**SAMPLE Sales Compensation Agreement**

This Sales Compensation Agreement (Agreement) is entered into this day, MONTH, DAY, YEAR, between Company Name (COMPANY) and Employe Name (EMPLOYEE).

The purpose of this Agreement is to establish a Sales Commission plan and other parameters of employment in which EMPLOYEE can be successful and the COMPANY can gain value from his/her employment.

**Terms of the Agreement**

This Agreement shall continue in effect from date of execution until DATE OF EXPIRATION. The Agreement may be terminated with or without cause by either party by serving a 30-day written notice to the other party for any reason including but not limited to breach of contract, failure to meet performance goals, misconduct or unforeseen business conditions.

**Position and Employment Classification**:

Your title will be POSITION TITLE.

You are considered an Exempt EMPLOYEE and not subject to minimum wage or overtime regulations. You are expected to be in the field no less than 50% of your working time, but 75% is ideal to be successful.

**Duties and Responsibilities:**

EMPLOYEE is expected to make every effort to optimize his/her sales performance and engage in activity on a daily basis that will facilitate this goal. Duties required are as follows:

* Scheduling appointments, meeting existing customers to identify and qualify potential prospects and present current product offers.
* Effective planning to conduct sales presentations by meeting customers physically on daily basis.
* Provide professional demonstrations or presentations of COMPANY products or services while on-site.
* Liaising between the COMPANY and the customers for up-to-date condition on pricing, service and latest product release launches.
* Identifying and qualifying prospective customers through research, networking and cold-calling.
* Continuously updating all prospects on COMPANY product modifications, changes, and enhancements.
* Enhancing up to date knowledge on new products, procedures, services and tools by attending departmental and training meetings.
* Maintaining professionalism, diplomacy, sensitivity, and tact to portray the COMPANY in a positive manner.
* Effectively attending conferences, networking events and trade shows where applicable.
* Using marketing data to maximize sales effectiveness and efficiency by using relevant sales management tools.
* Preparing reports for sales and marketing and maintaining expense accounts.
* Performing updating and maintenance of accounts of customer including contact names and numbers for future sales.
* Providing product quotes to customers as needed.

**Activity Reporting Requirements**

EMPLOYEE shall complete a Sales Activity Report each week by the end of the day Friday and deliver it to the Sales Manager via email or in person. Additionally, EMPLOYEE will provide a monthly Travel and Expense Activity Report no later than the 5th of the month for the previous month.

**Expected Sales Results**:

EMPLOYEE is expected to begin an aggressive effort to maximize initial sales activity directly after a 2-week training period. EMPLOYEE is expected to reach Minimal Sales targets within 30-45 days and Acceptable Sales Targets within 90 days. Activity and performance will be evaluated on a weekly basis during the first 90 days.

**Policies and Procedures**:

EMPLOYEE agrees to adhere to any written or verbal policies and procedures, including those set forth in the COMPANY’s EMPLOYEE Handbook.

**At-Will Employment**:

Your employment with the COMPANY will remain at-will. Accordingly, while the COMPANY has every hope that this new employment relationship will be mutually beneficial and rewarding for years to come, both you and the COMPANY retain the right to terminate the employment relationship at will, at any time, with or without advance notice and with or without cause. Please note that no individual has the authority to make any contrary agreement or representation other than the President of the COMPANY.

**Revisions to Agreement**

COMPANY reserves the right to revise the agreement and will make every intention to provide EMPLOYEE with 30 days notice before making any substantive changes.

**Confidentiality and Non-Disclosure**: You agree to abide by the attached EMPLOYEE Confidentiality and Non-Disclosure/Non-Solicitation Agreement, provided separately, which you will be required to sign before starting your employment with the COMPANY.

**Entirety of Agreement:**

This Agreement supersedes all other agreements, either oral or written, between the parties to this Agreement, with respect to the obligations contained herein and contains all of the covenants and agreements between the parties with respect to such agreement.

