

# Referral Agreement

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## REFERRAL AGREEMENT

This Referral Agreement ("Agreement") is entered into as of [EFFECTIVE DATE] (the "Effective Date") by and between:

[COMPANY NAME], a [ENTITY TYPE, e.g., corporation/LLC/sole proprietorship] organized under the laws of [STATE], with its principal place of business at [COMPANY ADDRESS] ("Company"); and [REFERRER NAME], an individual/ entity organized under the laws of [STATE] with an address at [REFERRER ADDRESS] ("Referrer").

Company and Referrer may each be referred to herein as a "Party" and collectively as the "Parties."

### 1. Definitions

1.1 "Referral" means a prospective customer, client, or account introduced to Company by Referrer in accordance with this Agreement and identified to Company using the process set forth in Section 3.2.

1.2 "Qualified Referral" means a Referral that meets the criteria specified in Section 3 and results in a completed transaction or contract between Company and the referred prospect for which Company receives payment.

1.3 "Referral Fee" means the compensation payable by Company to Referrer for Qualified Referrals as set forth in Section 4.

### 2. Purpose

2.1 The purpose of this Agreement is to set forth the terms and conditions under which Referrer may introduce potential customers to Company and under which Company will compensate Referrer for Qualified Referrals.

### 3. Referral Process; Duties of Referrer

3.1 Non-Exclusive Relationship. The Parties acknowledge and agree that this Agreement does not grant Referrer any exclusive right to refer prospects to Company, unless otherwise agreed in writing.

3.2 Referral Submission. To be eligible for a Referral Fee, Referrer must submit Referrals to Company by completing and delivering or uploading a Referral Form to [SUBMISSION METHOD OR EMAIL] including the prospect's name, company, contact information, and any relevant notes ([REFERRAL FORM LINK OR INSTRUCTIONS]). A Referral will be considered submitted on the date Company receives the complete Referral Form.

3.3 Qualification Criteria. For a Referral to be a "Qualified Referral," the Referral must (a) be a new prospect to the Company (not an existing or previously contacted Company lead), (b) meet the minimum criteria set forth on Exhibit A (if any), and (c) result in a sale or contract between Company and the prospect for which Company receives payment within [REFERRAL ELIGIBILITY PERIOD, e.g., 12 months] of submission.

3.4 Referrer Representations. Referrer will: (a) provide accurate information about each Referral; (b) not engage in any misrepresentation or misleading conduct when making a Referral; and (c) comply with applicable laws in performing referral activities.

3.5 Company Rights. Company may, at its sole discretion, accept or reject any Referral that it reasonably determines does not meet the Qualified Referral criteria. Company will notify Referrer of acceptance or

rejection within [ACCEPTANCE PERIOD, e.g., 30 days] of receipt of the Referral.

#### **4. Referral Fees; Payment Terms**

4.1 Referral Fee. Subject to the terms of this Agreement, Company will pay Referrer a Referral Fee equal to [REFERRAL FEE PERCENTAGE]% of the Net Revenue (as defined below) actually received by Company from the Qualified Referral, OR a flat fee of [REFERRAL FEE AMOUNT] for each Qualified Referral, as selected by the Parties and initialed here: [ ] Percentage [ ] Flat Fee.

4.2 "Net Revenue" means the gross amounts invoiced and actually collected by Company from the referred customer for products or services, less refunds, credits, chargebacks, discounts, taxes, and shipping charges.

4.3 Payment Timing. Company will pay Referral Fees to Referrer within [PAYMENT TERM, e.g., 30] days after receipt of Net Revenue from the referred customer and after the lapse of any customary refund/chargeback period of [CHARGEBACK/REFUND PERIOD, e.g., 60] days. Payments shall be made by [PAYMENT METHOD, e.g., check, ACH, wire] to the address or account designated by Referrer.

4.4 Records and Audit. Company will maintain reasonable records related to sales to referred customers. Upon reasonable notice and during regular business hours, Referrer may, no more than once per year and at its own expense unless otherwise agreed, audit Company's relevant records to verify Referral Fee calculations, provided Referrer enters into a confidentiality agreement and the audit does not unreasonably disrupt Company's business.

4.5 No Fee for Non-Qualified Referrals. Referrer shall not be entitled to any Referral Fee for Referrals that are not Qualified Referrals.

4.6 Refunds and Chargebacks. If Company refunds a customer or a chargeback reduces Net Revenue for any reason relating to a Qualified Referral, Company may deduct the refunded amount or chargeback from future payments to Referrer or seek repayment from Referrer for any amounts already paid.

#### **5. Term and Termination**

5.1 Term. This Agreement commences on the Effective Date and will continue for an initial term of [INITIAL TERM, e.g., 1 year] and will automatically renew for successive [RENEWAL TERM, e.g., 1 year] periods unless either Party provides written notice of non-renewal at least [TERMINATION NOTICE PERIOD, e.g., 30] days prior to the end of the then-current term.

