5. *Representative's Commissions.* The commissions payable by Principal to Representative on orders solicited within or delivered to the Territory shall be ________ ("Commission Rate"). Commissions shall be deemed earned by Representative upon acceptance or delivery of the order or any part thereof by Principal, whichever occurs first. Commissions earned by Representative shall be computed on the net amount of the invoice rendered for each order or part of an order, exclusive of freight and transportation costs (including insurance), normal and recurring bona fide trade discounts and any applicable sales or similar taxes. All commissions earned by Representative shall be due and payable to Representative on or before the twentieth (20th) date of the month immediately following the month during which the invoice applicable to an order is sent by Principal. Regardless of the date, each month when customers are mailed an invoice, immediately after shipment leaves, a copy of that customer's invoice will be mailed to the Representative.

NOTE: As a principal, your first concern should be in building the goodwill of your agents. Sending an invoice the day of shipment to the agent accomplishes THREE THINGS:

a. At the end of each month, the agent can calculate exactly the amount of commission to be received BEFORE the 20th (And in that regard keep on top of your accounting department to be absolutely sure commission cheques are mailed in ample time to arrive before their due date.) There is NOTHING that will smother agent goodwill more or faster than not receiving his due pay right on PAY DAY. EXTREMELY IMPORTANT.

b. The agent will know how well (or poorly) you are servicing his accounts. The second worst thing from an agent's point of view is not giving his accounts the same preference as domestic accounts on back orders or delays. He wants a reliable principal in every regard or he will loaf as far as your product sales are concerned.

c. He can immediately inform his good accounts that the shipment has left your plant. Often this results in a further immediate order, depending on the account's stock or production run. Also very important: The agent, having received immediate copies of each invoice, will know which of his customers have just received a shipment. Depending on the type of article you make, if one account of the agent is extremely low on stock, the agent can go to the account with plenty of stock and borrow an emergency supply.

OFTEN THE TREATMENT AN AGENT GETS FROM THE PRINCIPAL IS MORE FROM A LEGAL POINT OF VIEW, BUT UNLESS THE PRINCIPAL PROVES HE IS 100 PER CENT BEHIND HIS AGENT, RESULTS WILL SUFFER.

6. *Term.* This Agreement shall continue in full force and effect until the date ("Termination Date") set forth in a notice given by one party to the other indicating such party's election to terminate this Agreement, which Termination Date shall be at least one-hundred twenty (120) days after the date notice of such election is given. Alternatively, this Agreement may be terminated at any time by mutual written agreement between both parties hereto. If this Agreement shall terminate for any reason whatsoever, Representative shall be entitled to receive Representative's full commissions determined in accordance with provisions of Paragraph Five with respect to orders solicited prior to the effective date of such termination, regardless of when such orders are accepted by Principal (provided Representative can demonstrate such orders were solicited prior to the effective date of such termination) and regardless of when such shipments are made or invoices rendered.