

The Source and Recruit Company

Contingency Search Terms of Service

Version 1.1

Effective Date: July 21, 2026

These Contingency Search Terms of Service govern contingency-based candidate presentations made by The Source and Recruit Company, including its recruiters, employees, contractors, affiliates, and representatives, collectively referred to as “SRC,” “we,” “our,” or “us.”

The company receiving candidate referrals or recruitment services is referred to as “Client,” “you,” or “your.”

Please print or save a copy of these Terms of Service for your records.

1. Basis of Agreement

1.1 These Terms of Service apply to all contingency candidate referrals, introductions, presentations, submissions, interviews, offers, hires, and related recruitment activity performed by SRC unless a separately signed written agreement between SRC and Client expressly supersedes these terms.

1.2 Client acknowledges and agrees that assent to these Terms of Service is effective upon the earliest of the following:

- a. SRC confirms acceptance of Client’s search instructions in writing;
- b. SRC presents, refers, introduces, or submits a candidate to Client;
- c. Client arranges to interview, interviews, evaluates, contacts, or otherwise engages with a candidate presented by SRC;
- d. Client makes an offer to a candidate presented by SRC; or
- e. Client hires or engages a candidate presented by SRC, whether directly or indirectly.

1.3 The individual engaging SRC, communicating with SRC, requesting candidate presentations, receiving candidate information, or arranging candidate interviews represents that they have authority to act on behalf of Client and to bind Client to these Terms of Service.

2. Scope of Services

2.1 SRC provides contingency recruitment services, which may include identifying, sourcing, screening, referring, introducing, and presenting candidates to Client for potential employment, consulting, contractor, or other work engagements.

2.2 Unless otherwise agreed in writing, SRC's services are provided on a contingency basis. A placement fee is owed only if a candidate presented by SRC is hired or engaged under the circumstances described in these Terms of Service.

2.3 SRC may perform services using employees, contractors, affiliates, vendors, or other representatives in its discretion.

3. Client Cooperation and Hiring Responsibility

3.1 Client agrees to cooperate with SRC and provide timely, complete, and accurate information reasonably needed for SRC to perform the services.

3.2 Client is solely responsible for determining whether any candidate is suitable for Client's needs, role, workplace, culture, legal requirements, compensation structure, and business objectives.

3.3 Client is solely responsible for conducting all due diligence before hiring or engaging a candidate, including, as applicable:

- a. verifying references;
- b. confirming qualifications, credentials, education, licenses, and certifications;
- c. verifying employment eligibility and legal authorization to work;
- d. obtaining background checks or other screening permitted by law;
- e. confirming compensation, benefits, job duties, location, schedule, and other material employment terms; and
- f. complying with all applicable employment, labor, immigration, wage, discrimination, privacy, and hiring laws.

3.4 SRC may provide support, guidance, and candidate information, but Client retains final responsibility for all hiring and engagement decisions.

3.5 Client must promptly notify SRC when Client makes an offer to a candidate presented by SRC and when the offer is accepted. Client must also provide SRC with full remuneration details and copies of related documents, including the executed offer letter or engagement document.

3.6 If Client does not provide remuneration details or related documentation, SRC may calculate the applicable fee using the typical level of remuneration for the position based

on information supplied by Client, LaborIQ data, market data, comparable positions, and any other reasonable information available to SRC.

3.7 If SRC cannot perform its obligations because of Client's action, omission, delay, failure to cooperate, or failure to provide necessary information, SRC may suspend performance until the issue is remedied.

4. Candidate Referrals and Confidentiality of Candidate Information

4.1 All candidate referrals, resumes, profiles, compensation information, interview notes, assessments, communications, and related candidate information provided by SRC are confidential.

4.2 Client shall not disclose, forward, publish, distribute, or otherwise use candidate information except for the purpose of evaluating the candidate for a potential role with Client.

4.3 Client shall not refer, introduce, identify, recommend, or disclose any SRC-presented candidate to another employer, recruiting firm, affiliate, parent, subsidiary, business partner, or third party without SRC's prior written consent.

4.4 Client shall hold SRC harmless from liability arising out of Client's unauthorized disclosure, misuse, or distribution of candidate information.

5. When a Placement Fee Is Owed

5.1 Client is obligated to pay SRC a placement fee if any candidate presented by SRC is hired or engaged, directly or indirectly, by Client or by Client's affiliates, parents, subsidiaries, related entities, successors, or assigns for any position within twelve months of the most recent SRC activity on behalf of that candidate.

5.2 A placement fee is owed regardless of whether the candidate is hired or engaged as an employee, consultant, independent contractor, temporary worker, advisor, project-based worker, or under any other work arrangement.