5.2 Termination for Convenience. Either Party may terminate this Agreement for any reason upon [TERMINATION NOTICE PERIOD, e.g., 30] days' prior written notice to the other Party.

5.3 Termination for Cause. Either Party may terminate immediately upon written notice if the other Party materially breaches this Agreement and fails to cure such breach within [CURE PERIOD, e.g., 15] days after receipt of notice specifying the breach.

5.4 Effect of Termination. Termination will not affect any rights or obligations that accrued prior to termination. Company will pay Referrer any earned Referral Fees for Qualified Referrals that occurred prior to the effective date of termination in accordance with Section 4, provided the referred customer has paid in full and subject to refund/chargeback deductions described in Section 4.6.

#### **6. Confidentiality**

6.1 Definition. "Confidential Information" means non-public information disclosed by one Party ("Disclosing Party") to the other Party ("Receiving Party") in connection with this Agreement, including but not limited to customer lists, pricing, business plans, marketing strategies, and trade secrets.

6.2 Obligations. The Receiving Party will (a) keep Confidential Information confidential and use it only to

perform under this Agreement; (b) limit disclosure to employees, agents, and contractors who have a need to know and are bound by confidentiality obligations; and (c) take reasonable measures to protect Confidential Information from unauthorized use or disclosure.

6.3 Exclusions. Confidential Information does not include information that: (a) is or becomes publicly available through no fault of the Receiving Party; (b) was rightfully known by the Receiving Party prior to disclosure; (c) is rightfully received from a third party without breach of any obligation of confidentiality; or (d) is independently developed by the Receiving Party without the use of Confidential Information.

6.4 Permitted Disclosures. Receiving Party may disclose Confidential Information if required by law or court order, provided Receiving Party gives Disclosing Party prompt notice (to the extent legally permitted) and cooperates in any lawful effort to limit or contest the disclosure.

## **7. Representations and Warranties**

7.1 Mutual Representations. Each Party represents and warrants that it has the full power and authority to enter into this Agreement and to perform its obligations hereunder.

7.2 Referrer Representations. Referrer represents and warrants that (a) Referrer will comply with all applicable laws and regulations when making Referrals, including relevant marketing, privacy, and anti-spam laws; (b) Referrer has not made any guarantees or promises to prospects regarding Company's products or services; and (c) Referrer will not engage in deceptive or unfair practices.

7.3 Company Warranties. Company represents and warrants that it will perform its services and obligations in a professional manner in accordance with industry standards and will be responsible for the fulfillment of any sale or contract with the referred customer.

## **8. Independent Contractor; No Employment Relationship**

8.1 Independent Contractor. The Parties acknowledge that Referrer is an independent contractor and not an employee, agent, joint venturer, or partner of Company. Referrer has no authority to bind Company or incur obligations on Company's behalf.

8.2 Taxes and Benefits. Referrer is solely responsible for all taxes, insurance, and benefits related to any payments received under this Agreement and, where applicable, for compliance with independent contractor reporting requirements.

## **9. Indemnification**

9.1 Referrer Indemnity. Referrer shall indemnify, defend, and hold harmless Company and its officers, directors, employees, agents, and affiliates from and against any and all claims, losses, liabilities, damages, costs, and expenses (including reasonable attorneys' fees) arising out of or related to (a) Referrer's negligent or willful acts or omissions, (b) breach of Referrer's representations, warranties, or obligations under this Agreement, or (c) Referrer's violation of applicable law in connection with performing referral activities.

9.2 Company Indemnity. Company shall indemnify, defend, and hold harmless Referrer and its officers, directors, employees, agents, and affiliates from and against any and all claims, losses, liabilities, damages, costs, and expenses (including reasonable attorneys' fees) arising out of or related to Company's products or services or Company's breach of this Agreement.

## **10. Limitation of Liability**

10.1 EXCEPT FOR LIABILITY ARISING FROM A PARTY'S GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR BREACH OF CONFIDENTIALITY OR INDEMNIFICATION OBLIGATIONS, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL,

CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES, INCLUDING LOST PROFITS, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE AGGREGATE LIABILITY OF EITHER PARTY ARISING OUT OF OR RELATING TO THIS AGREEMENT WILL NOT EXCEED THE TOTAL AMOUNTS ACTUALLY PAID OR PAYABLE BY COMPANY TO REFERER UNDER THIS AGREEMENT IN THE [TWELVE (12)] MONTHS PRECEDING THE EVENT GIVING RISE TO THE CLAIM.

## **11. Intellectual Property**

11.1 Ownership. Each Party retains all right, title, and interest in and to its pre-existing intellectual property. No intellectual property rights are transferred by this Agreement except as expressly set forth herein.

11.2 Limited License. Company grants Referrer a limited, non-exclusive, non-transferable license to use Company's trademarks and marketing materials solely for the purpose of referring prospects in compliance with Company's brand guidelines (if any) and this Agreement. All use of Company's marks shall inure to the benefit of Company.

