

COMMISSION AGREEMENT

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This Commission Agreement (this "**Agreement**") is entered into as of [EFFECTIVE DATE] (the "**Effective Date**") by and between:

[COMPANY LEGAL NAME], a [STATE] [ENTITY TYPE, e.g. limited liability company] with its principal place of business at [COMPANY ADDRESS] (the "**Company**"); and

[SALESPERSON LEGAL NAME], [a [STATE] [ENTITY TYPE] / an individual] with its principal place of business or residence at [SALESPERSON ADDRESS] (the "**Salesperson**").

The Company and the Salesperson are each a "**Party**" and together the "**Parties**."

Recitals. The Company sells [DESCRIBE PRODUCTS OR SERVICES] (the "**Products**") and wishes to engage the Salesperson to promote and generate sales of the Products in exchange for commissions. The Salesperson wishes to do so on the terms below. In consideration of the mutual promises below, the Parties agree as follows.

1. Engagement and Scope

1.1 Engagement. The Company engages the Salesperson, and the Salesperson accepts the engagement, to solicit and promote sales of the Products to customers in accordance with this Agreement.

1.2 Best efforts. The Salesperson will use commercially reasonable efforts to promote the Products, develop customer relationships, and generate sales, and will conduct all activities ethically, lawfully, and consistent with the Company's reasonable policies and brand guidelines.

1.3 Authority limits. The Salesperson is authorized to solicit orders but is not authorized to enter into contracts, set prices, make warranties, or bind the Company except as the Company expressly authorizes in writing. All orders are subject to acceptance by the Company.

1.4 Non-exclusivity. Unless stated otherwise in Section 1.5, this engagement is non-exclusive. The Company may engage other salespeople and sell directly, and the Salesperson may represent other products that do not compete with the Products, subject to Section 6.

1.5 Exclusivity (optional). [OPTIONAL: If the engagement is exclusive, describe the exclusive territory, accounts, or Product lines and any minimum performance required to keep exclusivity. Otherwise delete this clause.]

2. Commission Structure

2.1 Commission rate. The Company will pay the Salesperson a commission equal to [PERCENTAGE]% of the Net Sales (defined in Section 2.3) attributable to the Salesperson's Qualifying Sales (defined in Section 3).

2.2 Tiered or variable rates (optional). [OPTIONAL: describe any tiered rates, accelerators, or different rates by Product line, e.g. "[%] on the first \$[AMOUNT] of Net Sales in a calendar month and [%]

thereafter." Otherwise delete.]

2.3 Net Sales. "Net Sales" means the gross invoiced amount actually collected by the Company for Products sold, less taxes, shipping, duties, discounts, allowances, returns, refunds, and chargebacks. Commissions are calculated on Net Sales, not on gross orders.

2.4 Draw against commission (optional). [OPTIONAL: If the Company provides a recoverable or non-recoverable draw, describe the amount, frequency, and recovery terms. Otherwise delete.]

3. Qualifying Sales and Crediting

3.1 Qualifying Sale. A "Qualifying Sale" is a sale of a Product that (a) results from the Salesperson's solicitation or efforts, (b) is accepted by the Company, and (c) is paid for in full by the customer and not later refunded or charged back.

3.2 Crediting and disputes. The Company will credit the Salesperson for Qualifying Sales in good faith. Where more than one salesperson contributes to a sale, the Company will allocate credit reasonably based on [the originating relationship / the closing salesperson / a documented split]. The Company's good-faith determination of crediting controls, absent manifest error.

3.3 House and excluded accounts. Sales to the accounts listed in [Schedule A — House Accounts], and any sales the Company makes through other channels, are excluded from commission unless the Parties agree otherwise in writing.

4. Payment of Commissions

4.1 Earned commissions. A commission is earned only when the corresponding Net Sales amount has been collected by the Company.

4.2 Payment timing. The Company will pay earned commissions [MONTHLY / within [NUMBER] days after the end of the calendar month] in which the commission was earned, together with a statement showing the sales, amounts, and calculations on which the payment is based.

4.3 Chargebacks and adjustments. If a customer returns Products, cancels, or charges back after a commission has been paid, the Company may deduct the corresponding commission from future payments or, if none are pending, invoice the Salesperson for the amount, subject to applicable wage and commission laws.

4.4 Records. The Company will keep accurate records of sales and commissions and will make commission statements available to the Salesperson. The Salesperson may dispute a statement in writing within [NUMBER, e.g. 30] days; the Parties will resolve disputes in good faith.

5. Expenses and Taxes

5.1 Expenses. Unless otherwise agreed in writing, the Salesperson bears its own costs of soliciting sales. The Company will reimburse only reasonable, pre-approved, documented expenses.

5.2 Independent contractor. If the Salesperson is engaged as an independent contractor, the Salesperson is solely responsible for all taxes on commissions, will not be treated as an employee, and is not entitled to employee benefits. The classification of the relationship is [independent contractor / employment — set the correct status and comply with applicable wage, tax, and benefits law].

6. Confidentiality and Non-Solicitation

6.1 Confidential Information. The Salesperson will keep confidential the Company's non-public information, including customer lists, pricing, and business plans, and will use it only to perform under this Agreement.

6.2 Customer relationships. Customer relationships and goodwill developed in connection with selling the Products belong to the Company. On termination, the Salesperson will return all customer information and Company materials.

6.3 Non-solicitation (optional). [OPTIONAL: To the extent permitted by applicable law, the Salesperson agrees, for [NUMBER] months after termination, not to solicit the Company's customers it dealt with for competing products. Restraint on trade is heavily regulated and varies by jurisdiction — have counsel confirm enforceability. Otherwise delete.]

7. Term and Termination

7.1 Term. This Agreement begins on the Effective Date and continues until terminated under this Section.

7.2 Termination for convenience. Either Party may terminate this Agreement for convenience on [NUMBER, e.g. 30] days' prior written notice.

7.3 Termination for cause. Either Party may terminate immediately on written notice if the other materially breaches and fails to cure within [NUMBER, e.g. 15] days after written notice describing the breach.

7.4 Post-termination commissions. The Salesperson remains entitled to commissions on Qualifying Sales that are solicited before termination and collected within [NUMBER, e.g. 90] days after termination, subject to applicable law, after which no further commissions accrue.

8. General Provisions

8.1 Independent relationship. Nothing in this Agreement creates a partnership, joint venture, or, unless expressly stated, an employment relationship between the Parties.

8.2 Governing law and venue. This Agreement is governed by the laws of the State of [STATE], without regard to its conflict-of-laws rules. The Parties submit to the exclusive jurisdiction of the state and federal courts located in [COUNTY, STATE].

8.3 Assignment. The Salesperson may not assign this Agreement without the Company's prior written consent. The Company may assign to a successor in connection with a merger or sale of substantially all assets.

8.4 Entire agreement; amendment. This Agreement is the entire agreement between the Parties on its subject and supersedes prior discussions. It may be amended only by a writing signed by both Parties.

8.5 Severability and waiver. If any provision is unenforceable, the rest remains in effect. A Party's failure to enforce a provision is not a waiver.

8.6 Notices. Notices must be in writing and sent to the addresses above (or as updated in writing) and are effective on receipt.

8.7 Counterparts and electronic signature. This Agreement may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

COMPANY

SALESPERSON

Signature: _____

Signature: _____

Printed name: **[NAME]**

Printed name: **[NAME]**

Title: **[TITLE]**

Title: **[TITLE, or N/A]**

Date: _____

Date: _____

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