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Referral Agreement

This Referral Agreement ("Agreement") is made between BizFirst, LLC ("COMPANY"), and the undersigned Referrer ("REFERRER").

1. Introduction

The COMPANY specializes in providing staffing solutions, including temporary contractors, direct hire, and consulting services. The COMPANY engages the REFERRER to identify and refer potential clients ("Clients") as described herein.

2. Order of Precedence

Any inconsistency in this Agreement shall be resolved by giving precedence in the following order:

- Addendum A – Statement of Work ("Statement of Work")
- Referral Agreement ("Agreement")

3. Referral Tiers

The COMPANY offers two tiers of referral involvement, each with its commission structure based on the REFERRER'S level of participation:

3.1 Tier 1 Participation (Business Referral Associate):

As a Business Referral Associate, REFERRER takes the first crucial step in linking potential clients with COMPANY. This role involves identifying and initiating contact with prospective clients, thereby setting the groundwork for successful business engagements with COMPANY.

- Initial Coordination: Engage in a brief initial discussion with COMPANY to share the potential client's basic needs and key contacts. COMPANY will provide insights and materials to support the referral.
- Directly introduce the potential client to COMPANY through email, phone calls, or facilitated meetings.

3.2 Tier 2 Participation (Client Success Partner):

As a Client Success Partner, REFERRER engages more deeply by not only referring clients but actively participating in ensuring their success and satisfaction with COMPANY's services through strategic engagement and follow-up.

- Conduct a pre-referral call with COMPANY to discuss the client's needs, point of contact, and hiring process. COMPANY will advise on REFERRER'S network and provide company marketing materials as required.



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- Strategic Planning: If requested by COMPANY, provide COMPANY with a brief overview of the client's objectives, assisting in tailoring COMPANY's approach to meet these goals. Detailed account planning is not mandatory, just an understanding of what the client seeks.
- Make Introductions: Utilize the most optimal method—whether it be email, phone call, or a direct meeting—to introduce the potential client to COMPANY, laying the foundation for a fruitful initial engagement.
- Meeting Support: If requested by COMPANY, participate in the initial meeting to smooth the transition into a productive relationship between the client and COMPANY.
- Follow-Up to Assist with Contract Close: If requested by COMPANY, engage in follow-up conversations to facilitate the client prospect's decision-making process. This can be as straightforward as periodic check-ins to address any pending queries or provide additional information.
 - Post Contract Signing: If requested by COMPANY and agreed by the client, participate in quarterly business review meetings "QBRs" to ensure client satisfaction and explore further opportunities. This optional engagement is requested only for the period during which the commission structure is applicable or until the end of the contract, whichever comes first.

4. Net Proceed Definition, Audit Rights

4.1 Net Proceeds

Commissions to the REFERRER are calculated monthly, and paid quarterly, based on net proceeds received by the Company from the client for services rendered by the COMPANY during that month. Net proceeds are defined as follows:

- a) For Direct Hire permanent placement services, net proceeds include the placement fees paid by the client to the Company, less direct expenses which includes but is not limited to recruiter fees, job boards, recruiter placement fees, candidate bonuses, and/ client discounts.
- b) For PartnerHire RPO services, net proceeds include the monthly retainer fee paid by the client to the Company, less direct expenses which includes but is not limited to recruiter fees, job boards, recruiter placement fees, candidate bonuses, and/ client discounts.
- c) For ContractHire contract staffing services, net proceeds are calculated on an hourly basis as billable revenue less contractor payroll fees, and any direct fringe benefits or contractor-related costs which includes but is not limited to workers' compensation, background checks, and benefits.

In addition, any fees due to any third party (including by way of example, a distributor or a third-party vendor to whom royalties or similar fees are due for products bundled or incorporated with COMPANY'S Services) will be deducted from Net Proceeds.

Net Proceeds calculations exclude indirect expenses such as general and administrative overheads, management and administration compensation, marketing costs, and general office expenses.



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4.2 Audit Rights

COMPANY shall keep separate records in sufficient detail to permit the determination and verification of the referral fees due under this Agreement, and the records so kept shall be preserved for a period of at least one (1) year from the end of the month to which they pertain. Upon request by the REFERRER, no more than two times per any calendar year, during the term of this Agreement and for a period of one (1) year from the last sales agreement for which referral fees are due hereunder to REFERRER, COMPANY shall permit REFERRER or its designated agent, at REFERRER'S expense, to examine such records for the purposes of verifying the amounts due to REFERRER hereunder. Such examination rights are subject to execution by REFERRER of any reasonable confidentiality agreement that may be requested by COMPANY in conjunction with such examination.

