

MODEL DISPUTE RESOLUTION CLAUSE

Model NLP Negotiation Clause

A structured, time-bound negotiation between the parties, conducted online.

About this clause

Use this clause when you want the parties to make a genuine, time-limited attempt to settle a dispute between themselves before they go to mediation, arbitration or court. The parties may also ask NLP to appoint a neutral facilitator to manage the process.

This clause does not decide where an unresolved dispute goes next. Use it together with the arbitration or jurisdiction clause in your contract.

Before you use it

1. Replace "this Agreement" and "Party" with the terms your contract uses. The numbering assumes this is clause 1, so update the cross-references if you renumber it.
2. Choose the negotiation period in clause 1.6. The default is fifteen (15) days.
3. Insert each party's email address for service in clause 1.14.
4. Make sure your contract also says how an unresolved dispute is to be decided, for example by an arbitration clause.

Text shown **[highlighted in brackets]** is a default or an option. Complete, confirm or delete it before signing, and remove the brackets.

The clause

Copy the text below into your contract.

1. Negotiation

- 1.1 Any dispute, controversy or claim arising out of or in connection with this Agreement, including any question regarding its existence, validity, interpretation, performance, breach or termination (a **"Dispute"**) shall, as a condition precedent to any Party commencing mediation, arbitration or court proceedings (where permitted), first be referred to good-faith negotiation administered by NoLegalPaisa, the online dispute resolution platform owned and operated by Kaahmucjee Solution Private Limited, acting as the administering institution (**"NLP"**), and conducted online through NLP's platform at www.nolegalpaisa.com (the **"Platform"**).
- 1.2 The negotiation shall be conducted under the NLP Negotiation Rules and the NLP Fee Schedule (together, the **"Rules"**), in the version in force on the date on which the Notice of Dispute is registered on the Platform. The Rules form part of this clause. If there is any conflict between this clause and the Rules, this clause shall prevail.
- 1.3 The negotiation shall be conducted:
 - (a) in good faith and with the genuine intention of resolving the Dispute;
 - (b) on a confidential and without-prejudice basis; and
 - (c) online, through the Platform.

- 1.4 The Party raising the Dispute shall commence the negotiation by filing a written notice of dispute on the Platform in the form required by the Rules, which refer to it as the Letter of Request (the "**Notice of Dispute**"). The Notice of Dispute shall set out the nature of the Dispute, the material facts giving rise to it and the relief or outcome sought.
- 1.5 Within seven (7) days of service of the Notice of Dispute, each Party shall nominate a representative with authority to negotiate and settle the Dispute. The representatives shall confer and attempt in good faith to resolve the Dispute.
- 1.6 The negotiation shall be completed within [fifteen (15)] days from the date on which the Notice of Dispute is served in accordance with the Rules, or any longer period the Parties agree in writing (the "**Negotiation Period**").
- 1.7 The Parties may jointly request NLP to appoint a facilitator under the Rules. A facilitator shall assist only with the conduct of the process and shall not evaluate the Dispute or propose terms of settlement.
- 1.8 The negotiation shall end on the earliest of:
- (a) the signing of a written settlement agreement by all Parties;
 - (b) the expiry of the Negotiation Period; or
 - (c) written notice by any Party, delivered through the Platform, that it declines to participate in, or wishes to discontinue, the negotiation.
- 1.9 Any agreement reached on the Platform shall be an agreement in principle only. It shall bind the Parties only when it is recorded in a written settlement agreement signed by or on behalf of all Parties, which shall then be binding on and enforceable against them as a contract.
- 1.10 If the negotiation ends without a signed settlement agreement, any Party may pursue the remedies available to it under this Agreement and the law, including mediation, arbitration or court proceedings, as applicable.
- 1.11 Negotiation under this clause does not replace any pre-institution mediation required by law, including under section 12A of the Commercial Courts Act, 2015.
- 1.12 **Rights preserved.** Nothing in this clause shall prevent any Party from:
- (a) seeking urgent interim or injunctive relief from a court or arbitral tribunal of competent jurisdiction;
 - (b) commencing proceedings before the negotiation has ended where this is necessary to prevent a claim from becoming time-barred. In that case the Parties shall continue with the negotiation and shall, where possible, seek a stay of those proceedings until it has ended; or
 - (c) where a Party is a consumer within the meaning of the Consumer Protection Act, 2019, filing a complaint before a Consumer Commission, or exercising any other right or remedy that cannot lawfully be excluded by agreement.
- 1.13 **Fees and costs.** Fees shall be payable through the Platform in accordance with the Rules. Unless the Parties agree otherwise in writing, the Party filing the Notice of Dispute shall pay the platform fee, and the fee of any facilitator shall be shared equally between the Parties. Each Party shall bear its own costs of the negotiation.

- 1.14 **Notices.** Notices and other communications under this clause may be delivered through the Platform and to the email address of each Party stated below (or any other address that Party later notifies through the Platform), and shall be treated as served in accordance with the applicable Rules. Email for service: [Party A: _____]; [Party B: _____].
- 1.15 **Role of NLP.** NLP acts solely as a neutral administrator of proceedings under this clause. It does not adjudicate or decide any Dispute and does not advise any Party. Facilitators, mediators and arbitrators act independently of NLP and of the Parties.
- 1.16 **Survival and severability.** This clause shall survive the termination or expiry of this Agreement. If any part of this clause is held to be invalid or unenforceable, the remaining parts shall continue in full force and effect.

Important

This model clause is published by Kaahmucjee Solution Private Limited, which owns and operates NoLegalPaisa, for general information only. It is not legal advice, and NLP does not advise any party on whether or how to use it. Whether a clause suits a particular contract depends on its facts, so parties should take independent legal advice. Proceedings under the clause are governed by the NLP Rules and the NLP Fee Schedule published at www.nolegalpaisa.com. The clause is intended for contracts between parties other than Kaahmucjee Solution Private Limited, and is not used for disputes to which it is itself a party.

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