Terms of Business for Permanent Recruitment Services

These terms apply to every candidate [Agency Name] introduces to [Client Name] for permanent or direct-hire employment. Replace the bracketed items, delete the option you do not use in section 4, and have both parties sign. Temporary and contract staffing is covered by a separate staffing agreement.

1. PARTIES AND ACCEPTANCE

These Terms of Business are between [Agency Legal Name], [Agency Address] (the Agency), and [Client Legal Name], [Client Address] (the Client), effective [Effective Date]. The Client accepts these terms by signing below or, if unsigned, by interviewing, engaging or otherwise using any candidate the Agency introduces after receiving these terms. If these terms conflict with any purchase order or Client form, these terms apply unless both parties sign a written change.

2. DEFINITIONS

Introduction means the Agency giving the Client a candidate's name, resume, profile or any information that identifies the candidate, by any means, or arranging an interview. The date of Introduction is the date that information is first sent. Engagement means the Client, or any parent, subsidiary, affiliate or person to whom the Client passes the candidate's details, employing or engaging the candidate in any capacity, whether as an employee, contractor, consultant or through another agency. Start Date is the candidate's first day of work. First-Year Remuneration means the guaranteed annual base salary for the role at the Start Date plus [guaranteed sign-on bonus / guaranteed first-year bonus / car allowance / other], excluding benefits, equity and discretionary bonus. For hourly roles, First-Year Remuneration equals the hourly rate multiplied by [2,080] hours.

3. AGENCY SERVICES

On receiving a job order, the Agency will source, screen and introduce candidates it believes fit the Client's stated requirements. The Agency will confirm each candidate's interest in the role and consent to be represented before Introduction. The Agency will take reasonable care to check candidate information but does not guarantee the accuracy of information supplied by candidates or referees. The Agency will not knowingly introduce a candidate it has been told is unsuitable or not authorized to work in [Country].

4. FEES

Option A, contingency: a fee becomes due only when a candidate introduced by the Agency is Engaged. The fee is [20]% of First-Year Remuneration for roles up to [$100,000] and [25]% for roles above [$100,000], subject to a minimum fee of [$8,000]. Option B, retained search: the Client pays a total fee of [30]% of the estimated First-Year Remuneration of [$Estimated Salary], in three installments: one third on signing, one third on delivery of a shortlist of [3 to 5] interviewed candidates, and one third when the selected candidate accepts an offer. The final installment is adjusted to reflect actual First-Year Remuneration. Retainer installments are non-refundable once the related work is delivered. Fees are exclusive of sales tax, which is added where applicable. If the Client engages the candidate in a different role from the one discussed, the fee is calculated on the role actually filled.

5. INVOICING AND PAYMENT

The Agency will invoice on the candidate's acceptance of an offer [or: on the Start Date]. Payment is due within [30] days of the invoice date. The Client will tell the Agency in writing within [2] business days of an offer being accepted, with the agreed First-Year Remuneration and Start Date. If the Client does not give this information, the Agency may invoice on its reasonable estimate. Late payments carry interest of [1]% per month or the maximum allowed by law, whichever is lower. The guarantee in section 7 applies only if the invoice was paid in full by its due date.

6. OWNERSHIP OF INTRODUCTIONS

A fee is payable under section 4 if the Client Engages a candidate within [12] months of the date of Introduction, for any role, whether or not the Agency arranged an interview for that role. This applies even if the candidate was later introduced by another agency or applied directly, unless the Client shows written records that the candidate was already in active consideration for a role with the Client within the [6] months before the Agency's Introduction and tells the Agency so in writing within [2] business days of that Introduction. If the Client passes a candidate's details to a third party who then Engages the candidate within [12] months, the Client pays the fee as if it had Engaged the candidate itself.

7. GUARANTEE

If a candidate leaves, or is dismissed for reasons other than redundancy, restructuring or a change in the role, within [90] days of the Start Date, the Agency will at its option search for a replacement for no further fee, or refund part of the fee on this scale: [leaves in days 1 to 30: 75% refund; days 31 to 60: 50%; days 61 to 90: 25%]. To claim, the Client must tell the Agency in writing within [7] days of the departure. One replacement is offered per placement; a replacement candidate is not covered by a further guarantee. No guarantee applies to retained search fees unless stated in writing.

8. OFFER WITHDRAWAL AND CANCELLATION

If the Client withdraws an offer after the candidate has accepted it, other than because the candidate failed a lawful pre-employment check disclosed in advance, the Client pays [50]% of the fee that would have been due. If the Client cancels a retained search, installments already due remain payable. If the Client fills the role through any source during a retained search, the remaining installments become due.

9. CLIENT RESPONSIBILITIES

The Client is responsible for: making its own hiring decision; verifying work authorization through Form I-9 and, where it participates, E-Verify; obtaining references, background checks, drug tests and licenses it requires, in line with the Fair Credit Reporting Act and applicable state and local law; complying with equal employment opportunity laws in its job requirements and selection; and setting pay, which must meet minimum wage, overtime and pay transparency laws in the work location. The Client will not ask the Agency to screen candidates on any basis protected by law.

10. CONFIDENTIALITY AND CANDIDATE DATA

Candidate information is supplied in confidence for the sole purpose of considering the candidate for employment. The Client will not copy it, pass it to third parties or use it for any other purpose, and will keep it secure and delete it when no longer needed, in line with applicable privacy laws including

[CCPA / GDPR / other]. Each party keeps confidential the other party's fees, business information and client lists.

11. EXPENSES

The Client reimburses pre-approved expenses, including candidate travel for interviews and paid advertising for retained searches, at cost. The Agency will get written approval before incurring any single expense over [$500].

12. LIABILITY

The Agency is not liable for any loss arising from the Client's engagement of a candidate, including the candidate's conduct, performance or absence, except to the extent caused by the Agency's negligence or willful misconduct. Neither party is liable for indirect or consequential loss. The Agency's total liability under these terms is limited to the fees paid for the placement concerned.

13. GENERAL

These terms are governed by the laws of [State]. Disputes go first to good-faith discussion between senior contacts for [30] days, then to [mediation / the courts of County, State]. Changes must be in writing and signed by both parties. If any clause is found unenforceable, the rest remains in effect. These terms remain in force until either party ends them with [30] days' written notice; fees for Introductions made before termination remain payable under section 6.

SIGNATURES

For the Agency: name and title

Agency signature

Date

Date

For the Client: name and title

Client signature

Date

Date

Client accounts payable contact and email for invoices