INDEPENDENT SALES REPRESENTATIVE AGREEMENT

Commission-Only. Fill-in template.

This Agreement is made as of _____ (the "Effective Date") between _____, a _____ [entity type] with its principal place of business at _____ ("Company"), and _____, an independent sales representative with its principal place of business at _____ ("Representative").

Every bracket and blank below is a decision to make before this goes out. Where a clause offers alternatives, delete the ones you are not using.

1. Appointment and Products

- Company appoints Representative as its [ ] non-exclusive [ ] exclusive sales representative for the products listed in Exhibit A (the "Products"), in the Territory defined in Section 2.
- Representative is appointed to solicit orders only. Representative has no authority to accept orders, set or alter prices, extend credit, make warranties, or otherwise bind Company.
- Company may add or remove Products by written notice, and Exhibit A as amended governs.

2. Territory

- The Territory is: [ ] the geographic area described in Exhibit B [ ] the channels described in Exhibit B [ ] the named accounts listed in Exhibit B.
- Where Representative sells to chains or buying groups, the Territory is defined by account rather than by state, and Exhibit B controls.
- Orders originating outside the Territory earn no commission unless Company agrees in writing in advance.

3. Independent Contractor Status

- Representative is an independent contractor. Nothing here creates employment, partnership, agency beyond the limited solicitation authority above, or joint venture.
- Representative controls its own schedule, methods, personnel and expenses, may represent other non-competing lines, and is responsible for all its own taxes, insurance and licenses.
- Company will not withhold taxes and will report compensation on IRS Form 1099. Company will not set Representative’s hours or require exclusive working time.

4. Commission Rate

- Company will pay commission on Net Sales of Products at the rate(s) in Exhibit A.
- Default rate if Exhibit A is silent: _____ %.
- Rates may differ by Product line, customer class or volume tier. Any change applies only to orders received after _____ days written notice.

5. Commission Base (Net Sales)

- "Net Sales" means the invoiced price of Products actually shipped, less: returns and allowances, credits, freight and shipping, insurance, duties, sales and excise taxes, and cash or trade discounts actually taken.
- Net Sales does not include [ ] tooling [ ] samples [ ] setup charges [ ] other: _____.

6. When Commission Is Earned

Choose exactly one trigger and delete the rest. This single sentence prevents most disputes.

- [ ] Commission is earned when Company accepts the order.
- [ ] Commission is earned when the Products ship.
- [ ] Commission is earned when Company receives payment from the customer.
- Partial payment: commission is earned pro rata on amounts actually collected. Late payment does not forfeit commission already earned.

7. Payment Timing

- Company will pay earned commissions by the _____ day of the month following the month in which they were earned, with a statement showing each order, the rate applied, the base, and the amount.
- Several states set statutory deadlines and penalties for unpaid sales representative commissions. Treat this clause as a compliance item.

8. Chargebacks and Returns

- If a customer returns Products or fails to pay, commission on that amount is charged back against the next commission payment.
- No chargeback will be made more than _____ days after the original payment date.
- Company will not charge back commission on a non-payment caused by Company’s own act or omission.

9. House Accounts

- The accounts listed in Exhibit C are house accounts and earn [ ] no commission [ ] commission at _____ %.
- Company may add a house account only by written amendment to Exhibit C, effective for orders received after the amendment.
- If a house account purchases a Product that Representative introduced to it, that purchase earns full commission.

10. Split Commissions

- Where more than one representative contributes to an order, commission is split: _____ % to the representative in whose Territory the Products ship, _____ % to the representative who solicited the order.
- Company’s written split determination is final absent manifest error.

11. Order Acceptance

- All orders are subject to acceptance by Company at its home office. Company may reject any order, but will not reject orders in a pattern intended to avoid commission.
- Company will notify Representative of rejection within _____ days.

12. Representative's Obligations

- Use commercially reasonable efforts to promote and solicit orders for the Products in the Territory.
- Maintain knowledge of the Products, follow Company pricing and policies in quotations, and submit orders on Company's forms.
- Make no representation or warranty about the Products beyond Company's published materials.

13. Company's Obligations

- Supply current price lists, samples and sales literature at [ ] no charge [ ] Company's cost.
- Name one contact who responds to pricing, lead time and stock inquiries within _____ business days.
- Notify Representative of shipment delays affecting Representative's accounts before notifying the customer.

14. Term and Termination

- This Agreement begins on the Effective Date and continues until terminated.
- Either party may terminate without cause on _____ days written notice.
- Either party may terminate immediately for cause, meaning material breach not cured within _____ days of written notice, insolvency, or _____.

15. Post-Termination Commissions (the Tail)

- Representative earns commission on orders received by Company within _____ days after the effective date of termination, paid on the ordinary schedule.
- Commission on orders received before termination but shipped after remains payable in full.
- This clause is the one representatives read first. A term of 30 to 90 days is customary.

16. Confidentiality

- Each party will keep the other's non-public pricing, customer and product information confidential during the term and for _____ years after.
- Representative's own contact relationships developed before this Agreement remain Representative's. Account records created for Company's customers belong to Company.

17. Trademarks and Intellectual Property

- Representative may use Company's names and marks only to promote the Products and only during the term.
- Representative will not register any domain, social account or mark containing Company's name.

18. Non-Conflict

- Representative may carry other lines. Representative will not represent a product that directly competes with a Product without Company's prior written consent.
- Representative will disclose on request the categories of lines it carries. Nothing here restricts Representative after termination.

19. Dispute Resolution and Governing Law

- This Agreement is governed by the laws of _____, without regard to conflict of laws rules.
- Before filing, the parties will attempt mediation in _____ for at least _____ days.
- Venue: [ ] courts of _____ [ ] binding arbitration in _____ under the rules of _____.
- Several states' sales representative statutes may apply regardless of this clause.

20. General

- Assignment: neither party may assign without the other's written consent, except to a successor to substantially all of its business.
- Entire agreement: this document and its Exhibits supersede prior understandings. Amendments must be in writing and signed.
- Notices: in writing to the addresses above, effective on delivery.
- Severability and no waiver apply in the usual course.

Signatures

COMPANY: _____ By: _____ Date: _____

Printed name and title: _____

REPRESENTATIVE: _____ By: _____ Date: _____

Printed name and title: _____

Exhibit A. Products and Commission Rates

Product or line	Commission rate	Commission base	Notes

Exhibit B. Territory or Account List

Describe geography, channels, or list named accounts. One definition only.

Account or area	Basis (geography / channel / named)	Effective date

Exhibit C. House Accounts

List by name. Update by amendment rather than renegotiating the body of the Agreement.

Account	Commission treatment	Added on

Exhibit D. Lines Representative Already Carries

Disclosed at signing. Used to check for conflicts, not to restrict Representative.

Manufacturer	Product category	Channel or territory

General business information, not legal advice. Have counsel review this for the states you sell into before you use it. Provided by RepResearch.com.