

# STRATEGICSOURCE, INC.

## LEAD REFERRER - INDEPENDENT SALES REPRESENTATIVE AGREEMENT

This Lead Referrer – Independent Sales Representative Agreement (“Agreement”) is entered into between StrategicSource, Inc. a Minnesota corporation with its offices located at 10812 Nesbitt Avenue South, Bloomington, Minnesota. U.S.A. (“StrategicSource”), and

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Name \_\_\_\_\_ Address, City, State, Zip \_\_\_\_\_  
hereinafter referred to as Representative.

1. **Appointment.** STRATEGICSOURCE hereby appoints Representative/Master Representative its independent sales representative within specified Territories, in a non-exclusive capacity. Representative will be responsible for and eligible to work in the markets and territories as outlined on Exhibit C.
2. **Scope.** STRATEGICSOURCE authorizes Representative to represent, sell or generate leads for the following STRATEGICSOURCE services:  
Integrated Purchasing Services - Subscription based  
Purchasing & Spend Analysis - Project based  
Strategic Purchasing Services - Retainer based  
Cost Reduction Services -Project based  
Cost Value Project - Project based
3. **Costs.** All costs and expenses incurred by Representative in the course of performance of this Agreement shall be the sole responsibility of the Representative.
4. **4.1 Lead Referral Fees.** STRATEGICSOURCE will compensate Representative for all “lead referrals approved sales” according to the guidelines set forth in Exhibit A. Commission payments will be paid on the last pay period of each month.  
**4.2 Changes to Program.** Representative acknowledges and agrees that STRATEGICSOURCE may in its sole discretion, expand, change the scope, territories, contents, and/or delete, any terms, commission structure or benefits offered under the Program and any such Changes to Program shall take effect thirty (30) days after the date of a written notice sent to Representative.
5. **5.1 Term and Termination.** This Agreement will commence as of the Effective Date first shown above and will remain in effect for a period of one (1) year, unless terminated earlier as set forth herein. Unless terminated, this Agreement shall automatically renew for additional Renewal Terms of one (1) year.  
**5.2 Early Termination.** Either party may terminate this Agreement prior to the end of the Term or any Renewal Term upon thirty (30) days written notice to the other party of its intent to terminate. Notice shall be deemed given when delivered to the other party or three days after the date on which a notice is mailed. Additionally, either party may terminate this Agreement for Cause immediately upon notice to the other party. “Cause” shall be defined as (a) a material breach of any obligation under this Agreement; (b) insolvency; (c) filing of a bankruptcy petition being subject to an involuntary bankruptcy petition; (d) sale of the party’s assets are sold or a change of control occurs; conviction of any misdemeanor involving dishonesty, fraud or breach of trust or conviction of a felony; or (e) violation of STRATEGICSOURCE’S standards for ethical business conduct or any other misconduct that materially injures STRATEGICSOURCE, monetarily or otherwise.  
**5.3 Liability for Fees Upon Termination.** Upon termination of this Agreement for any reason, STRATEGICSOURCE shall only be liable for payment of any Lead Referral Fees earned by Representative prior to the date of termination. Except as set forth herein, neither party shall be responsible to the other for any costs or damages resulting from the termination of this Agreement.

**5.4 Effects of Termination.** Upon termination of this Agreement for any reason, Representative will immediately cease to represent itself as a STRATEGICSOURCE Representative and STRATEGICSOURCE will immediately cease to represent that Representative is a member of the Lead Referral-Independent Sales Representative program.

In the event of any termination, STRATEGICSOURCE and Representative will cooperate in good faith on any then pending customer opportunities (including Lead Referrals and proposals) with the objective of avoiding disruption of those opportunities.

