

Understanding a contract

COMMUNICATION

LEVEL
Upper-intermediate

NUMBER
EN_BE_3803X

LANGUAGE
English



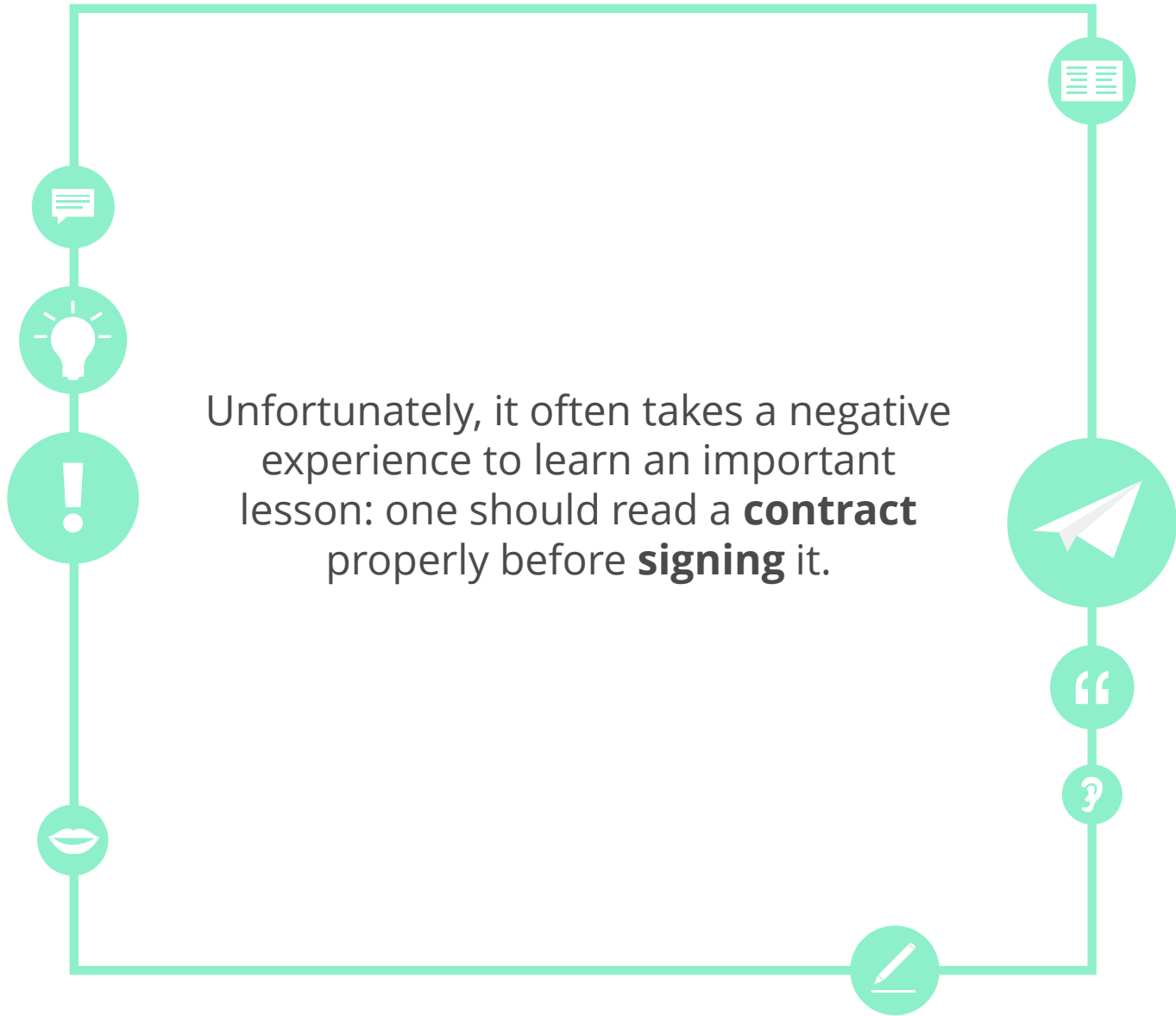


Goals

- Can recognise and understand typical vocabulary commonly used in contracts
- Can use new words and phrases to negotiate a contract including aspects such as salary and job conditions