5. Referral Submission Qualification and General Terms

5.1 A referral is recognized when the REFERRER facilitates an introduction between the COMPANY and a potential client, culminating in the COMPANY formalizing a contract with said client, thereby designating them as a "Registered Lead." The methodology for quantifying referrals is delineated as follows:

- i. A singular referral is accredited for each contractual agreement executed with a company. Regardless of the company's internal structure, encompassing multiple branches or divisions, if these entities fall under the ambit of a single agreement, it is classified as one referral. However, if a division or sister company requires a separate agreement from any other agreement already executed to engage COMPANY for services, then it will be counted as a separate referral.
- ii. Distinct contractual commitments undertaken with the same company for varied services are acknowledged as separate referrals. For example, if the COMPANY enters into one agreement for recruiting services and another for staffing services with the same entity, each agreement is recognized as an individual referral.

5.2 Each new referral must include detailed information about the prospective client, such as the company name, key contacts, and specific needs or opportunities.

5.3 The referral must target a new client, not actively pursued or engaged by COMPANY, and must result in a signed and enforced client agreement within twelve months of the introduction.

5.4 COMPANY may reject a Lead submitted by REFERRER if the Lead is an existing client or is already an Active Lead. An "Active Lead" is a Lead (i) which COMPANY has already met (in person, via email or telephonically) to discuss and/or demonstrate any of the COMPANY'S Services, (ii) which has previously been registered as a Lead in the name of another partner of COMPANY or (iii) which is identified in COMPANY'S lead/pipeline report as a Lead/Opportunity as of the date of receipt of the Lead from REFERRER.

5.5 Upon contract execution with the client prospect, COMPANY will drive services follow-up and requirements and all future contact and engagements ending the REFERRERS communications with the client within the scope of the signed and executed contract, unless otherwise agreed in writing between the COMPANY and the REFERRER.



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6. Referral Process and Commission Payment Terms

- 6.1 Before targeting a new lead, both parties must agree and execute an Addendum A Statement of Work for each new referral. This ensures that both parties' efforts are aligned and optimizes the chances of successful engagement with the prospective client. Unauthorized attempts to engage clients may lead to the disqualification of the referral and potential removal from the referral program.
- 6.2 Upon contract execution with the client prospect, COMPANY will drive services follow-up and requirements and all future contact and engagements ending the REFERRERS communications with the client within the scope of the signed and executed contract, unless otherwise agreed in writing between the COMPANY and the REFERRER.
- 6.3 Under no circumstances shall any payments be issued to REFERRER until payments are collected.
- 6.4 Payment of the referral fees shall be made through a method which has been previously agreed by both parties. As an example, the payment of the referral fees could be issued through a wire transfer in a determined currency into a specific account, via cheque, cash or any other method which is suitable given the then available options.
- 6.5 The REFERRER is responsible for any applicable taxes on the commission received and should provide any required tax identification information as part of their payment details if necessary.
- 6.6 It is the REFERRER'S responsibility to ensure that all provided payment information is accurate and up to date. The Company will not be responsible for any errors in payment due to incorrect or outdated information provided by the REFERRER.

7. COMPANY Responsibilities

To uphold a collaborative and transparent partnership, the subsequent responsibilities of COMPANY are outlined in this Referral Agreement. These duties aim to enhance clarity, offer support, and foster mutual success:

- 7.1 Acknowledgment and Tracking of Referrals: Swiftly acknowledge the receipt of new referrals and systematically track their progress, providing the REFERRER with updates at critical milestones to keep them informed of their referrals' status.
- 7.2 Contract Closure Notification: Promptly inform the REFERRER upon the finalization of a new contract with a referred client, detailing the contract's start and end dates, any renewal options, and the specific scope of services to be provided.
- 7.3 Quarterly Statements Issuance: Distribute to the REFERRER, on a quarterly basis, a detailed statement that outlines the calculation of Sales Commissions. This statement will include the Net Proceeds and the applicable Commission percentage.
- 7.4 Timely Commission Payments: Process the timely issuance of commission payments to the REFERRER within the stipulated quarterly period, contingent upon the receipt of payments by client.
- 7.5 Access to Marketing and Promotional Materials: Offer the REFERRER access to up-to-date marketing materials, case studies, and promotional tools to aid in accurately representing the COMPANY's services in their referral efforts.



