

# Independent Contractor Agreement

## How to Use This Template

This document is a customizable agreement designed to define the business relationship between a company and an independent contractor. It clarifies work terms, protects both parties, and helps ensure legal compliance across international engagements.

Disclaimer: This agreement is provided for general guidance and does not constitute legal advice. You should seek legal counsel to ensure compliance with local labor, tax, and data protection laws in your and your contractor's jurisdictions.

## Contents

1. Overview
2. Nature of Business Relationship
3. Scope of Work
4. Payment Terms
5. Intellectual Property Rights
6. Confidentiality
7. Indemnification and Liability
8. Termination
9. Governing Law and Jurisdiction
10. Signature Page
11. Additional Resources

## **1. Independent Contractor Agreement Overview**

This Independent Contractor Agreement ("Agreement") is entered into as of [Effective Date], by and between:

Client: [Client Full Legal Name], a [jurisdiction and business type], located at [Address] ("Client"); and

Contractor: [Contractor Full Legal Name], an independent contractor with a principal address at [Address] ("Contractor").

WHEREAS, Client wishes to engage Contractor to perform defined services;

NOW, THEREFORE, in consideration of the mutual terms herein, the parties agree as follows:

## 2. Nature of Business Relationship

**Independent Contractor Status:** Contractor is engaged as an independent contractor and not an employee, partner, or agent of Client.

**No Authority to Bind:** Contractor has no authority to bind or represent Client without written consent.

**No Employee Benefits:** Contractor shall not receive health benefits, paid time off, or any employment-related entitlements.

**Tax Obligations:** Contractor is solely responsible for any taxes arising from payments received under this Agreement.

**Non-Exclusivity:** Contractor may provide services to other clients unless doing so presents a conflict of interest.

## 3. Scope of Work

**Engagement:** Client hereby engages Contractor to perform the following services:

- [Insert detailed description of tasks, responsibilities, and areas of work]

**Project Timeline:** The services shall be performed in accordance with the following schedule:

- Start Date: [Insert Start Date]
- End Date: [Insert End Date], or upon project completion, unless terminated earlier in accordance with this Agreement
- Milestones and deadlines (if applicable): [List any specific timelines or deliverable checkpoints]

**Deliverables:** Contractor shall deliver the following to Client as part of the services:

- [List key outputs, documents, systems, reports, or other tangible/intangible work products]

**Work Methodology:** Contractor shall determine the means, methods, and manner of performing the services, provided that the output meets the requirements and quality standards outlined by the Client.

**Tools and Resources:** Contractor shall supply their own equipment, tools, and materials necessary for the performance of the services, unless otherwise specified and agreed upon in writing by both parties.

**Client Obligations:** Client agrees to provide timely cooperation, including but not limited to:

- Access to relevant platforms, systems, and personnel
- Clear briefings, feedback, and approvals
- Any proprietary materials necessary to complete the services

**Scope Adjustments:** Any modifications or additions to the scope of work must be documented in writing and approved by both parties. Adjustments may impact the agreed fees, deliverables, or project timeline.

**Service Review and Acceptance:** Upon delivery of each milestone or final output, Client shall have [X] business days to evaluate and either:

- Provide written confirmation of acceptance, or
- Return the deliverables with specific feedback identifying areas of non-conformance.

Contractor shall, in good faith, revise and redeliver the work within a reasonable timeframe.

## 4. Payment Terms

**Compensation:** Client agrees to pay Contractor for the satisfactory completion of services as outlined in this Agreement. Compensation shall follow the agreed fee structure as follows:

- [Specify hourly rate, fixed project fee, milestone-based payments, or hybrid model]
- Payment terms and rates may be detailed further in Exhibit A or a Statement of Work, if applicable.

**Invoicing:** Contractor shall submit invoices to the Client on a [weekly/bi-weekly/monthly] basis. Each invoice must include:

- A detailed breakdown of services rendered
- Corresponding work dates
- Any pre-approved reimbursable expenses with supporting documentation

**Payment Method:** Client shall make payment to Contractor via [e.g., bank transfer, Wise, PayPal, or other mutually agreed method]. Contractor shall provide complete and accurate payment details in writing to facilitate timely processing.

**Currency:** All payments shall be made in [Specify Currency, e.g., USD, AUD, PHP], unless otherwise agreed upon in writing. Any associated currency conversion fees shall be borne by the party responsible for initiating the payment.

**Payment Schedule:** Client agrees to remit full payment within [X] calendar days of receiving a valid and complete invoice. Late payments may incur interest at a rate of [X]% per month, or the maximum allowable by applicable law, whichever is lower.

**Taxes:** Contractor is solely responsible for the calculation, reporting, and remittance of all taxes applicable in their jurisdiction, including but not limited to income tax, VAT/GST, or other statutory levies. The compensation stated in this Agreement is exclusive of any such taxes.

**Expenses:** Unless otherwise stated in writing, Contractor shall be responsible for all expenses incurred in connection with the performance of services. Any reimbursable costs must be pre-approved in writing by the Client and supported by appropriate documentation when invoiced.

