COMPENSATION AGREEMENT

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

The Company employs the Employee as _____. The Employee will perform the duties the Company reasonably assigns for that position.

1. BASE PAY

Base pay (check one): [ ] a base salary at the annual rate of $_____; [ ] an hourly wage of $_____ per hour for all hours worked, with a usual schedule of about _____ hours per week (an estimate, not a promise); [ ] commission only, with at least the minimum wage and any required overtime paid for each workweek.

Regular paydays occur (check one): [ ] every week [ ] every two weeks [ ] twice a month [ ] once a month, and the Company will pay wages at least as often as state law requires.

2. HOURS AND OVERTIME

The position is (check one): [ ] non-exempt, and the Company will pay for all overtime worked at the rate the law requires; [ ] exempt from overtime, based on the Employee's duties and pay. If the duties, pay or law change so the position no longer qualifies as exempt, the Company will pay overtime from then on.

3. COMMISSION PLAN (IF ANY)

[ ] The Employee earns a commission of _____% of the net amount charged (less taxes, shipping, discounts, credits and refunds) on these sales accepted during employment: _____.

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 payment, and only on the amount received. Commissions earned in each month are paid through payroll [ ] by the 15th day of the following month [ ] on the first regular payday after the month ends, with a written statement.

[ ] Chargebacks: if within _____ days after payment the sale is returned, refunded or canceled, the commission is reversed and taken only from later commissions, never from wages. [ ] No chargebacks: a paid commission is final.

If employment ends, the Employee is paid (check one): [ ] commissions on sales accepted by the last day, when earned; [ ] only commissions earned by the last day. California (Lab. Code § 2751) and New York (Lab. Law § 191(1)(c)) have their own rules for written commission terms; check your state's law before signing.

This general template is provided for informational purposes only and does not constitute legal advice. Requirements vary by state and locality; review current law and attach any disclosures or addenda your situation requires before signing. For a guided state-specific document, visit lawvault.org.

4. BONUS PLAN (IF ANY)

[ ] Earned bonus: for each [ ] year [ ] half year [ ] quarter, the Employee earns a bonus of _____ if these goals are met: _____. The Company will measure results in good faith and give a written statement.

[ ] Discretionary bonus: the Company may award a bonus in its sole discretion; no bonus is owed until awarded in writing. Target or maximum, if any: _____.

A bonus is paid through payroll _____. [ ] The Employee must be employed on the payment date. [ ] A bonus for a completed period is paid even if employment has ended.

5. SIGNING BONUS AND EQUITY (IF ANY)

[ ] Signing bonus of $_____, paid on the first regular payday after the Employee starts. [ ] If the Employee resigns within _____ months, the Employee repays a prorated share within 30 days, never by wage deduction unless the law allows and the Employee agrees in writing.

[ ] Equity discussed: _____. This Agreement does not grant equity; only an approved written grant agreement under the Company's equity plan does.

6. BENEFITS, EXPENSES AND DEDUCTIONS

The Employee may take part in the Company's benefit plans for similarly situated employees, under the plans' terms. Benefits include: _____.

Expenses (check one): [ ] reasonable business expenses are reimbursed under Company policy with receipts; [ ] a monthly allowance of $_____, plus approved expenses. The Company also reimburses any expense the law requires. All pay is subject to required withholdings, and other deductions are made only as the law allows.

7. EMPLOYMENT RELATIONSHIP

Term (check one): [ ] at will: either party may end the employment at any time, with or without cause or notice (Montana limits discharge without good cause after the probationary period); [ ] a fixed term through _____, which the Company may end early [ ] only for cause [ ] on _____ days' written notice, and the Employee may end on _____ days' written notice.

Final pay is due no later than the next regular payday after employment ends, or by any earlier deadline that applicable law sets. Pay terms change (check one): [ ] only by a written amendment signed by both parties; [ ] for the future on _____ days' written notice from the Company, never reducing pay already earned.

8. GENERAL TERMS

The laws of the State of _____ govern this Agreement. It is the entire agreement about the pay it describes and controls over any offer letter or employment agreement on pay. If any part is unenforceable, the rest stays in effect. It may be signed in counterparts and electronically.

This general template is provided for informational purposes only and does not constitute legal advice. Requirements vary by state and locality; review current law and attach any disclosures or addenda your situation requires before signing. For a guided state-specific document, visit lawvault.org.

Additional terms: _____

SIGNATURES

Company

Signature: _____ Date: _____

Printed Name: _____

Employee

Signature: _____ Date: _____

Printed Name: _____

This general template is provided for informational purposes only and does not constitute legal advice. Requirements vary by state and locality; review current law and attach any disclosures or addenda your situation requires before signing. For a guided state-specific document, visit lawvault.org.