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8. Confidentiality

Both parties agree to maintain the confidentiality of any proprietary information shared during the referral process. This includes client information, company practices, and any data related to the referral agreement. Upon termination, both parties agree to cease the use of and return or destroy the other party's confidential information.

9. Representations

REFERRER is not authorized to (i) make any warranties or representations concerning COMPANY'S Services; (ii) hold itself out as having the authority to act as a Business Development Representative or any other similar position within COMPANY'S organization. However, REFERRER may provide information to a prospect on COMPANY'S Services; current marketing materials supplied by COMPANY and may verbally inform the prospect of high-level Services information which is included in such current marketing material. REFERRER agrees to avoid deceptive, misleading, derogatory, or unethical practices detrimental to COMPANY or its Services.

10. Relationship

This Agreement shall not make either party the legal representative or agent of the other party. Neither party shall have any right or authority to make any affirmation, representation or warranty or to assume, create or incur any liability or obligation of any kind, express or implied, for or on behalf of the other. Except as otherwise provided in this Agreement, each party shall be solely responsible for all costs, expenses and liabilities it may incur in connection with this Agreement and neither party shall be liable or obligated to the other for any such revenue sharing, costs, expenses or liabilities.

11. Term and Termination

11.1 This Agreement is effective from the Effective Date for twelve (12) months (the "Initial Term"). After the Initial Term, the Agreement will automatically renew for successive additional one-year terms, unless terminated by either party as provided below.

11.2 Either party may terminate this Agreement prior to the expiration of the then applicable term, without cause, on thirty (30) days written notice. In addition, either party may terminate this Agreement prior to the expiration of the then applicable term, for a material breach of the Agreement by the other party, upon ten (10) days written notice specifying the breach. In such case, termination shall be effective at the end of the ten (10) day notice period unless the breach has earlier been cured. In addition, COMPANY may terminate this agreement immediately prior to the expiration of the then applicable term, if REFERRER refers Leads with whom REFERRER does not have a Pre-Existing Relationship.

11.3 Upon expiration or termination, each party shall return to the other any of the other's marketing materials and other Proprietary Information which may be in its possession or under its control. In addition, upon termination, COMPANY shall continue to be liable to REFERRER for any referral fees due in connection with Leads registered prior to expiration or termination which result in sales/licenses within the applicable twelve-month (12) Lead period.

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12. Definitions

Referral Agreement: The contractual document governing the relationship and terms between COMPANY and the undersigned entity or individual acting as a Referrer (REFERRER).

Referrer (REFERRER): An individual or entity engaged by the COMPANY to identify and refer potential clients in accordance with the terms set out in this Agreement.

Leads: Organizations or individuals introduced to COMPANY by the REFERRER, or identified through other sources, with the potential to enter a formal business relationship for the provision of COMPANY'S services. Leads represent the initial stage of potential engagement, awaiting further qualification and acknowledgment by the COMPANY.

Registered Lead: A lead registered in the COMPANY's pipeline, recognized as a potential client. This can include leads developed internally by COMPANY, introduced by the REFERRER, or brought in by another referral partner, and is officially acknowledged by the COMPANY.

Clients: Entities that engage with COMPANY for services and enter into a contract as a result of the REFERRER's efforts. Clients are the culmination of the referral process, transitioning from Leads or Registered Leads to formal partners of the COMPANY. This transition occurs when a Lead, through direct or indirect referral by the REFERRER, formalizes their relationship with the COMPANY by signing a service contract, thereby availing themselves of the COMPANY'S services.

Direct Referral: occurs when the REFERRER directly introduces a potential client (organization or individual) to COMPANY, which subsequently results in the establishment of a service engagement between the COMPANY and the introduced client. This direct introduction initiates a process that leads to the client engaging in services provided by the COMPANY without the involvement of an additional intermediary or referral.

Indirect Referral: takes place when a client or organization, initially referred to the COMPANY by the REFERRER, further refers another organization or individual to the COMPANY, leading to a new service engagement. This secondary referral results in the COMPANY establishing a service contract with the newly referred client, attributed to the original REFERRER'S network but involves an additional layer of referral beyond the direct introduction.

Net Proceed Value: The revenue generated from a closed deal with a client, from which commissions are calculated.