5.3 Client is also obligated to pay SRC a placement fee if Client refers, introduces, identifies, discloses, or otherwise communicates the identity of a candidate presented by SRC to another employer, recruiting firm, affiliate, parent, subsidiary, related entity, or third party, and that candidate is hired or engaged by such party within twelve months of the most recent SRC activity on behalf of that candidate.

5.4 For purposes of these Terms of Service, “referred” means any manner or means of communicating, disclosing, identifying, forwarding, introducing, or otherwise making known a candidate’s identity or candidacy.

6. Contingent Search Fees

6.1 Fee details, including the applicable placement fee percentage, will be specified in the recruiter’s written email communication to Client.

6.2 In general, fees for Contingent Search range from 20% to 33.3% of the candidate’s first-year remuneration. The actual applicable percentage shall be the percentage stated in the recruiter’s email.

6.3 The placement fee is earned and invoiced when the offer letter or engagement document from Client is signed or accepted by the candidate, or when the candidate commences work, whichever occurs earlier.

6.4 Any discount, reduction, special term, or promotional pricing must be expressly stated in writing by SRC. The general fee range stated in these Terms of Service does not include any discounts that may be offered by the recruiter.

6.5 If the candidate engagement is planned in advance to last less than twelve months, the remuneration will be applied on a pro rata basis to calculate the placement fee.

6.6 In addition to placement fees, Client agrees to reimburse SRC for reasonable Client-preapproved expenses incurred by SRC in connection with the services.

7. Candidate Remuneration

7.1 For purposes of calculating placement fees, “candidate remuneration” means the total estimated compensation the candidate is expected to receive during the first year of employment or engagement.

7.2 Candidate remuneration includes, but is not limited to:

- a. base salary;
- b. estimated commissions;
- c. anticipated bonuses;
- d. signing bonuses;
- e. guaranteed compensation;

- f. allowances; and
- g. any other cash or cash-equivalent compensation.

7.3 If the initial invoice is calculated using an estimate of candidate remuneration, Client will be invoiced for any balance due or issued a credit, as appropriate, once the actual remuneration package accepted by the candidate is determined.

7.4 Client agrees to provide SRC with a copy of the candidate's executed offer letter or engagement document within seven days of the candidate's acceptance. That document shall serve as conclusive evidence of the remuneration package unless SRC reasonably determines that additional compensation is excluded or inaccurately stated.

8. Fee Look-Back

8.1 If the candidate's actual first-year compensation exceeds the estimated compensation upon which the initial placement fee was based, SRC shall be entitled to an additional fee based on the agreed placement percentage applied to the additional compensation.

8.2 Any additional fee under this section shall be payable no later than fourteen months following the candidate's first day of employment or engagement.

9. Candidate Already Under Active Consideration

9.1 If SRC refers a candidate to Client and Client has already interviewed that candidate or scheduled an interview with that candidate within the prior twelve months, Client must notify SRC in writing within fourteen business days following SRC's referral.

9.2 If Client timely provides such notice and, upon SRC's request, provides documentation sufficient to establish that the interview occurred or was scheduled before SRC's referral, Client will not owe SRC a placement fee for that candidate.

9.3 If Client does not provide written notice within fourteen business days following SRC's referral, the candidate will be deemed an SRC-presented candidate subject to these Terms of Service.

10. Invoices and Payment Terms

10.1 SRC will issue electronic invoices for services performed.

10.2 Unless otherwise stated in writing by SRC, all invoices are due within thirty days of receipt, including weekends and holidays.

10.3 Payments not received within thirty days of the invoice date may incur a late payment fee of \$50.00, and unpaid sums may accrue interest at a rate of 1.5% per month, equivalent to 18% annually, or the maximum amount permitted by law, whichever is lower.

10.4 Returned payments and nonsufficient funds checks may incur a \$50.00 penalty fee and a \$25.00 administrative fee.

10.5 If payment is not received within sixty days of the due date, Client will be deemed in material breach, and SRC may refer the matter to legal counsel or collections.

11. Replacement Candidate Policy

11.1 If a candidate placed by SRC leaves employment or engagement within two months of the candidate's start date, SRC's policy is to introduce a replacement candidate at no additional placement fee, provided all of the following conditions are met:

- a. all SRC invoices have been paid in full and in accordance with these Terms of Service;
- b. Client notifies SRC of the candidate's departure within fourteen days;
- c. the hire was placed in a year-round, full-time position;
- d. the compensation offered to the candidate was market-rate, defined as within LaborIQ's recommended range for the candidate's location, title, education, experience, and company demographics; and
- e. the candidate's departure was not related to unlawful employment discrimination, lack of work, layoff, position elimination, restructuring, material modification of job duties, or substantial modification of the position after hire.