6. **Registration and Sales Process.** Registration of prospect leads must occur before any sale is completed or authorized with a prospect as outlined by the process in Exhibit B. STRATEGICSOURCE may in its sole discretion reject any potential sale or sale to a prospect. Representatives must complete the Client Purchasing Survey (prospect qualifier) found on Exhibit D and submit the same with any Lead Registration.
7. **Indemnification.** Each party shall defend, indemnify, and hold harmless the other party against any and all liabilities, obligations, claims, actions, costs, damages, and expenses (including reasonable legal fees) arising out of or in connection with the performance or use of STRATEGICSOURCE's Product(s) by any third party; any act or omission by either party that materially violates this Agreement. Upon occurrence of such indemnification obligation, (1) the party shall promptly notify the other party in writing of such claim; (2) notifying party shall assume sole control of the defense of such claim and all related settlement negotiations; and (3) notifying party will provide assistance, information and authority necessary to perform the party's obligation under this Section.
8. **Intellectual Property**

**8.1 Use of Marks.** Representative must seek written approval from STRATEGICSOURCE for any documents or marketing-sales materials in which the STRATEGICSOURCE mark, logos, or materials or references to STRATEGICSOURCE are used. STRATEGICSOURCE has the right to reject and restrict any materials proposed or in use by the Representative.

**8.2 Ownership.** STRATEGICSOURCE and Representative hereby acknowledge that STRATEGICSOURCE is the exclusive owner of all rights, title, and interest in and to, or authorized licensee of, the Intellectual Property Rights associated with the Software, the Lead Referral Program, Training Materials, and marketing support.

**8.3 Confidential Information.** For all purposes of this Agreement, the term "Confidential Information" means information not generally known that is proprietary to or within the unique knowledge of the entity from which it derives its economic value (whether or not conceived, originated, drafted, or developed in whole or in part by Representative). Representative hereby acknowledges and agrees that in the course of performing this Agreement, Representative may be privy to Confidential Information of either STRATEGICSOURCE or its customers. Confidential Information includes, but is not limited to personnel, financial and organizational information of STRATEGICSOURCE and its customers, pricing and bidding information, suppliers, vendors and other business contacts which STRATEGICSOURCE or its customers use or contract with, software and code owned or developed by STRATEGICSOURCE, customer lists and customer information, customer prospect lists and information, technical data related to STRATEGICSOURCE or its customers' services and production of services, policy documents, and any and all documents prepared by or used by Representative during the term of this Agreement, including all copies thereof, whether in documentary, computer storage, audio or video tape or any other medium or form.

During the performance of this Agreement and at all times thereafter, Representative agrees to receive, maintain, and use Confidential Information in the strictest confidence and, except with the consent of the owner of the Confidential Information, will not retain, copy, publish, disclose or transfer any Confidential Information to any person, firm, corporation, or other entity or utilize any Confidential Information for Representative's own benefit or for the benefit or intended benefit of any other person, firm, corporation or other entity.

All data, forms, manuals and other records and written material prepared or compiled by Representative or furnished to Representative while performing this Agreement shall be the sole and exclusive property of STRATEGICSOURCE and Representative shall promptly return such material upon termination of this Agreement.

