COMMISSION AGREEMENT

This Commission Agreement (this "Agreement") takes effect on _____ (the "Effective Date") between _____, whose mailing address is _____ (the "Company"), and _____, whose mailing address is _____ (the "Representative").

The Representative is (check one): [ ] an employee of the Company, job title _____; [ ] an independent sales representative; [ ] a sales agent for one transaction; [ ] a referral partner.

1. APPOINTMENT AND SCOPE

Products or services that earn a commission, or for a single deal the transaction: _____.

Territory, if any: _____. [ ] The territory is exclusive.
Assigned accounts: _____. House accounts that earn no commission: _____.

The Representative has no authority to accept orders, make promises or sign contracts for the Company. Every order is subject to the Company's acceptance.

2. COMMISSION

A "Qualifying Sale" is a sale of the Products that the Company accepts during the Term in the Territory, to an assigned account, or to a customer the Representative introduced, other than a house account.

Commission (check one): [ ] _____% of [ ] net sales (after taxes, shipping, discounts and returns) [ ] gross sales (less sales tax); [ ] tiered rates for each [ ] month [ ] quarter [-] year: _____% up to $_____, _____% from $_____ to $_____, and _____% above that, each rate applying only to sales within its tier; [ ] a fixed $_____ for each Qualifying Sale.

3. BASE PAY AND DRAWS

In addition to or in advance of commissions (check one): [ ] commission only; [ ] base salary of $_____ per _____; [ ] retainer of $_____ per _____; [ ] recoverable draw of $_____ per _____, repaid from later commissions, and any shortfall at the end is [ ] repaid within 30 days [ ] forgiven; [ ] guaranteed draw of $_____ per _____ that is never repaid.

For an employee, the Company will pay at least the minimum wage and any required overtime for each workweek, and no draw or chargeback will be taken from base wages.

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4. EARNING AND PAYMENT OF COMMISSIONS

A commission is earned (check one): [ ] when the order or contract is signed and accepted; [ ] when the Company invoices the customer; [ ] when the Company receives the customer's payment, and only on the amount received.

Commissions are paid (check one): [ ] by the 15th day of the month after the month earned; [ ] twice a month; [ ] within 10 days after each is earned. Each payment comes with a written statement of the sales, amounts, rates, chargebacks and draw offsets. The Representative may review the supporting records once a year on reasonable notice.

5. RETURNS, CHARGEBACKS AND EXPENSES

[ ] If, within _____ days after a commission is paid, the sale is returned, refunded, credited or canceled, the commission is reversed and deducted only from later commissions. [ ] No chargebacks: a paid commission is final.

Expenses (check one): [ ] the Representative pays its own; [ ] the Company repays expenses it approves in advance; [ ] the Company repays expenses up to $_____ per month. Samples and sales materials remain the Company's property.

6. TERM AND COMMISSIONS AFTER IT ENDS

This Agreement lasts (check one): [ ] until either party gives _____ days' written notice; [ ] until _____; [ ] until the transaction closes and the commission is paid; [ ] for an employee, until the employment ends or a new written plan replaces it. It does not promise employment for any period.

After the end date, the Representative is paid (check one): [ ] commissions already earned by the end date; [ ] commissions on orders accepted by the end date, when earned; [ ] those orders plus sales to the Representative's customers accepted within _____ days after the end date. Within 30 days after the end, the Company will give a final statement and will meet any earlier deadline state law sets for final commissions.

Several states have their own rules for commission agreements and final commission payments, including California (Lab. Code § 2751; Civ. Code § 1738.13), New York (Lab. Law §§ 191, 191-b, 191-c), Illinois (820 ILCS 120/2), Texas (Bus. & Com. Code §§ 54.002, 54.003) and Minnesota (Stat. § 181.145). Check your state's law before signing.

7. RELATIONSHIP AND CONFIDENTIALITY

The Representative is (check one): [ ] an employee, and the Company withholds taxes from pay; [ ] an independent contractor who controls its own work and pays its own taxes, with no employee benefits.

[ ] The Representative will keep the Company's customer lists, pricing and sales plans confidential during and after this Agreement.

8. GENERAL TERMS

Disputes will be resolved (check one): [ ] in court; [ ] by mediation, then court; [ ] by mediation, then binding arbitration, in _____ County, State of _____. The laws of the State of _____ govern this Agreement.

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This Agreement is the entire agreement about the commissions it describes and replaces any earlier commission plan. It can be changed only in a writing signed by both parties, except that an employer may change an employee's plan for future sales on 30 days' written notice. If any part is unenforceable, the rest stays in effect. It may be signed in counterparts and electronically.

Additional terms: _____

SIGNATURES

Company

Signature: _____ Date: _____

Printed Name: _____

Representative

Signature: _____ Date: _____

Printed Name: _____

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