



Direct Hire Terms of Business

This recruitment agreement (the “Agreement”) is entered into by Source Group International Inc., including its parent companies, trade names, affiliates, subsidiaries, directors and employees, together a recruitment agency, located at 145 S Fairfax Ave, LA, 90036 (“SGL”); and _____, located at _____ (“Client”), including its parent companies, trade names, affiliates, subsidiaries, directors and employees (each a “Party” and collectively the “Parties”).

In consideration of the promises and covenants contained and other good and valuable consideration, the Parties agree as follows:

1. Client’s Obligations.

The Agreement shall be deemed accepted and agreed by Client upon the first of the following to occur: (a) Client’s execution of the Agreement; (b) Client’s request for services; (c) Client’s in-person or phone interview of a Candidate; or (d) an Engagement. Client will provide SGI with the necessary information for the Candidate to perform to Client’s standards, including the role’s responsibilities, required experience, certifications, screening requirements, location, start date, hours, compensation and benefits. A “Candidate” is the person, applicant or entity Presented (defined below) by SGI to Client.

2. SGI’s Candidate Presentation. SGI will attempt to Present Candidates who met Client’s expectations. To “Present” means SGI’s provision of any information to Client about a Candidate, whether written or oral, including resume, contact information, skillset, references, availability, background, profile or experience. Only Client can adequately determine whether a Candidate is fit for an Engagement. An “Engagement” means a direct or indirect, fulltime, part-time, temporary hire, hourly engagement, consultancy, contract to hire, or other arrangement of the Candidate.

3. Payment and Guarantee.

- a. Client shall pay SGI a recruitment fee (the “Fee”). The Fee is calculated as a percentage of the “Total Compensation,” which is a Candidate’s anticipated total first year’s earnings, including salary, commission, bonuses, relocation, allowances, guarantees, incentives, draw earnings and fringe benefits. The Fee is calculated per the table below:

Salary Range	Fee
\$100,000 to \$149,999.99	25% of the Total Compensation
\$150,000 to \$199,999.99	30% of the Total Compensation
\$200,000 and above	35% of the Total Compensation

- b. Client shall pay SGI the Fee plus applicable tax within seven (7) days after the date of invoice.
- c. SGI shall charge interest on all overdue amounts at the higher of (i) 1.5% per month or (ii) the highest rate permitted by applicable law.
- d. Client shall pay SGI the Fee if Client Engages a Candidate within twelve (12) months from the latest to occur of the following: (a) Client’s in-person interview or phone interview of the Candidate; (b) any Presentation or any re-Presentation; (c) the most recent discussion between the Parties regarding the Candidate; (d) Client’s withdrawal of an offer; or (e) Client’s rejection of the Candidate. If Client Engages the Candidate on an hourly basis or the Total Compensation is unknown, the Fee shall be 500 times the





Candidate's hourly rate as determined by SGI in its reasonable discretion. In all cases, the minimum Fee shall be \$20,000.

- e. SGI shall guarantee a Candidate's Engagement for eight (8) weeks from the Candidate's start date ("Candidate Guarantee"). If that Candidate's Engagement ends during the 8-week period, SGI will work to refill that position for free.
- f. Under no circumstances will SGI apply the Candidate Guarantee if any of the following occur: the cause of Candidate's employment termination or resignation is beyond SGI's control or unrelated to the Candidate's qualifications; Candidate is laid off; Candidate is discharged without cause; Client fails to timely pay the full Fee; Client fails to comply with this Agreement; or Client fails to notify SGI, in writing, of the reason for the employment termination or resignation, within seven (7) business days of the Candidate's last day.
- g. SGI reserves the right to charge the Client 35% of the Total Compensation should payment of the invoice not be made according to the agreed payment terms in this section.
- h. If Client withdraws a written or verbal offer, Client shall pay SGI a non-refundable \$3,000 fee.
- i. Client may not be obligated to pay the Fee if Client has been actively communicating with the Candidate within five (5) calendar days prior to SGI's Presentation and Client provides SGI with proof of such communication satisfactory to SGI within five (5) calendar days following the Presentation.
- j. Should Client fail to notify SGI of an Engagement within five (5) business days from the Candidate's start date, SGI, at its discretion, may charge a non-refundable Fee equal to 35% of SGI's reasonable estimate of the Total Compensation. No Candidate Guarantee shall apply under these circumstances.

4. Confidentiality and Non-Solicitation.

- a. The Parties ensure mutual confidentiality of all information exchanged including business and Candidate information, rates, and resume data.
- b. If Client discloses any Candidate information to a third party, or refers a third party to any Candidate, within twelve (12) months of any Presentation or re-Presentation, and such third-party contracts with or hires the Candidate, Client shall pay SGI a Fee equal to 35%.
- c. Intentionally deleted.

5. Limitation of Liability and Miscellaneous.

- a. SGI takes no responsibility for any liability resulting from an Engagement or for Candidate's acts or omissions, in particular (but without limitation), any loss, injury, damage, expense or delay arising in connection with: (a) failure of any Candidate to meet Client's requirements; (b) any act or omission of any Candidate, whether wilful, negligent, fraudulent, dishonest, reckless, or otherwise.
- b. Neither Party will be liable for consequential damages. SGI's liability to Client upon any causes of action arising from or related to this Agreement are limited to the amount paid by Client.
- c. Any ambiguity in this Agreement shall be construed as if both Parties jointly prepared this Agreement.
- d. This Agreement is governed by and subject to the laws of the State of California without regard to its conflicts of law principles and is subject to the exclusive jurisdiction of Los Angeles County, California courts.
- e. Client shall pay for all of SGI's legal fees, court costs and/or collection costs in the event SGI has to collect the Fee, defend its rights, or enforce its contractual rights hereunder.
- f. This Agreement is binding on the Parties and their successors, purchasers and assignees. Each Party's rights and obligations that by their nature survive the termination or expiration of this Agreement shall





survive. This Agreement may be signed in counterparts and constitutes the entire agreement and understanding between the Parties and supersedes all previous agreements, pre-existing negotiations, representations, promises and discussions, either written or oral. Any amendment or alteration of this Agreement needs to be executed by an authorized representative of both Parties in writing.

The Parties have executed this Agreement in duplicate as of the date first written below as evidenced by the following signatures:

Source Group International Inc.

Client

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Date: _____

Date: _____