- 9. COVENANT NOT TO COMPETE; NON-SOLICITATION AGREEMENT.** Representative acknowledges and agrees that STRATEGICSOURCE has expended valuable resources cultivating customers, devising proprietary processes, operating information, proposals and business plans and that STRATEGICSOURCE has a legitimate business interest in protecting the identity of its customers, its business model, proposals and ideas, and its ability to enter into STRATEGICSOURCE contracts.
- 9.1 Non-Compete.** Representative agrees, while performing Services pursuant to this Agreement and for one year after termination of this or any successor Agreement with STRATEGICSOURCE that Representative shall not individually or in any other capacity use or engage in the dissemination of information about customers or client lists of STRATEGICSOURCE, or engage in the marketing, sale, distribution or furnishing of products or services comparable to that of STRATEGICSOURCE, to customers of STRATEGICSOURCE, prospective customers or accounts of STRATEGICSOURCE anywhere within any state in which STRATEGICSOURCE has provided its services in the three years prior to termination of this Agreement.
- 9.2 Non-Solicitation.** Representative agrees that, for one year after termination of this Agreement that Representative will not cause or authorize, either directly or indirectly, the solicitation for employment or contract work by Representative or on Representative's behalf or by a third party, any person who was, on the date of termination of this Agreement, or for a period of one (1) year thereafter an employee or Representative of the Company.
- 9.3 Enforcement.** The Representative agrees that, in the event s/he is found to have breached any of the covenants contained in this Covenant Not to Compete and Non-Solicitation Agreement, STRATEGICSOURCE shall be entitled to collect from Representative its reasonable costs in enforcing this Agreement, including attorneys' fees. The Representative understands and agrees that the restrictions contained herein shall apply no matter when, how or why this Agreement terminates and regardless whether the termination is voluntary or involuntary. Representative further understands and agrees that the restrictions contained in this Agreement shall survive termination of the Agreement. STRATEGICSOURCE shall also have the right to provide a copy of this Agreement to any potential employer of, or contractor with Representative or business entity with whom it has reason to believe Representative intends to, or has, entered into an agreement to perform services which would constitute a violation of this Agreement.
- 10. INJUNCTIVE RELIEF.** Representative acknowledges and agrees that the covenants contained in Sections 8 and 9, above, relating to intellectual property, confidentiality, noncompetition and nonsolicitation are for the protection of Confidential Information, customer good will and relationships and other *bona fide* protectable interests of STRATEGICSOURCE and that a breach of any of those covenants will cause serious and irreparable damage to STRATEGICSOURCE. Representative agrees that damages at law would be an inadequate remedy for a breach of any of those covenants. In addition to any and all other remedies to which STRATEGICSOURCE would be otherwise entitled, STRATEGICSOURCE shall be entitled to injunctive relief with respect to any breach of those covenants by Representative.
- 11. Full Power and Authority; Ethical Conduct.** The parties each represent and warrant that: (a) it has full power and authority to enter into this Agreement; (b) it shall conduct its business in a manner that reflects favorably at all times on the products, services, good name, goodwill, and reputation of the other party; (c) it shall make no representation warranties, or guarantees with respect to STRATEGICSOURCE Offerings ("Offerings") or Representative Product(s), or their features, functionality, or specifications, that are inconsistent with then current published documentation or a party's then standard agreements for such Offerings; and (d) shall make no representations, warranties, or guarantees on behalf of the other party, except those representations, warranties or guarantees provided in writing by STRATEGICSOURCE to its Customers.
- 12. Independent Contractors.** The parties undertake their respective obligations under this Agreement as independent contractors. This Agreement does not, and is not intended to create any employment, agency, distributorship, franchise, joint venture, legal Partnership, or other similar legal relationship between STRATEGICSOURCE and Representative. Neither party shall have any right or authority to act on behalf of, or to bind the other party and neither party shall represent to any third party that it has such right or authority.

**13. Miscellaneous.**

**13.1 Notices.** All notices required to be sent hereunder shall be in writing and shall be sent via certified mail or via express package carrier.

**13.2 Severability.** In the event any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.

**13.3 Governing Law; Exclusive Jurisdiction.** This Agreement shall be governed by the laws of the State of Minnesota. Each party consents to the exclusive jurisdiction of the state and federal courts located in Hennepin County, Minnesota for the resolution of any disputes arising from the interpretation or performance of this Agreement and waives any claim that such forum is not convenient.

**13.4 Assignment.** Neither party shall have the right to assign or transfer any of its rights, obligations or duties under this Agreement without the prior written consent of the other party. This Agreement shall be binding upon and inure to the benefit of any permitted successor or assignee of a party.

**13.5 Waiver Of Contractual Right.** The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

**13.6 Entire Agreement.** This Agreement together with all exhibits and addenda, each of which is here incorporated by reference, constitutes the complete agreement between the parties and supersedes all prior or contemporaneous agreements or representations, written or oral, concerning the subject matter of this Agreement, its exhibits or addenda. Except for changes which may be made STRATEGICSOURCE as set forth herein, this Agreement may not be modified or amended except in writing signed by a duly authorized representative of each party.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have duly executed this Agreement to become effective as of the date first above written.

