

## Contract Vocabulary

- 1 **agreement.n.** in the interests of (person etc); for (person etc);
- 2 **default.n.** invalid; without legal force; not binding
- 3 **liable.adj.** this needs to be completed before something else.
- 4 **article.n.** a particular statement or stipulation in a contract
- 5 **party.n.** In the following part (of this document etc)
- 6 **condition.n.** up until now; until the present; before this
- 7 **fulfil.v:** when a customer is unable to pay an agreed price.
- 8 **hereinafter:** an arrangement between two or more people, countries
- 9 **heretofore** legally responsible for causing damage or injury
- 10 **on behalf of** the person or persons forming one side of an agreement
- 11 **null and void** to satisfy a condition; to complete the required task;

## Contract Agreement

**Supplier:** The Office Furniture Company

**Customer:** National Bank, London

### **Contract agreement:**

#### **1. Definition of Terms:**

- a. "*Products*" refers to all those items listed on the price listing spread sheet and any item supplied by The Office Furniture Company hereinafter.
- b. "*Supplier*" refers to The Office Furniture Company.
- c. "*Buyer*" refers to National Bank, London.
- d. "*Stock*" refers to the items purchased by the buyer.

#### **2. . Duration of the Contract**

- a) The Contract enters into effect on the date it is signed by each party and has a fixed term ending on December 31<sup>st</sup> 2014. This contract may be altered at any time by the supplier to suit availability of product and shipment.
- b) The contract can be terminated at any time by the supplier and any deal made heretofore become null and void, at no extra cost of the supplier. The supplier is not liable to pay any compensation to the buyer.

#### **3. Delivery**

- a) Once the stock has left the supplier's warehouse, the supplier relinquishes responsibility hereinafter and the buyer assumes full responsibility of the stock and is liable to pay for any damage caused during the loading, transportation and unloading processes. Any damage to the products cannot be held accountable in behalf of the supplier.
- b) One condition is that the supplier must receive payment in full before any items can be dispatched. If supplier has not received the payment in full, the supplier is permitted to hold the items in their warehouse without release.

#### **4. Price**

- a) The price agreement between the two parties, supplier and buyer, is fixed for 6 months and hereinafter renegotiated by the supplier and the buyer agrees to pay any additional costs proposed by the supplier.
- b) The purchase price for the relevant office furniture delivered is to be paid net within 1 day from the date of invoice for the delivery.

## Answer Key – Contract Vocabulary

1 **agreement** *n.* an arrangement between two or more people, countries

2 **default** *n.* when a customer is unable to pay an agreed price.

3 **liable** *adj.* legally responsible for causing damage or injury

4 **article** *n.* a particular statement or stipulation in a contract

5 **party** *n.* the person or persons forming one side of an agreement

6 **condition** *n.* anything necessary before the performance of something

7 **fulfil** *v.* to satisfy a condition; to complete the required task;

8 **hereto** *adv.* to this (document etc) [eg: attached hereto]

9 **heretofore** *adv.* until now; until the present; before this

10 **in behalf of** *adv.* in the interests of (person etc); for (person etc);

11 **null and void** *adj.* invalid; without legal force; not binding

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## Contract Lesson Plan – Teacher’s Notes

Contract lessons are extremely useful for all participants, Business or General. The vocabulary is nice to teach and participants always appreciate it as a lot of the words are new. This lesson aims to teach participants common contract terminology both receptively and productively. It begins with a vocab matching exercise, followed by a “real-life” contract extract which features these words, and finally the chance for participants to create their own contracts based on authentic business deals.

### Important Information:

**Aim:** to improve participants understanding of common contract terminology

**Level:** Pre-Intermediate, Intermediate, Upper-Intermediate and Advanced.

**Length of Lesson:** 1 hour and 30 minutes (can be longer with extension activities).

**Number of Participants required:** 2 + (1:1 is possible for stages 1,2,3 and 4).

## Lesson Plan Stages

- 1) Begin with a discussion on contracts with a few questions such as “Why are contracts so important in life today?” and “What difficulties do people have with contracts?” It’s always nice to have a few real life contract disputes up your sleeve; a simple Google search of **famous contract disputes** will produce interesting results.
- 2) Let the conversation continue and when you think it has run for long enough, return to the question “What difficulties do people have with contracts?” Write the word “**hereinafter**” on the board and try to elicit the meaning. The chances are participants won’t be able to define this so make a joke of it. I often call it a cocktail, comprised of three nice words “here, in and after” which create an unknown word “hereinafter.” After a few guesses, tell the participants the meaning = **after this moment / in the following part (of this document)** and use in a sentence to convey meaning:  
*“The supplier delivers the goods to the entrance of the customer; hereinafter the customer is responsible for the goods.”*
- 3) Once the definition of “hereinafter” has been explained, hand out the **Contract Vocabulary** worksheet. This activity can be completed one of two ways:
  1. A kinaesthetic activity (cut up each word and phrase into strips and ask participants to match)
  2. Hand out the paper without cutting it up and ask participants to match.Group the participants into pairs and monitor.  
Work through the answers together, providing further definitions and examples where necessary.
- 4) Reading Task: Hand out the **Contract Agreement** to the participants. Tell them it is an extract from a contract between a supplier (The Office Furniture Company) and a customer (National Bank) and features typical headings of a contract (duration, delivery, price etc.). The twist is that the contract is very supplier friendly. Read through article 2a (Duration) as a class and let participants work this out for themselves. Ask them “How would you change this if you were the customer?” Discuss ideas as a class. Then ask the participants to read the rest of the contract in the mind-set of the customer. Encourage them to make notes for each stipulation using the question “How would you change this contract if you were the customer?” Once completed, invite the participants to discuss their ideas. If you want to extend this activity further, you can ask the participants to re-write the contract articles, allowing them to use the contract vocabulary (but this will be done later in the lesson) and then discuss in pairs.

5) Extended Communication Activity: Participants negotiate their own contracts.

Participants become suppliers and customers. The customers want to buy office furniture from the suppliers for 5 new conference / classrooms.

Go to the following links:

<http://www.cityofficefurniture.co.uk/p/seating/1/>

<http://www.cityofficefurniture.co.uk/p/accessories/1/>

These links provide the office furniture provided by the supplier.

Print off these two links and make enough copies for each participant.

Divide the class into groups of suppliers and customers. The customers sit together and the suppliers sit together (You can divide the suppliers and customers into further pairs or groups if you have a big class). Hand each participant the copies of the furniture provided by the supplier s.

The suppliers and customers then take the respective roles:

- **Suppliers:**

Discuss special offers they want to give to suppliers and which products they wish to promote.

- **Customers:**

Discuss which products they wish to buy.

Give the participants 10-15 minutes for this activity. Once finished, pair one supplier and one customer together and ask customers to listen to the suppliers' promotions and place their orders. The suppliers and customers then return to their original two groups of suppliers and customers and begin to discuss and write their contract terms. Ask the participants to discuss their conditions for **1)Duration of Contract, 2) Delivery of goods,3) Payment Structure.**

Participants are then paired into one supplier and one customer (use the same pairings as before) and discuss the contract terms and negotiate accordingly. Together, the customer and the supplier write a final version (encourage lots of contract terminology).

They then read the agreed contracts to the rest of the class and teacher, who corrects accordingly or equally these can be taken in and marked by the teacher.