Business Referral Associate: A REFERRER participating in Tier 1 of the referral program, responsible for initiating connections between potential clients and the COMPANY.

Client Success Partner: A REFERRER participating in Tier 2 of the referral program, emphasizing their role in not just referring clients but ensuring ongoing satisfaction and success with COMPANY services.

Commission Fee: The monetary compensation payable to the REFERRER based on a percentage of the net proceeds received by the COMPANY from services rendered to the client, as defined by the tier of the REFERRER's role.



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13. General Provisions

This Agreement and its Exhibits, if any, constitutes the entire agreement of the parties with respect to its subject matter, supersedes all prior agreements or understandings with respect to its subject matter, and may not be modified except by a writing signed by both parties. Neither this Agreement nor any of the rights or obligations of a party hereunder may be assigned by either party without the prior written consent of the other party, except in connection with the sale or acquisition of such party's business to which this Agreement relates, to or by a company which is not a competitor of the other party, whether such sale or acquisition is by merger, sale of stock, sale of assets or otherwise. Each term, condition, and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law. If there is any conflict between any term, condition, or provision of this Agreement and any statute, law, ordinance, order, rule, or regulation, the latter shall prevail; provided, that any such conflicting term, condition, or provision shall be curtailed and limited only to the extent necessary to bring it within the legal requirements and the remainder of this Agreement shall not be affected or impaired thereby. This Agreement may be executed in one or more counterpart copies, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. The waiver of one breach or default hereunder shall not constitute the waiver of any subsequent breach or default.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed under seal by their respective authorized representatives.

Date: _____

Signed by a duly authorized signatory from and on behalf of
REFERRER

By: _____

Name: {REFERRER NAME}

Title:

Date: _____

Signed by a duly authorized signatory from and on behalf of
COMPANY

By: _____

Name: Jeff Packard

Title: CEO



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ADDENDUM A STATEMENT OF WORK

In alignment with the Referral Agreement's provisions, COMPANY and REFERRER establish the service requirements for the specified client lead as follows:

1. Statement of Purpose

This Addendum outlines the specific services provided by the REFERRER and accepted by the COMPANY, along with additional terms and conditions, to ensure a clear understanding and agreement between both parties.

2. Service terms

The terms and conditions of this agreement, as further detailed below, delineate the authorized referral activities sanctioned by COMPANY and consented to by both COMPANY and REFERRER. These specifics define the framework for engaging in the distinct referral activity, ensuring both parties have a mutual understanding of their commitments and the rewards structure:

- a. Client Company Name: **xxx**
- b. Client Point of Contact Lead Name: **xxxx**
- c. Client Lead Service/Contract Scope: **xxxx**
- d. Referral Tier Engagement Type: **xxxx**

For Direct Referrals, a commission structure is established based on the tier of the REFERRER's role within COMPANY's referral program. Upon the COMPANY entering into a service agreement with a directly referred client (a "Registered Lead"), the following commission rates apply:

- Tier I Participation: A commission of 5% on Net Proceeds from services provided by COMPANY to the directly referred client is payable. This rate is designed to recognize the REFERRER's role in making the initial connection. This commission is applicable for the initial 12 months following the contract's start date or until the termination of the contract, whichever occurs earlier.
- Tier II Participation: A commission of 10% on Net Proceeds is awarded for a deeper level of engagement in the referral process. Similar to Tier I, this commission is applicable for the initial 12 months following the contract's start date or until the contract concludes, whichever is sooner.



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For Indirect Referrals, applicable to both Tier I and Tier II, when the REFERRER introduces a new referral partner ("New REFERRER") to COMPANY, and subsequently, this New REFERRER successfully refers "Active Leads" to the COMPANY, the original REFERRER is entitled to a commission. Specifically, the REFERRER will receive a 2% commission on the revenue generated from services provided to any "Active Lead" referred by the New REFERRER. This commission is payable upon the COMPANY's collection of fees for the first twelve (12) months following the commencement of the engagement with the "Active Lead." The issuance of this commission is conditional upon the COMPANY formalizing a service agreement with the "Active Lead" and upon the COMPANY's verification that the sequential referrals were properly executed.

Date: _____

Signed by a duly authorized signatory from and on behalf of
REFERRER

By: _____

Name: {REFERRER NAME}

Title:

Date: _____

Signed by a duly authorized signatory from and on behalf of
COMPANY

By: _____

Name: Jeff Packard

Title: CEO