Lesson 5: Contract Language for Business Professionals

Non-lawyers frequently encounter contracts in international business. This lesson covers essential contract vocabulary, interpreting key clauses (indemnification, limitation of liability, force majeure), and professional communication around contract negotiations.

CEFR Level:	B2-C1	**Duration:**	60 minutes
Industry:	Business / Legal / Finance	**Format:**	Instructor-led with slides

Learning Objectives

By the end of this lesson, students will be able to:

- Define essential contract vocabulary and use it accurately in professional contexts
- Interpret key contract clauses including indemnification, limitation of liability, and force majeure
- Identify common pitfalls in contract language that non-native speakers encounter
- Communicate professionally during contract negotiations and reviews

Materials

- Slide deck (Lesson5_Contract_Language_for_Business_Professionals.pptx)
- Whiteboard / shared screen for live annotation
- Timer (for practice activity)
- Optional: printed vocabulary reference sheet with contract terms from Slide 4

Lesson Procedure

Phase 1: Warm-Up & Context Setting

Time: 0:00-0:08 | **Duration:** 8 min | **Slides:** 1-3

- Display title slide. Ask: *"How often do you deal with contracts in English at work? What's the hardest part?"* Allow 2-3 responses.
- Present the scenario on Slide 3 (finance manager signing a vendor agreement with a misunderstood indemnification clause). Ask: *"What could she have done differently?"*
- Walk through the stats on the right side of Slide 3. Ask which statistic surprises them most.
- Frame the lesson: *"You don't need to be a lawyer. But you do need to understand what you're signing. Today we're building that vocabulary."*

→ *Many students will relate to the scenario immediately. Use their experiences to establish relevance, but keep the focus on language, not legal advice.*

→ *The stats on Slide 3 are illustrative. If students question them, acknowledge they're approximate and use it as a teaching moment about hedging language.*

Phase 2: Essential Contract Vocabulary

Time: 0:08-0:18 | **Duration:** 10 min | **Slides:** 4

- Present Slide 4 (Essential Contract Vocabulary). Walk through each of the eight terms, reading definitions and giving a brief example for each.
- Focus on the shall/may/will distinction: *"Shall creates obligation, may creates permission, will states a future fact. Confusing them changes legal meaning."*
- **Quick drill:** Read 4-5 contract sentences aloud. Students identify whether the sentence creates an obligation (shall), a permission (may), or a statement (will).
- Ask students to identify which terms they already encounter in their work. This personalises the vocabulary and improves retention.

→ *The shall/may/will distinction is the most practical takeaway from this phase. Spend at least 3 minutes on it.*

→ *For B2 students, focus on the 4-5 most common terms (party, shall, breach, terminate, remedy) rather than all eight.*

Phase 3: Key Clause: Indemnification

Time: 0:18-0:28 | **Duration:** 10 min | **Slides:** 5

- Present Slide 5. Read the definition and sample clause aloud. Ask: *"In your own words, what does this clause require the Vendor to do?"*
- Walk through the Key Phrases to Watch For section. For each phrase, explain why it matters and what it means in practice.
- **Scenario exercise:** Present a variation of the indemnification clause where the wording is slightly different (e.g., remove "defend" or change "any and all" to "direct"). Ask: How does the meaning change?
- Key teaching point: *"Indemnification is about risk transfer. The question to always ask is: who pays when something goes wrong?"*

→ This is the most complex clause in the lesson. Use the sample clause as a close-reading exercise - students should be able to identify the obligor, the obligee, the scope, and the trigger.

→ The scenario exercise is where real understanding happens. Make the variations subtle - a single word change can shift millions in liability.

Phase 4: Key Clause: Limitation of Liability

Time: 0:28-0:36 | **Duration:** 8 min | **Slides:** 6

- Present Slide 6. Read the definition and sample clause. Ask: *"Why would both parties want a liability cap?"* Elicit: predictability, proportionality.
- Walk through the two columns (What It Caps vs. What It Excludes). Explain the difference between direct and indirect/consequential damages with a concrete example.
- **Example:** "A software vendor delivers a buggy product. Direct damage: cost to fix the bug. Indirect damage: the revenue your company lost because the system was down for a week."
- Connect back to indemnification: *"Indemnification says who pays. Limitation of liability says how much. They work together."*

→ The direct vs. indirect damages distinction is the key concept here. The concrete example makes it tangible.

→ For C1 students, ask: "If you're the buyer, which type of damages do you want included? If you're the seller?" This builds commercial awareness.

