

Profit Sharing Agreement Template

This Profit Sharing Agreement (**the “Agreement”**) is entered into as of **[DATE]** by and between **[COMPANY NAME]** having its principal place of business located at **[COMPANY ADDRESS]** (**the “Company”**) and **[REPRESENTATIVE]** having its principal place of business located at **[REPRESENTATIVE ADDRESS]** (**the “Representative”**), both of whom agree to be bound by this Agreement.

WHEREAS, the Company has developed **[PRODUCT]** (**the “Product”**) and holds ownership of all intellectual property rights in the Product;

WHEREAS, the Company desires to hire the Representative to market the Product for sale; and

WHEREAS, the Company and the Representative desire to enter into an arrangement whereby **[PARTNER 1]** and **[PARTNER 2]** will share the profits realized from the sale of the Product due to the efforts of the Representative according to the terms and conditions herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises made by the parties hereto, the Company and the Representative (**individually, each a “Party” and collectively, the “Parties”**) covenant and agree as follows:

- 1. TERM.** This Agreement shall last from the date of execution until terminated by thirty (30) days’ written notice by either party.
- 2. EFFECT OF TERMINATION.** Upon termination according to section 1, the following shall occur:
 1. The Representative shall continue to receive the profit share described herein from any continuing sales as a direct result of the Representative’s efforts;
 2. The Representative shall direct all further inquiries regarding the Product back to the Company;
 3. The Representative shall return or destroy any physical or digital copies of the Company’s proprietary information in its possession including (but not limited to) marketing material, business plans, customer lists, and pricing information.
- 3. RESPONSIBILITIES OF REPRESENTATIVE.** In consideration for the profit share granted herein, the Representative shall perform the following duties:
 1. Performing research and other prospecting duties with regard to potential customers;
 2. Completing paperwork as needed; and
 3. Performing other such duties and services as may be assigned by the Company to accomplish the aims of this Agreement in the time, place, and manner deemed appropriate by the Representative.
- 4. PROFIT SHARE.** In consideration for the duties performed hereunder, the Representative shall be entitled to **[PERCENT]** of the profits earned for sales of the Product that are a direct result of the Representative’s efforts.
 1. To be considered a “direct result” of the Representative’s efforts, substantially all of the contact with a customer that leads to a sale must have been made by the Representative. Although initial contact

and contact at the sale point shall be factors to consider, they are not determinative of such sale being a "direct result" of the Representative's efforts.

2. "Profits" are deemed to be calculated by the sale price less any expenses by the Company paid on behalf of the Representative in furtherance of the sale and the cost of goods sold.

- 5. **INDEPENDENT CONTRACTOR.** The Parties agree that the Parties shall be considered independent contractors and not agents or employees of the other Party. Neither Party shall have authority to make any statements, representations or commitments of any kind, nor to take any action which shall be binding on the other Party, except as may be expressly provided for herein or authorized in writing.
- 6. **CONFIDENTIALITY.** The Representative shall not, in any fashion, form, or manner, either directly or indirectly:
 - 1. Disclose or communicate to any party any information relating to the Company's business or the Product including (but not limited to) customer lists, price points, or marketing plans (the "Confidential Information");
 - 2. Duplicate any Confidential information;
 - 3. Use any Confidential Information other than solely for the benefit of the Company; or
 - 4. Assist a third party in using any Confidential Information in any manner but solely for the benefit of the Company.
- 7. **APPROVAL OF MARKETING MATERIAL.** The Representative shall receive written confirmation from the Company in using any marketing materials related to the Product that were not directly provided by the Company.
- 8. **EXPENSES.** The Representative shall not be entitled to reimbursement for any expenses except those that have been previously approved in writing by the Company. Should the Company require travel by the Representative, the Company shall reimburse the Employee for such travel expenses, along with reasonable lodging and meal expenses upon presentation of receipts of such expenses.
- 9. **INDEMNIFICATION.** The Representative agrees to defend, indemnify, and hold harmless the Company from and against any all third party claims (or other actions that could lead to losses by the Company) that are based upon the Representatives (a) violation of the law, (b) violation of this Agreement, or (c) violation of any third party's rights.
- 10. **NO MODIFICATION UNLESS IN WRITING.** No modification of this Agreement shall be valid unless in writing and agreed upon by both Parties.
- 11. **ENTIRE AGREEMENT.** This Agreement represents the full understanding of the Parties and shall supersede all previous oral or written agreements regarding the subject matter herein.
- 12. **APPLICABLE LAW.** This Agreement and the interpretation of its terms shall be governed by and construed in accordance with the laws of the State of [STATE] and subject to the exclusive jurisdiction of the federal and state courts located in [COUNTY], [STATE].

IN WITNESS WHEREOF, each of the Parties has executed this Consulting Agreement, both Parties by its duly authorized officer, as of the day and year set forth below.

[COMPANY NAME]

[NAME], [TITLE] DATE

[REPRESENTATIVE]
