This chapter focuses on remedies agreed by the parties for breach of contract. Parties may wish to include a term in the contract which dictates what should happen in the event of breach of contract. If the term states that a certain amount of money should be paid upon breach, that term might be valid as a liquidated damages clause or unenforceable as a penalty. If the amount chosen is a genuine pre-estimate of loss, or is ‘commercially justified’, then it is likely to be valid. If the defaulting party had already paid money to the innocent party as a deposit, the innocent party may be able to forfeit that deposit. A term stipulating that specific performance or an injunction will be granted upon breach will not bind the court. However, the court may take into account such a term when deciding whether to exercise its equitable discretion.
28. Agreed remedies

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