\_\_\_\_\_  
*Name*

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

Douglas Austin  
\_\_\_\_\_  
*Name*

\_\_\_\_\_  
*Title*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

StrategicSource, Inc.

**Commission Schedule  
Exhibit A – Revised 11-3-09**

Commissions are due and paid on project revenues when paid by the Client. Commissions are generally paid during the second pay period of each month.

### Commission Schedule

<b>Purchasing Services</b>	<b>Register Lead</b>	<b>Set Appointment</b>	<b>Total Lead Opportunity</b>	<b>Close the Sale</b>	<b>Total Commission Opportunity</b>	<b>Year 2 Commission</b>	<b>Year 3 Commission</b>
<b>Purchasing Spend Analysis PSA</b>	3%	2%	5%	5%	10%	N/A	N/A
<b>Strategic Purchasing Services SPS</b>	3%	2%	5%	5%	10%	3%	1%
If PSA converts to a 1 year SPS	N/A	N/A	25% of PSA Fee	5%	N/A	N/A	N/A
If PSA converts to a 2 year SPS	N/A	N/A	50% of PSA Fee	5%	N/A	N/A	N/A
<b>Integrated Purchasing Services IPS</b>	3%	2%	5%	5% +\$500 set-up	10% +\$500 set-up	10%	5%
<b>Cost Reduction Services CRS</b>	3%	2%	5%	5%	10%	N/A	N/A
<b>Master Representative Override</b>	N/A	N/A	N/A	N/A	<b>4.5%</b>	<b>3%</b>	<b>2%</b>
<b>Split Commissions</b>	President or CFO will decide upon split commissions if a conflict exists						

\*STRATEGICSOURCE reserves the right to alter the commission structure at any time with 30 days written notice to Representatives.

\*In the event of any dispute pertaining to whether a Representative achieved the above benchmarks for earning commissions, the decision of the STRATEGICSOURCE President or his authorized designee shall control.

\*STRATEGICSOURCE reserves the right to alter the commission structure at any time with 30 days written notice to Representative, provided that a change in commission structure is applied to all STRATEGICSOURCE Independent Sales Representatives.

\*In the event of any dispute pertaining to whether a Representative achieved the above sales activities benchmarks for earning commissions, the decision of the STRATEGICSOURCE President or his authorized designee shall control.

\*Master override sales commissions are earned by the Representative for any and all clients that Representative has participated in the sales process (authorized or requested by Strategicsource) resulting in a signed client agreement and are due and payable when invoiced to the STRATEGICSOURCE client for those sales.

\*Commissions paid to Representative based on invoices will be reversed within 60 days of invoice date if client has not paid invoice and/or is unlikely to pay same to StrategicSource, Inc.

### STRATEGICSOURCE LEAD REGISTRATION FORM EXHIBIT B

1. Registering a qualified lead or referral (prospect) – Leads may be registered using the form attached. The following information must be submitted to STRATEGICSOURCE to be considered a Registered Lead.

Date of registration, Representative  
 Name and contact information of the Representative  
 Company Name, industry and location(s)  
 Prospect Qualifier completed – Exhibit D  
 Key Contact including title, phone # - and e-mail address. Key Contact is defined as either the recommender to the decision-maker or the decision-maker him/herself  
 Annual revenues of prospect  
 Status of purchasing department (exists, does not exist)  
 Specific interest level in exploring STRATEGICSOURCE purchasing solution(s).