**Law Governing Agreement:**

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

To confirm that you agree to the terms and conditions as stated in this agreement, please sign and date the enclosed copy of this letter.

*I hereby NAME OF EMPLOYEE, accept the terms of the position of Sales Associate for The COMPANY on this day, DATE. My signature below certifies my understanding and acceptance of the conditions of the employment terms.*

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EMPLOYEE COMPANY by,

Address

City, State Zip

**SAMPLE Sales Compensation Plan**

This is a sample Sales Compensation Plan and not intended for use as is.

Effective Date: EFFECTIVE DATE

EMPLOYEE name: EMPLOYEE NAME

Title: TITLE

This Sales Compensation Plan is in effect from the above Effective Date until a new compensation plan supersedes this plan or it is terminated or revised.

EMPLOYEE shall receive commissions according to the following compensation structure an according to the separate Sales Compensation Agreement.

(Optional) **Base Salary:** $400 per week. Base salary is in force for your first 26 weeks and will cease at the end of the 26-week period. At that time, you will convert to 100% commission and be paid monthly as described below.

**Commissions:** Figures are based on new revenue sold and paid each 30-day period beginning on the first day of the month and ending on the last day of the month.

Tier 1: 3% of the gross revenue of all new monthly sales above $ 1000

Tier 2: 5% additional commission on the gross revenue of all new monthly sales above $ 2000

Tier 3: 10% additional commission on the gross revenue of all new monthly sales above $ 3000

**Residuals:** 2% residual commission on cumulative revenue given each month acceptable levels of new sales are attained. Residuals are paid on the previous month’s total account revenue.

**Sales Reports:** Sales and Activity reports for the month must be submitted by the 5th of each month for the previous month to receive commissions.

**Commission Payments:** Commissions are paid on or about the 15th of the month for the previous month’s earnings when the commissions are fully earned. All commission payments are contingent upon satisfaction of all other requirements of this agreement.

**Commission Contingencies**

1. EMPLOYEE must meet acceptable target levels of new sales and adhere to all written sales policies and procedures to receive future commissions.
2. Commissions are considered fully earned when the sales has been completed and payment in full has been received by the customer.
3. If EMPLOYEE is terminated involuntarily, he/she shall receive commissions on all completed sales up to the date of termination and prorated commissions for the month in which the termination occurred.
4. If EMPLOYEE resigns or leaves voluntarily before commissions are paid will be paid for all commissions fully earned up to the time of resignation.
5. EMPLOYEE shall forfeit any previously paid residuals or commissions should the associated customer default on a payment or otherwise terminate a contract prior to the end of the month without complete payment. Commissions shall be deducted from future commissions.

**Expense Reimbursement**

EMPLOYEE shall be reimbursed for expenses related to travel and mileage at a rate of sixty-four and one-half (64.5) cents per mile for travel from the office to sales appointments, between multiple sales appointments and from sales appointments back to the office at the end of the day. If EMPLOYEE will travel home after last appointment, mileage will be reimbursed only for miles that exceed a 30-mile radius from the office

(Optional) The COMPANY shall provide a business-use only cell phone that is to be maintained in good condition and used solely for business purposes. Your maximum expense for the phone shall not exceed $150 per month. Expenses beyond $150 shall be repaid to the COMPANY unless previous approval is obtained. Upon termination of your employment in this position, you agree to return all COMPANY-owned equipment and related documentation/user manuals to us in good condition.

If EMPLOYEE chooses to use their own cellphone, COMPANY will reimburse expenses each month in the amount $25.

EMPLOYEE shall submit a monthly Travel and Expense Activity Report no later than the 5th of each month for the previous month’s activity. COMPANY shall authorize entertainment and meal expenses only upon prior approval and submittal of receipts with the monthly report.

