restricted by consumer and unfair-terms legislation in most jurisdictions.