## **12. Compliance with Laws**

12.1 Each Party will comply with all applicable federal, state, and local laws, rules, and regulations, including privacy, data protection, anti-bribery, and advertising laws.

## **13. Non-Solicitation**

13.1 During the Term and for [NON-SOLICITATION PERIOD, e.g., 12 months] following termination of this Agreement, Referrer will not directly solicit or attempt to solicit Company's employees or independent contractors to leave their engagement with Company, provided that ordinary recruitment activities not directed specifically at Company's personnel are not prohibited.

## **14. Notices**

14.1 All notices and other communications hereunder shall be in writing and shall be deemed given when delivered personally, sent by email (with confirmation of receipt), one business day after deposit with an overnight courier, or three business days after mailing by certified mail, return receipt requested, to the addresses set forth on the first page of this Agreement or to such other address as a Party may specify by notice pursuant to this Section.

## **15. Assignment**

15.1 Neither Party may assign or transfer this Agreement or any rights or obligations hereunder without the prior written consent of the other Party, except that Company may assign this Agreement without Referrer's consent to an affiliate or in connection with a corporate reorganization, merger, acquisition, or sale of substantially all of the Company's assets, provided the assignee assumes Company's obligations hereunder.

## **16. Entire Agreement; Amendment**

16.1 This Agreement constitutes the entire agreement between the Parties with respect to the subject matter herein and supersedes all prior and contemporaneous agreements, proposals, and communications, whether oral or written. Any amendment or modification to this Agreement must be in writing and signed by both Parties.

## **17. Severability**

17.1 If any provision of this Agreement is held to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the remaining provisions will continue in full force and effect, and the Parties will

endeavor in good faith to replace the invalid provision with a valid provision that achieves the Parties' intended economic effect.

## **18. Governing Law; Dispute Resolution**

18.1 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of [STATE], without regard to conflicts of law principles.

18.2 Dispute Resolution. The Parties will attempt in good faith to resolve any dispute arising out of or relating to this Agreement through negotiation. If the Parties cannot resolve the dispute within [NEGOTIATION PERIOD, e.g., 30] days, the dispute will be submitted to mediation in [CITY, STATE] under the rules of [MEDIATION PROVIDER, e.g., American Arbitration Association]. If mediation fails, the dispute shall be resolved by binding arbitration in [CITY, STATE], under the rules of [ARBITRATION PROVIDER], with a single arbitrator, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. Notwithstanding the foregoing, either Party may seek injunctive relief in a court of competent jurisdiction to prevent actual or threatened breaches of confidentiality or misuse of intellectual property.

## **19. Waiver**

19.1 No waiver of any right or remedy under this Agreement will be effective unless in writing and signed by the Party granting the waiver. The failure of either Party to enforce any provision will not constitute a waiver of future enforcement of that or any other provision.

## **20. Counterparts; Electronic Signatures**

20.1 This Agreement may be executed in counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. Electronic signatures or facsimile signatures shall be deemed originals for all purposes.

## **21. Miscellaneous**

21.1 Publicity. Neither Party will issue any press release or make any public announcement regarding this Agreement or the Parties' relationship without the other Party's prior written consent, except as required by law.

21.2 Relationship of Parties. Except as expressly set forth herein, nothing in this Agreement will be construed to create any agency, partnership, employment, fiduciary, or joint venture relationship between the Parties.

21.3 Further Assurances. Each Party will execute and deliver such further documents and take such further actions as may reasonably be necessary to carry out the purposes and intent of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Referral Agreement as of the Effective Date.

### **COMPANY:**

[COMPANY NAME]

By: \_\_\_\_\_

Name: [NAME]

Title: [TITLE]

Date: [DATE]

Address: [COMPANY ADDRESS]

### **REFERRER:**

[REFERRER NAME]

By: \_\_\_\_\_

Name: [NAME]

Title: [TITLE, IF APPLICABLE]

Date: [DATE]

Address: [REFERRER ADDRESS]

### **EXHIBIT A — OPTIONAL QUALIFICATION CRITERIA**

(Use this Exhibit to list minimum deal size, target industries, excluded clients, geographic limitations, or other qualification criteria specific to Qualified Referrals.)

### **EXHIBIT B — REFERRAL FORM (SAMPLE)**

(Include or link to the form/referral submission method that Referrer must use to register a Referral.)

### **SAMPLE REFERRAL FEE CALCULATION:**

If the Parties selected the percentage option and [REFERRAL FEE PERCENTAGE] = 10% and Net Revenue actually received by Company from the referred customer is \$10,000, then Referral Fee = \$10,000 x 10% = \$1,000. Payment to Referrer will be made in accordance with Section 4.3, subject to deductions for refunds or chargebacks as provided in Section 4.6.

[END OF AGREEMENT]

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