11.2 The replacement policy provides for the introduction of replacement candidates only. It does not provide a refund, credit, or guarantee of hire.

11.3 SRC does not guarantee that any replacement candidate will be identified, interviewed, offered, accepted, or retained.

12. Expenses and Travel

12.1 Client shall reimburse SRC for reasonable Client-preapproved expenses incurred in connection with the services.

12.2 Any travel arrangements or associated expenses must receive Client's prior written approval to be eligible for reimbursement.

12.3 If approved travel is required, reimbursable expenses may include mileage at the then-prevailing IRS mileage rate, airfare, lodging, rental vehicles, parking, fuel or charging expenses, meals, incidentals, and other reasonable travel costs directly related to the services.

12.4 Reimbursement claims must be submitted with supporting documentation, such as receipts, itineraries, and mileage logs.

12.5 Any travel time, hourly billing, lodging, airfare class, meal per diem, or other travel-specific terms must be approved in writing by Client and SRC before travel occurs, unless otherwise agreed in a separate written addendum.

13. Confidentiality and Non-Disclosure

13.1 Each party shall maintain in strict confidence all Confidential Information of the other party.

13.2 "Confidential Information" means nonpublic information disclosed by one party to the other party that is marked or identified as confidential, or that reasonably should be understood to be confidential based on the circumstances of disclosure.

13.3 If a party is required to disclose Confidential Information pursuant to a judicial, governmental, or legal order, that party shall, to the maximum extent permitted by law, provide prompt notice to the other party before disclosure so the other party may seek appropriate remedies.

13.4 Each party is responsible for breaches of this confidentiality section caused by its employees, affiliates, representatives, agents, or contractors.

13.5 The obligations in this section survive termination or expiration of these Terms of Service for three years.

14. Intellectual Property and Work Product

14.1 Intellectual property rights arising out of SRC's services, other than materials provided by Client, are owned by SRC.

14.2 SRC may use general work product, non-confidential descriptions, and non-publication examples for internal training, portfolio, website, and marketing purposes, provided SRC does not publish Client's confidential or non-public information without Client's prior written consent.

15. Recruiter of Record and Authorship Credit

15.1 When asked, Client must properly identify SRC as the recruiter of record for any candidate presented by SRC.

15.2 Client shall not misrepresent the source of a candidate referral or omit SRC's role in the presentation, introduction, or recruitment of a candidate when such information is material to the circumstances.

16. No Recoupment of Fees From Candidates

16.1 Client agrees not to require any candidate to reimburse Client for any fees, expenses, or amounts paid or owed to SRC.

17. Non-Discrimination

17.1 SRC is committed to equal opportunity and does not discriminate in the referral of candidates or tolerate discrimination by clients on the basis of race, color, religion, sex, pregnancy, gender identity, sexual orientation, national origin, age, disability, veteran status, or any other status protected by applicable law.

17.2 Client agrees to comply with all applicable local, state, and federal non-discrimination, employment, labor, and hiring laws.

17.3 If SRC becomes aware of actions or conditions inconsistent with this policy, SRC may take appropriate action, including suspending services, withdrawing from the search, or terminating the relationship.

18. Restrictions on Engaging SRC Staff

18.1 During the term of these Terms of Service and for twelve months thereafter, Client shall not directly or indirectly solicit, induce, recruit, hire, engage, or encourage any SRC

employee, contractor, recruiter, talent advisor, engagement manager, or recruitment-related resource to leave SRC or to provide services to Client or any other person or entity.

18.2 If Client breaches this section, Client shall be liable to SRC for liquidated damages equal to 50% of the annual salary or annual total compensation of each SRC employee, contractor, or resource solicited, induced, recruited, hired, or engaged in violation of this section.

18.3 The parties agree that SRC's actual damages for such a breach would be difficult or impossible to calculate and that the liquidated damages amount represents a reasonable estimate of SRC's actual damages.

18.4 Client shall pay such liquidated damages within ten days of SRC's written demand.

18.5 Nothing in this section prevents SRC from seeking injunctive relief or any other legal or equitable remedies available to it.

19. Independent Contractor Relationship

19.1 SRC provides services as an independent contractor.

19.2 Nothing in these Terms of Service creates a relationship of principal and agent, joint venturers, partners, employer and employee, fiduciaries, or legal representatives between SRC and Client.

20. Disclaimer Regarding Candidates

20.1 SRC endeavors to present candidates who align with Client's stated criteria and to relay candidate information accurately based on information provided by candidates or other available sources.

20.2 SRC does not guarantee the performance, conduct, retention, qualifications, accuracy of information, completeness of information, or suitability of any candidate.

20.3 SRC expressly disclaims liability for claims, losses, damages, costs, or expenses arising from a candidate's conduct, omissions, performance, representations, or employment relationship with Client.

