**Commission Agreements**

**Introduction**

A commission agreement is a legal contract between a company or individual (principal) and a salesperson or agent (commission recipient) outlining the terms and conditions for payment of commissions in exchange for sales or referrals.

**Parties**

The agreement identifies the principal and the commission recipient, clearly stating their roles and responsibilities.

**Scope of Agreement**

The agreement defines the scope of the commission agreement, specifying the products, services, or referrals covered by the agreement.

**Commission Structure**

The agreement outlines the commission structure, including the percentage or rate of commission, the basis for calculating commissions, and any specific conditions or thresholds that need to be met.

**Payment Terms**

The agreement specifies the payment terms, including the frequency of commission payments, any deductions or withholdings, and the method of payment.

**Record Keeping**

The agreement establishes the requirement for the commission recipient to keep accurate records of sales or referrals and provide necessary documentation to support commission calculations.

**Termination**

The agreement defines the circumstances under which either party may terminate the commission agreement, including any notice periods or termination provisions.

**Confidentiality**

The agreement includes a confidentiality clause to protect any proprietary or confidential information shared between the parties during the course of the commission agreement.

**Independent Contractor Status**

The agreement clarifies that the commission recipient is an independent contractor and not an employee, with no entitlement to benefits or rights associated with employment.

**Governing Law and Jurisdiction**

The agreement specifies the governing law and jurisdiction that will apply in case of any disputes arising from the commission agreement, and includes contact information for both parties in case of any questions or concerns.