Phase 5: Key Clause: Force Majeure

Time: 0:36-0:43 | **Duration:** 7 min | **Slides:** 7

- Present Slide 7. Read the definition. Ask: *"Can anyone think of a recent event that triggered force majeure clauses worldwide?"* (COVID-19 is the obvious answer.)
- Walk through the common triggers. Discuss: *"Why must the clause specifically list the event? What happens if 'pandemic' isn't listed?"*
- Read the warning box at the bottom. Emphasise: force majeure doesn't apply automatically - there are notice requirements and specific procedures.
- Quick discussion: *"If you were drafting a contract today, what events would you include in your force majeure clause that might not have been there five years ago?"*

→ *COVID-19 made force majeure relevant to every business professional, not just lawyers. Use this shared experience to ground the concept.*

→ *The discussion question at the end is forward-looking and practical. Accept all reasonable answers (cyberattacks, AI disruption, supply chain collapse, etc.).*

Phase 6: Negotiation Language & Before/After

Time: 0:43-0:48 | **Duration:** 5 min | **Slides:** 8

- Display Slide 8 (Before & After). Read both versions aloud. Ask: *"What specific improvements do you notice in the AFTER version?"*
- Elicit key differences: professional salutation, specific section references, numbered amendment proposals, mention of attached redline, professional closing.
- Highlight the language of negotiation: *"would like to propose," "for your review"* - firm but collaborative.
- Key point: *"In contract negotiations, how you say it matters as much as what you say. Vague requests get ignored. Specific, professional proposals get considered."*

→ *The Before/After is the bridge between clause knowledge and professional application. Students should be able to name specific improvements.*

→ *If time is tight, this phase can be shortened to 3 minutes by reading only the AFTER version and asking students to identify the professional conventions.*

Phase 7: Practice Activity: Clause Review & Negotiation

Time: 0:48-0:58 | **Duration:** 10 min | **Slides:** 9

• Display Slide 9. Read the scenario and Section 9.2 aloud.

• Students work in pairs for 5 minutes: one person reviews the clause and identifies risks; the other prepares a professional email proposing amendments.

• Partners compare their analyses for 3 minutes. The reviewer shares risks; the negotiator shares proposed amendments. Do they align?

• Class debrief (2 minutes): Ask 1-2 pairs to share. Discuss: Is the clause one-sided? What does "regardless of the cause" mean? How would you narrow the scope?

→ *Circulate during pair work. If a pair is stuck, prompt: "Start by asking: is this mutual or one-sided? Then ask: what triggers the indemnification?"*

→ *The key insight is that "regardless of the cause" makes the clause extremely broad - the client is liable even for the vendor's own negligence. Most students will miss this on first reading.*

→ *There's no single correct amendment. Some will propose mutual indemnification, others will narrow the trigger. Reward professional language and clear reasoning.*

Phase 8: Wrap-Up & Key Takeaways

Time: 0:58-1:00 | **Duration:** 2 min | **Slides:** 10

• Display Slide 10. Read each takeaway.

• Quick round-robin: each student shares one term or concept they'll apply next time they review a contract.

• Close with: *"The goal isn't to become a lawyer. The goal is to ask the right questions and communicate clearly when contracts are on the table. You now have the vocabulary to do that."*

→ *Keep this tight. The practice activity is the real capstone.*

Differentiation Notes

For stronger students (C1): During the practice activity, add a follow-up task: after identifying risks in Section 9.2, they must draft a brief email to their legal department explaining the clause's risks in plain language and recommending specific amendments. This requires them to translate legal language into business language - a critical skill for non-lawyer professionals.

For students at B2: Provide a printed vocabulary reference sheet from Slide 4 and a sentence-starter sheet for negotiation emails (e.g., "We have reviewed Section... and would like to propose..." / "We believe this clause creates disproportionate risk because..."). Focus assessment on vocabulary recognition and basic clause comprehension rather than nuanced negotiation drafting.

Assessment

Formative assessment throughout via student responses and the clause review activity. Evaluate against these criteria:

- **Vocabulary:** Can the student define and correctly use key contract terms (shall, breach, remedy, indemnify, terminate)?
- **Clause interpretation:** Can the student explain what a given contract clause means in practical terms and identify who bears the risk?
- **Critical reading:** Can the student identify whether a clause is mutual or one-sided, and spot language that broadens or narrows scope?
- **Professional communication:** Does the student's negotiation email use specific references, clear proposals, and an appropriate professional tone?