2. Meeting Scheduled – If the Representative schedules/coordinates a meeting for a STRATEGICSOURCE Executive or Sales Person, and STRATEGICSOURCE accepts such meeting, the Referrer must also provide the following information:  
 Meeting time and place  
 Key decision maker(s) identified

STRATEGICSOURCE Lead Registration Form

Date Submitted:		Representative Name	
Industry:		Date Contacted:	
Company Name:		Key Contact Name:	
Address:		Key Contact Title:	
Address:		Contact Phone:	
City:		Contact E-Mail:	
State:		Annual Revenues:	
Zip Code:		Locations:	
Purchasing Dept.		Proposed Meeting Dates:	
Meeting Desired With STRATEGICSOURCE Rep?		Meeting Location:	
Prospect Decision Maker Name:		Prospect Decision Maker Title:	
Prospect Interest in STRATEGICSOURCE Services (please describe)			

Forward STRATEGICSOURCE Lead Registration and Prospect qualifier to:

STRATEGICSOURCE Administrative Assistant:	Phone: 952-746-8047
Fax: 952-887-2700	E-Mail: Krosvold@StrategicSourcepurchasing.com

**STRATEGICSOURCE  
NON-EXCLUSIVE MARKETS AND TERRITORIES  
EXHIBIT C**

Vertical Markets to be served


Geographic Territories to be served


\*STRATEGICSOURCE reserves all rights to assign territories and markets and to modify territories and markets assigned to its Representatives. Representative acknowledges all assignments are non-exclusive, i.e., one or more additional Representatives may be assigned to all or some of the above markets and territories.

**STRATEGICSOURCE  
CLIENT PURCHASING SURVEY  
EXHIBIT D**

Date:		Company Name:	
Respondent Name:		Title:	
Address:		City, State, Zip:	
Annual Revenues:		Phone:	
Locations:		E-Mail:	
Total Employees:		Industry:	
Geographic Locations:		Purchasing Function:	
STRATEGICSOURCE Rep. Name:		Purchasing FTE's	

	Client Purchasing Survey Please check the box that best describes your level of agreement with the following statements	Strongly Disagree	Disagree	N/A or Unsure	Agree	Strongly Agree
1	Centralization – Centralization of the Purchasing function is required to realize both short and long term cost control benefits					
2	Resources – Trained Purchasing resources are available to source, qualify, quote and analyze all 50+ indirect expense categories.					
3	Policies and Controls – Purchasing policies, approval limits and key processes will provide benefit and reduce organizational risk.					
4	Change – Management must endorse, support and promote the change required to achieve the benefits of centralized purchasing.					
5	Supplier Change – To realize annual cost savings of 10% or more, our organization is willing to change suppliers in most cases.					
6	Cost Savings – Cost savings will be realized through improved pricing, standardization of core items and a reduced supplier base.					
7	Supplier Base - A narrow supplier base will increase leverage, simplify management and reduce internal processing costs.					
8	Information – 24/7 access to all supplier contact information, supplier contracts, pricing and ordering of supplies will be helpful.					
9	Internal Compliance – Employee compliance using Preferred suppliers will be critical to achieving projected cost savings.					
10	Compliance Audits – Audits of supplier invoices will be helpful in maintaining supplier price compliance and overall cost reductions.					

Please return to StrategicSource:  
[Krosvold@StrategicSourcepurchasing.com](mailto:Krosvold@StrategicSourcepurchasing.com)  
 Fax - 952-887-2700

Thank you!

**STRATEGICSOURCE**  
**Lead Referrer – Independent Sales Representative Profile**  
**EXHIBIT E**

First Name:	<b>Greg</b>	Last Name:	<b>Jones</b>
Company Name:		City:	
Address 1:		State:	
Address 2:		Zip Code:	
Office Phone:		Office Fax:	
Cell Phone:	<b>612-384-1717</b>	Home Phone:	
E-Mail Address:		URL:	
Products/Services Sold:		Markets:	
Geography: (state coverage)		Sample of Current Clients:	
Typically sell into what level: (C-Level Director, Manager):		Years of Sales Experience:	
Number of Sales Representatives:		Year Founded:	

<b>Interest in StrategicSource</b> (Please describe)
<b>Sell all products in all vertical markets</b>

Please return to StrategicSource:  
[Krosvold@StrategicSourcepurchasing.com](mailto:Krosvold@StrategicSourcepurchasing.com)  
 Fax - 952-887-2700

Thank you!