*I hereby NAME OF EMPLOYEE, accept the terms of Sales Compensation structure for The COMPANY on this day, DATE. My signature below certifies my understanding and acceptance of the conditions of the terms.*

EMPLOYEE COMPANY

Name: Name:

Address: Address:

City, State Zip: City, State Zip:

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## **SAMPLE Non-Disclosure and Non-Solicitation Agreement**

As a condition of my “at-will employment” with \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “COMPANY”), I (the “EMPLOYEE”) agree that:

1.  All documents and information regarding the COMPANY’s business and the names, addresses and specialized requirements of the COMPANY’s clients are highly confidential and constitute proprietary information. Proprietary information also includes any and all information of a confidential, proprietary or secret nature that is or may be either applicable to or related in any way to (i) the business, present or future, of the COMPANY; (ii) the research and development or inventions of the COMPANY; (iii) the client lists of the COMPANY; (iv) the computer techniques and processing abilities of the COMPANY and (v) internal financial information of the COMPANY. For example, proprietary information includes, but is not limited to, trade secrets; procedures; data; computer programs; systems design; manuals; know-how; techniques; client lists; marketing ideas; plans and strategies; business plans; financial data: and all computer information designed by or developed for the COMPANY.

2.  During employment with the COMPANY or at any time thereafter, I may not use or disclose such proprietary information or trade secrets to any person, firm, COMPANY or corporation for the personal benefit of myself or for the benefit of any person, firm, COMPANY or corporation other than the COMPANY. Use of such information is restricted to that use necessary to the performance of my duties as any disclosure of such information outside the COMPANY shall be made only with the consent of the COMPANY. Unauthorized use or disclosure of confidential information shall result in immediate discharge and, if appropriate, legal action by the COMPANY.

3.  At no time after the voluntary or involuntary termination of my employment shall I use COMPANY trade secrets to: (a) obtain business from the clients or clients of the COMPANY; (b) induce or attempt to induce any EMPLOYEEs of the COMPANY to leave its employment; (c) assist others to obtain business from the COMPANY’s clients or recruit the COMPANY’s EMPLOYEEs; (d) engage in any activity that harms the COMPANY’s interests

4.  I acknowledge that (i) in the event my employment with the COMPANY terminates for any reason, I will be able to earn a livelihood without violating the foregoing restrictions, and (ii) my ability to earn a livelihood without violating these restrictions is a material condition to my employment with the COMPANY.

5.  I acknowledge that my compliance with the agreement is necessary to protect the business and goodwill of the COMPANY and that a breach of this agreement will irreparably and continually damage the COMPANY, for which monetary damages may not be adequate. Consequently, I agree that, in the even that I breach or threaten to breach any of these covenants, the COMPANY shall be entitled to a preliminary or permanent injunction to prevent the continuation of such harm, and monetary damages insofar as they can be determined, including, but not limited to, the amount of fees, compensation or other remuneration earned by me as a result of any breach. Nothing in the agreement, however, shall be construed to prohibit the COMPANY form pursuing any other remedy, the parties having agreed that all remedies shall be cumulative.

6.  If any provision, paragraph or subparagraph of this agreement is adjudged by any court to be void or unenforceable in whole or in part, such adjudication shall not affect the validity of the remainder of this agreement, including any other provision, paragraph or subparagraph. Each provision, paragraph and subparagraph of this agreement is separable form every other provision, paragraph and subparagraph, and constitutes a separate and distinct covenant.

7.  This agreement shall inure to the benefit of the COMPANY and its successors, assigns, parent or subsidiary companies.

8.  This agreement constitutes the complete understanding between me and the COMPANY regarding the matters addressed, all prior representations or agreements regarding confidential information and unfair competition having been merged into this agreement. No alteration or modification to any of the provisions of this agreement shall be valid unless made in writing and signed by me and the COMPANY. Nothing in the agreement alters my at-will employment relationship with the COMPANY.

9.  In any dispute between me and the COMPANY, the prevailing party shall recover the cost of attorney’s fees.

10.  This agreement shall be subject to and governed by the laws of the State of California.

EMPLOYEE Name:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

                                                                (Please Print)

EMPLOYEE Signature:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_       Date:  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_