

Date: _____

Between: The Company: _____

The Representative: _____

1. Plan Summary (Key Terms)

This section provides a snapshot of the compensation target.

- **Base Salary (if any):** \$ _____ per year
- **On-Target Earnings (OTE):** \$ _____ (Base + Commission at 100% quota)
- **Sales Quota:** \$ _____ per _____ [Month/Quarter/Year]
- **Primary Commission Rate:** _____ %

2. Nature of Engagement

- **Status:** The Representative is an [Independent Contractor / Employee].
- **Tax Responsibility:** [If Contractor: Representative is solely responsible for all federal, state, and local taxes. No taxes will be withheld.]
- **Exclusivity:** The Representative [may / may not] sell products for other entities, provided they do not compete directly with the Company.

3. Commission Structure & Calculation

The Company agrees to pay commissions based on the following:

- **Commission Basis:** Commissions are calculated on [Net / Gross] Revenue.
 - **Definition:** 'Net Revenue' is defined as the sale price minus [shipping, taxes, returns, discounts, and credit card fees].
- **Standard Rate:** _____ % of Net Revenue.
- **Accelerators (Tiers):** To incentivize high performance
 - **0% - 100% of Quota:** _____ %
 - **100% - 150% of Quota:** _____ % (Accelerator)
 - **150%+ of Quota:** _____ % (Super-Accelerator)

● **Timing of 'Earned' Commission**

- **Option A (Standard):** Commission is earned when the Company receives payment from the customer.
- **Option B (Hold & Release - Recommended by CaptivateIQ):** Commission is credited upon contract signature but held until the customer pays [50%] of the invoice.

4. Clawbacks & Adjustments

- **Clawback Triggers:** If a customer cancels, returns goods, or fails to pay within _____ days (e.g., 90 days) of the contract start date, any commission previously paid on that deal shall be deemed 'unearned'.
- **Recovery Method:** The Company reserves the right to deduct unearned commissions from the Representative's future commission statements.
- **Errors:** If a calculation error results in overpayment, the Company may deduct the overpayment from future checks with notice.

5. Payment Terms & Reporting

- **Frequency:** Commissions are paid [Monthly / Quarterly] on the _____ day of the following period.
- **Transparency:** The Company shall provide a detailed commission statement via [Software/Portal/Email] outlining:
 - Total Sales Closed
 - Applicable Commission Rates
 - Adjustments/Deductions (Clawbacks)
 - Total Payable Amount

6. Dispute Resolution

- **Review Period:** The Representative has _____ days (e.g., 5 business days) after receiving a commission statement to dispute any discrepancies in writing.
- **Waiver:** If no dispute is submitted within this period, the statement is deemed accurate and final.
- **Process:** Disputes will be reviewed by [Head of Sales / Finance Dept], whose decision on calculation interpretation shall be final, barring clerical errors.

7. Termination & 'Tail' Commissions

- **Termination:** Either party may terminate this agreement with _____ days' written notice.
- **Post-Termination Payment (The 'Tail'):**
 - Representative shall be paid commissions on all deals closed prior to the termination date, provided the customer pays within _____ days of termination.
 - Representative shall not be entitled to commissions on 'pipeline' deals that close after their termination date.

8. Right to Modify

- The Company reserves the right to modify the commission plan, quotas, or territories at any time. The Company must provide _____ days' written notice (e.g., 30 days) before changes take effect. Changes will not apply retroactively to sales already closed.

Signatures

[Company Representative]

[Sales Representative]

About Xactly

Xactly provides the only AI-powered platform that combines revenue intelligence and sales performance management so organizations can unlock their full revenue potential. Backed by two decades of pay and performance data, Xactly's Intelligent Revenue Platform is designed for finance, revenue, compensation, and sales leaders who want to drive quality, sustainable revenue. To learn more about Xactly and the latest issues and trends in revenue intelligence, visit us at [XactlyCorp.com](https://www.xactlycorp.com), follow our [blog](#), and connect with us on [LinkedIn](#).

The Xactly logo is located in the bottom right corner of the page. It features the word "Xactly" in a bold, white, sans-serif font. The letter "X" is stylized with a orange diagonal line through it, and the "a" has a small orange dot above it.