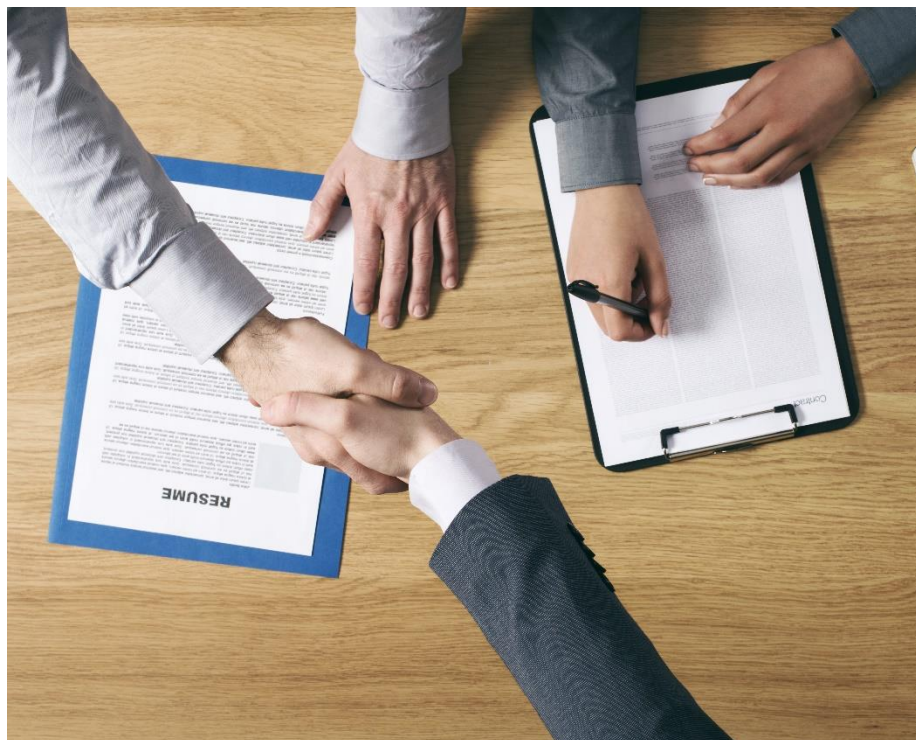
Unfortunately, it often takes a negative experience to learn an important lesson: one should read a **contract** properly before **signing** it.





Signing a contract

**When do we typically sign contracts?
How many different situations can you think of?
Have you ever signed one? When?**





Speak your mind

**How comfortable do
you feel negotiating a
contract?
What about in English?**



Understanding a contract

Contracts are legally binding agreements. They often relate to employment or sales.



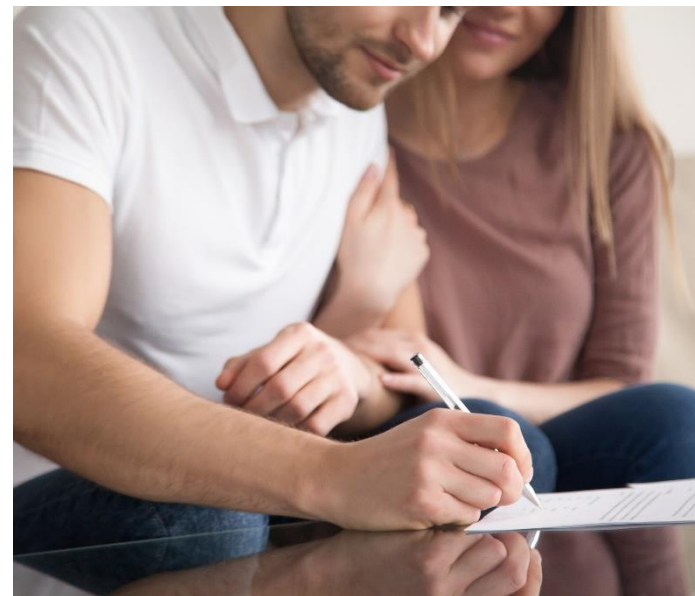
A **contract** is a set of **promises**.



Types of contract

There are many different **types of contracts** but the ones which you will come across most often are listed below.

An employment contract	Between employer and employee
A contract of sale	Between the seller and the buyer
A credit agreement	Between a bank and a borrower
A lease	A contract between the owner of land or property and the lessee





Contract vocabulary

legally binding

This contract is **legally binding** – it will be enforced by the law.

article

Let's look at **article** 3 of the contract, relating to your salary.

party

The person or persons performing one part of the agreement is a **party**.

terms

The **terms** state what each side must do.

fulfil

If one party does not **fulfil** the terms, the contract could be terminated.

appendix

If someone wants to add a clause to the contract, they can do so by adding an **appendix**.



Collocations with *contract*

Below are some **verbs** which **collocate** with ***contract***, along with their meanings.

Sign a contract	Put your signature on the contract
Draw up a contract	Write a new contract
Renew a contract	Make the contract continue for longer
Breach a contract	Break one of the terms of the contract
Terminate a contract	End a contract before the official date



Standard clauses in an employment contract

There are some **clauses** which are **standard** in employment contracts, and which are **rarely negotiated**.

- **Confidentiality clause:** Both parties promise to protect each other's confidential information, especially related to trade secrets and customers.
- **Non-compete clause:** One party (usually the employee) agrees not to enter into an activity which would be a competition for the other (usually the employer).
- **No partnership or agency:** This clause means that neither party can see the signing of the contract as the forming of a partnership or agency.



Other clauses in an employment contract

Below are some **clauses** which you will find in most **employment contracts**, but which you will often want to **negotiate** with the employer.

