TIKTOK SHOP AGENCY AGREEMENT

This TikTok Shop Agency Agreement (the "Agreement") is made as of _____ (the "Effective Date") between the following parties (each a "Party" and together the "Parties"):

BETWEEN: _____ (the "Brand")

AND: _____ (the "Agency")

KEY TERMS

Commission Rate	12%
Minimum Term	6 months
Minimum Monthly Samples For Influencers	1,000 product samples per month

1. NATURE OF THE ENGAGEMENT

Commission only: The Agency is paid by commission only. The Brand pays no retainer, setup fee or monthly fee. The Agency earns only when the Brand makes sales, so both Parties benefit from the same growth.

Purpose of the Minimum Term: The Agency carries most of the risk at the start. It spends several months recruiting creators, sending samples and building content before meaningful sales arrive. The Minimum Term makes sure the Agency is paid for that early investment.

Intent of the Parties: The Agency does not seek an engagement without end. Its aim is to build a profitable program and help the Brand scale it.

2. SCOPE OF SERVICES

The Agency shall run the Brand's TikTok Shop creator program in full. The Brand does not need to hire extra staff or manage creators itself. The services are:

- **Strategy:** Setting the creator commission structure, the sample plan and the product priorities.
- **Creator recruitment:** Finding, vetting and onboarding creators who fit the Brand. The target is several hundred creators within the first three months.
- **Sample management:** Handling every sample request and onboarding each creator.
- **Creator briefing:** Giving creators product information, key messages and examples of content that sells well.
- **Content management:** Reviewing content, coordinating posting schedules and following up so creators keep posting.
- **Top-performer development:** Working with the best-performing creators to help them post more.

- **Paid amplification:** Choosing the best-performing videos for paid promotion, with each creator's consent, and running those campaigns.
- **Creator community:** Running a private community where creators get coaching and feedback.
- **Incentive programs:** Planning creator contests, awards, gifts and events.
- **Partnerships and LIVE selling:** Arranging paid deals with larger creators and LIVE shopping sessions. The Brand shall approve all fees before they are agreed.
- **Reporting:** Tracking sales by creator and by video, and reporting the results to the Brand.

The Agency charges no fee for any of these services. All of the Agency's work is covered by the commission. The costs of the add-ons themselves, such as gifts, events and creator fees, are paid by the Brand. The Agency takes no share of any advertising budget or creator budget.

3. PRODUCT SAMPLES

Samples are essential to the program. Creators promote products they have received and used. Without samples there is no content, and without content there are no sales. This is how TikTok Shop works. It is not a penalty.

- **Minimum volume:** Each calendar month, starting with the month of the Effective Date, the Brand shall ship at least the Minimum Monthly Samples to creators the Agency selects. One sample means one product unit. The samples are free to the creators. The Brand pays for the products and the shipping.
- **Shipping deadline:** The Brand shall ship each sample within two business days of approving the creator.
- **Creator pay:** The Brand does not need to pay these creators. They are paid through the affiliate commission set in TikTok Shop.
- **Shortfall:** If the Brand ships fewer than the Minimum Monthly Samples in any month, two things follow. Any targets or timelines the Agency has given no longer apply. The Agency is not responsible for any resulting drop in performance.

4. PAID ADVERTISING (OPTIONAL, HIGHLY RECOMMENDED)

Paid advertising is optional but highly recommended. Once creator videos start making sales, ads become necessary for further growth, especially as the TikTok Shop algorithm caps organic growth unless ad spend is put behind it. It is not necessary to have as big an ad spend as on, let's say, Meta ads. Ads give content that already sells a wider reach.

- **Small test first:** Once videos start selling, the Agency recommends a test of US$500 to US$1,000 over seven days. The Brand does not need to commit to a large budget up front.
- **Scaling:** If the test performs well, the Agency will recommend raising spend, usually to 10% to 20% of TikTok Shop sales.
- **Budget control:** The Brand approves all advertising budgets and pays TikTok directly. The Agency charges no ad management fee and takes no percentage of ad spend.
- **Coordination:** If the Brand has an in-house advertising team, the Agency shall work with that team.

5. CREATOR CONTENT ON OTHER CHANNELS

The program produces a large library of creator content. The Brand may use this content beyond TikTok Shop, and the Agency will help it turn that content into more ad creatives.

- **Usage rights:** The Agency will arrange usage rights with creators so the Brand can use their content on its website, social channels, email and paid ads. Any usage fee a creator charges is paid by the Brand, with its prior approval.
- **Ad creative support:** The Agency will select top-performing creator videos and help prepare them as ad creatives for platforms such as Meta, at no extra fee.
- **Commission on other ads:** If the Brand uses content from creators the Agency sourced or managed in paid ads on any platform outside TikTok Shop, such as Meta, the Brand shall pay the Agency the Commission Rate on the revenue those ads generate, as reported by the ad platform. This commission applies during the term and is invoiced and due on the normal schedule in Section 7.
- **Ad account access:** While the Brand uses that content in paid ads, it shall give the Agency view-only access to the relevant ad accounts so the Agency can see that revenue.

6. OBLIGATIONS OF THE BRAND

The program works only with close collaboration. The Brand shall:

- **Availability:** Meet with the Agency regularly and give feedback promptly.
- **Team involvement:** Involve its marketing, advertising, operations and product teams as needed.
- **Responsiveness:** Reply to the Agency, and approve creators, within one business day.
- **Account access:** Give the Agency limited access to its TikTok Shop Seller Center and its TikTok Ads account. Keep that access in place for as long as any commission is still owed.
- **Store readiness:** Keep products in stock and listed, and keep its TikTok Shop in good standing.
- **Creator commission:** Keep the creator commission at the level we agreed on, and not lower it without the Agency's written consent.