20.4 Client is encouraged and expected to conduct its own due diligence and obtain any additional information Client considers necessary or appropriate before making an employment or engagement decision.

21. Limitation of Liability and Indemnification

21.1 Under no circumstances shall SRC be liable to Client for any amount exceeding the fees paid by Client to SRC for the placement of the candidate giving rise to the claim.

21.2 Client is solely responsible, before completing any hire or engagement, for verifying in writing that Client and the candidate are in complete mutual agreement as to all material terms of employment or engagement.

21.3 Client shall defend, indemnify, and hold harmless SRC from and against any claims, suits, damages, losses, liabilities, costs, and expenses, including attorney's fees, arising out of or relating to:

- a. Client's hiring, employment, engagement, supervision, or termination of any candidate;
- b. Client's failure to verify candidate information or employment terms;
- c. Client's unauthorized disclosure or misuse of candidate information;
- d. claims by a candidate alleging they were misled in the recruitment or hiring process by Client;
- e. Client's violation of applicable law; or
- f. Client's breach of these Terms of Service.

22. Force Majeure

22.1 No failure or omission by either party in the performance of any obligation shall be deemed a breach or create liability if such failure or omission arises from causes beyond the reasonable control of that party and cannot be overcome through reasonable diligence.

22.2 Such causes may include technology outages, strikes, riots, war, acts of terrorism, acts of God, severe illness, invasion, fire, explosion, floods, governmental acts, or other circumstances beyond reasonable control.

23. Assignment

23.1 These Terms of Service are binding upon and inure to the benefit of SRC and Client and their respective successors and permitted assigns.

23.2 Neither party may assign these Terms of Service or any rights, interests, or obligations under them without the prior written consent of the other party, except that SRC may assign its right to payment or collection without Client's consent.

24. Contract Period and Look-Back Period

24.1 These Terms of Service are effective for one year from the date of the first interview of an SRC-presented candidate by Client.

24.2 The obligation to pay placement fees for SRC-presented candidates survives expiration or termination of these Terms of Service for the applicable twelve-month look-back period described in Section 5.

24.3 Any confidentiality, payment, indemnification, limitation of liability, dispute resolution, governing law, non-solicitation, and other provisions that by their nature should survive shall survive expiration or termination.

25. Dispute Resolution, Collection, and Pre-Suit Mediation

25.1 In the event of any dispute arising out of or relating to these Terms of Service, including SRC's efforts to collect earned fees, the substantially prevailing party shall be entitled to recover reasonable costs of litigation and collection, including attorney's fees, expert witness fees, court costs, sheriff's service of process charges, mediator fees, and related administrative costs.

25.2 At least thirty days before bringing suit against SRC, Client must send SRC a draft complaint.

25.3 SRC shall have ten days from receipt of the draft complaint to notify Client whether SRC elects to engage in pre-suit mediation.

25.4 If SRC elects pre-suit mediation, the parties shall share the mediator's fees equally and shall participate in good faith.

25.5 Any suit filed by Client without providing SRC this option for pre-suit mediation shall be subject to dismissal without prejudice so SRC may receive the benefit of this mediation option.

25.6 This pre-suit mediation requirement is unilateral and not reciprocal. SRC may bring suit to collect earned fees or amounts due under these Terms of Service without first offering or participating in pre-suit mediation.

26. Governing Law and Venue

26.1 These Terms of Service shall be governed by and enforced in accordance with the laws of the State of Vermont, without regard to conflict-of-law principles.

26.2 The parties agree that the state and federal courts located in Vermont shall have exclusive jurisdiction over any litigation brought under or arising out of these Terms of Service.

27. Version Control

27.1 These Terms of Service are identified as **Version 1.1**.

27.2 SRC may update these Terms of Service from time to time. The version posted on SRC's website at the time of the applicable candidate presentation, referral, introduction, interview, offer, hire, or engagement shall govern unless otherwise agreed in writing.

27.3 Client is encouraged to print or save a copy of these Terms of Service for its records each time Client receives a candidate presentation or agrees to proceed with SRC's services.

28. Entire Agreement

28.1 These Terms of Service, together with the recruiter's written email identifying the applicable fee percentage and any other written terms expressly agreed by SRC, constitute the agreement between SRC and Client for contingency search services.

28.2 In the event of a conflict between these Terms of Service and the recruiter's written email, the recruiter's written email shall control only as to the specific fee percentage, discount, or special commercial term expressly stated in that email. These Terms of Service shall control in all other respects unless expressly superseded by a separately signed written agreement.

28.3 No waiver, modification, or amendment of these Terms of Service shall be binding unless made in writing by SRC.

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