Salary and monetary benefits

Other benefits and perks e.g. gym membership

Holiday allowance

Working hours

The termination of the contract/giving notice





Fill in the gaps

Fill in the gaps with one of the vocabulary words on p. 8

A contract is a _____ agreement between two or more _____. All sides must sign the contract to make it valid. Once a person has signed, they must _____ all the terms, even if they have not read every _____ in the contract.

If one party wants to add some extra terms or conditions after the contract has been signed, they can do so by adding an _____, providing that the other parties agree.





Definitions

Can you remember what these terms mean?





Clauses in your contract

**What clauses do you have
in your employment
contract? Did you
negotiate any of them?**

salary

holiday

confidentiality



Accepting or negotiating a contract

There are certain **adjectives** and **adverbs** which you can use to describe the **contract** and **terms** within it, and your feelings towards those terms.

Adjective	Adverb
Acceptable	Acceptably
Agreeable	Agreeably
Mutual	Mutually
Generous	Generously
Suitable	Suitably



Accepting or negotiating a contract

Here are some more **adjectives** and **adverbs** you can use to describe a **contract**.

Adjective	Adverb
Perfect	Perfectly
Beneficial	Beneficially
Ideal	Ideally
Promising	Promisingly
Understandable	Understandably



Position of adverbs

All **adverbs** must go in a **particular position** in a sentence. Sometimes they can go in several places, but there is always a rule. See the table below for more.

Type of adverb	Position	Example
Degree	Mid position, after the verb <i>be</i>	That clause is perfectly acceptable. The terms are mutually beneficial.
Evaluative and viewpoint	Outside the clause, usually at the beginning	Ideally , we would renegotiate that section. Understandably , he refused to back down.
Manner	Mid position, before the verb	He generously agreed to extend the terms.



Fill in the table

Fill in the adjective or adverb as appropriate.

acceptable	...
...	agreeably
mutual	...
...	beneficially
generous	...



Fill in the gaps in the dialogue

promisingly

acceptable

clause

beneficial



unacceptable

agreement

suitable

The contract I've been given for my new job is completely _____.

Not just one clause! The only thing that is _____ is the confidentiality clause – that I understand.

I have to. _____, my boss said he's willing to talk it over.

I'm sure we'll come to a mutually _____ arrangement eventually.

Why? Is there a _____ you don't like?

Yes, that's standard. Are you going to renegotiate for more _____ terms?

I hope you can reach an _____.



Using adverbs

**Add one of the adverbs below to each sentence.
Make sure you put it in the correct position.**

suitably

mutually

ideally

promisingly

1. We would exclude that clause from the contract.
2. That section of the contract is beneficial.
3. He said that we could renegotiate that part of the contract.
4. He said I was not qualified.





Verbs for negotiating and accepting contracts

Below are some **verbs** that you can use during **negotiations** and when **accepting** a **contract**.

Accept	I accept those terms.
Give in	I cannot give in on that point.
Willing to	I am willing to consider that.
Compromise	I can't compromise on that clause.
Settle for	I'll settle for that, though it's not ideal.
Consider	I'm willing to consider your offer.



Phrases to accept a contract

Below are some phrases you can use when you are ready to **accept a contract**.

I really like these conditions.

This is a thoughtfully put-together contract.

This is exactly what I had in mind.

I'm comfortable with those terms.

Thank you, this is perfect.





Negotiating a contract

Below are some phrases you can use when **negotiating a contract**.

I'm reluctant to accept those terms.	Let's try to find some common ground.
I was expecting more holiday than that.	Perhaps we can meet in the middle.
Would it be possible to have..?	I'm willing to consider...
I can accept that, but in return you must include...	I would ideally like to see...
I noticed that ... was included in the contract.	I don't think that's mutually beneficial.



Read through the dialogue



There is one final point I would like to negotiate. I was expecting to have a bigger holiday allowance.

Ok, I'm comfortable accepting those terms.

No, this is a thoughtfully put-together contract. I'm happy to sign now.

In the first six months your holiday allowance will be 25 days. After that, it increases to 30 days. Is that acceptable?

Excellent. Is there anything else?



Role play

You are an employee and you have been given a contract. You want to negotiate one point only before you sign. Role play this with your teacher.



Employee



Employer



Plan your role play

In the next role play, you are going to negotiate several points in the contract. Make some notes (but don't write the dialogue) here about points which you will negotiate. Think about salary, benefits, holiday and working hours.





In their shoes

Now, imagine you are the people appearing in these images. What would be the most important condition to negotiate and why?





Reflect on the lesson

Take a moment to review any new **vocabulary, phrases, language structures** or **grammar points** you have come across for the first time in this lesson.

Review them with your teacher one more time to make sure you don't forget!





Answer key

Exercise p. 12

legally binding, parties, fulfil, article, appendix

Exercise p. 19

unacceptable, clause, acceptable, suitable, Promisingly, agreement, beneficial

Exercise p. 20

1. Ideally, we would..., 2. ...mutually beneficial, 3. Promisingly, he said..., 4. ...suitably qualified





Vocabulary

Use this slide to record any new vocabulary you found in this lesson.





Writing

Write a short definition of a contract here, and write about any points which are usually open to negotiation in a contract.

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