7. COMMISSION AND PAYMENT

- **Commissionable sales:** The Commission Rate applies to all TikTok Shop sales that come from creators, content, advertising or LIVE sessions the Agency sources or manages. Other sales channels are excluded, except ad revenue covered by Section 5.
- **Basis of calculation:** Commission is calculated on revenue, not profit. Revenue means the amount customers pay on TikTok Shop, before refunds, TikTok fees and creator commissions are taken off. Refunds do not reduce the commission owed to the Agency.
- **Invoicing:** The Agency sends two invoices each month, based on the Brand's Seller Center data. Each invoice charges the Commission Rate on the sales made in the period it covers.
- **Invoice on the 1st:** Covers sales from the 15th to the last day of the previous month. Due on the 7th.
- **Invoice on the 15th:** Covers sales from the 1st to the 14th of the current month. Due on the 22nd.
- **Payment method:** The Brand shall pay in US dollars by wire transfer to the Agency's US bank account. Each invoice must be paid in full by its due date, with no deduction or set-off. All amounts exclude applicable taxes.

- **Disputes:** The Brand must raise any dispute about an invoice in writing by that invoice's due date, and shall still pay any undisputed part by that date. An invoice not disputed by its due date is final.
- **Late payment:** Overdue amounts bear interest at 22.22% per month, compounded monthly, from the due date until paid in full. The Brand shall also repay all costs of collection, including reasonable legal fees.
- **Suspension:** If any payment is more than 7 days overdue, the Agency may suspend its services. The term, and the Brand's duty to pay commission, continue during any suspension.

8. TERM AND RENEWAL

- **Minimum Term:** This Agreement lasts for the Minimum Term. The Brand may not terminate it during that time.
- **Renewal:** This Agreement renews automatically for further periods, each equal to the Minimum Term. To stop a renewal, the Brand must give written notice of cancellation at least 30 days before the end of the current term, whether that is the first Minimum Term or a renewal.
- **Termination by the Agency:** The Agency may terminate this Agreement at any time by giving 7 days' written notice.

9. EARLY TERMINATION BY THE BRAND

- **No early termination:** The Brand may not end this Agreement before the current term ends.
- **If the Brand ends it early anyway:** The Brand shall pay the Agency the Commission Rate on ALL of the Brand's TikTok Shop sales for each month left in the term, invoiced and due on the normal schedule in Section 7. This applies whether or not those sales came from creators the Agency onboarded.
- **Stock and supply:** The Brand shall use its best efforts to ship samples on time and keep its products in stock. In every six-month period of this Agreement, the Brand shall have at least 30,000 product units in stock and available to send to customers, an average of about 5,000 units per month.

10. RESPONSIBILITY AND RISK

The Agency will use commercially reasonable efforts to present the Brand and its products accurately and professionally. However, the Brand takes full responsibility for its products and for the results of the program. The Agency is not responsible for any of the following:

- **Results:** The Agency does not guarantee any level of sales, return on ad spend (ROAS), profit or other result. The Agency is not responsible if the Brand does not earn back its ad spend, creator budget, samples or any other cost.
- **Creator statements:** Creators are independent third parties. They are not the Agency's employees or agents. The Agency is not responsible for anything a creator says, posts or does, including any false or unapproved claim about the Brand or its products.
- **Product responsibility:** The Brand alone is responsible for its products, their safety, their labelling, their legal compliance and every claim made about them.
- **Indemnity:** The Brand shall indemnify the Agency and hold it harmless against any claim, lawsuit, loss or expense that arises from the Brand's products, the Brand's content, or anything a creator says or does in connection with the program.

- **Platform decisions:** The Agency is not responsible for any action TikTok takes, including changes to its rules, fees or algorithm, account restrictions or content removal.
- **Limitation of liability:** Because the Agency is paid by commission only, its liability is strictly limited. To the fullest extent the law allows, the Agency is not liable for any indirect, incidental, special or consequential loss. Nor is it liable for any lost sales, profit, revenue or return on ad spend. The Agency's total liability under this Agreement shall not exceed the commission paid to it in the 30 days before the claim.
- **Time limit for claims:** The Brand must make any claim against the Agency in writing within three months of the event that gave rise to it.

Brand accountability: The Brand accepts full accountability for its products, its business decisions and the results of the program.

11. GENERAL PROVISIONS

- **Confidentiality:** Each Party shall keep the other Party's business information confidential.
- **Publicity:** The Agency may use the Brand's name, logo and results in its marketing.
- **Independent contractor:** The Agency acts as an independent contractor.
- **Entire agreement:** This Agreement is the whole agreement between the Parties. Any change must be in writing and signed by both Parties.
- **Severability:** If any part of this Agreement is found unenforceable, the rest stays in full force.
- **Signatures:** Electronic signatures are valid.
- **Governing law:** The laws of the Province of Ontario govern this Agreement. The courts of Toronto, Ontario have jurisdiction over any dispute.

IN WITNESS WHEREOF, the Parties have signed this Agreement as of the Effective Date.

[AGENCY NAME]
Signature: _____
Name and title: _____
Date: _____

[COMPANY NAME]
Signature: _____
Name and title: _____
Date: _____