## 5. Intellectual Property Rights

**Ownership of Work Product:** Unless otherwise agreed in writing, all deliverables, materials, inventions, processes, source code, data, documentation, designs, and any other work product created, conceived, or developed by the Contractor in connection with the services under this Agreement (“Work Product”) shall be the sole and exclusive property of the Client.

**Assignment of Rights:** Contractor hereby irrevocably assigns, transfers, and conveys to Client all rights, title, and interest in and to the Work Product, including all intellectual property rights and moral rights therein, effective upon creation. This includes, without limitation, rights to reproduce, distribute, display, modify, sublicense, or otherwise exploit the Work Product in any form and for any purpose.

**Pre-existing Materials:** Contractor retains ownership of any intellectual property developed independently and prior to the commencement of services under this Agreement (“Pre-existing Materials”). To the extent that any Pre-existing Materials are incorporated into the Work Product, Contractor grants Client a perpetual, royalty-free, non-exclusive, worldwide license to use, modify, and distribute such materials solely in connection with the Work Product.

**Use of Client Materials:** Contractor agrees to use any proprietary information, data, tools, content, or other materials provided by the Client (“Client Materials”) solely for the purpose of

performing obligations under this Agreement. All such materials shall remain the exclusive property of the Client and must be returned or deleted upon request or upon termination of this Agreement.

**Third-Party Rights:** Contractor represents and warrants that the Work Product shall not infringe upon or misappropriate the intellectual property rights of any third party. Contractor shall not use open-source components, licensed code, or proprietary assets belonging to others without prior written approval from the Client.

**Compliance with Applicable Laws:** Both parties agree to comply with all applicable intellectual property and copyright laws. If any provision of this section is found unenforceable under local law, the parties shall negotiate in good faith to modify the provision to meet legal requirements while preserving its original intent.

**Note:** *In jurisdictions such as Australia and Canada, contractors may retain IP ownership by default. This clause ensures a proper legal assignment of rights to the Client, which is critical in cross-border arrangements.*

## 6. Confidentiality

**Definition of Confidential Information:** For the purposes of this Agreement, “Confidential Information” refers to any non-public, proprietary, or sensitive information disclosed by one party (the “Disclosing Party”) to the other (the “Receiving Party”) in any form—oral, written, digital, or otherwise—that is designated as confidential or which, given the nature of the information or the circumstances surrounding its disclosure, should reasonably be understood as confidential.

This includes but is not limited to:

- Business strategies and plans
- Financial data and pricing models
- Customer and supplier lists
- Marketing, technical, and operational information
- Software code, system designs, algorithms, trade secrets, and project-specific details

### **Obligations of the Receiving Party**

The Receiving Party agrees to:

- Maintain the confidentiality of the Confidential Information using at least reasonable care
- Use the Confidential Information solely for the purpose of fulfilling obligations under this

Agreement

- Not disclose Confidential Information to any third party without the prior written consent of the Disclosing Party, except to employees, agents, or subcontractors who have a legitimate need to know and are subject to confidentiality obligations no less restrictive than those in this Agreement

**Exclusions:** The confidentiality obligations under this section shall not apply to information that:

- A. Was already lawfully known to the Receiving Party at the time of disclosure, as evidenced by written records
- B. Becomes publicly available through no breach of this Agreement
- C. Is disclosed to the Receiving Party by a third party legally entitled to do so without restriction
- D. Is independently developed by the Receiving Party without use of or reference to the Confidential Information
- E. Is required to be disclosed under applicable law, regulation, or court order, provided that the Receiving Party gives prompt written notice (where permitted by law) to allow the Disclosing Party to seek protective measures

**Return or Destruction of Confidential Information:** Upon termination or expiration of this Agreement—or at the written request of the Disclosing Party—the Receiving Party shall promptly return or permanently destroy all Confidential Information, including all copies, summaries, or derivatives thereof, unless otherwise agreed in writing.

**Remedies for Breach:** The parties acknowledge that unauthorized use or disclosure of Confidential Information may cause irreparable harm for which monetary damages may be insufficient. Accordingly, the Disclosing Party shall be entitled to seek injunctive relief or other equitable remedies in addition to any legal remedies available.

## 7. Indemnification and Liability

**Indemnification by Contractor:** Contractor agrees to indemnify, defend, and hold harmless the Client, its affiliates, directors, officers, employees, and agents from and against any and all claims, losses, damages, liabilities, penalties, judgments, costs, or expenses (including reasonable legal and professional fees) arising out of or relating to:

- A. Any breach of this Agreement by Contractor;
- B. Any negligent act, error, or omission in connection with the performance of the services;
- C. Any violation of applicable laws, regulations, or third-party rights (including but not limited to intellectual property or confidentiality obligations);
- D. Any claims brought by third parties relating to the actions or omissions of the Contractor.

**Indemnification by Client:** Client agrees to indemnify, defend, and hold harmless the Contractor against any third-party claims directly arising from the Client's breach of this Agreement or willful misconduct.

**Limitation of Liability:** Except in the case of willful misconduct, fraud, or gross negligence:

- Neither party shall be liable to the other for any indirect, incidental, special, consequential, or punitive damages, including loss of profit, loss of business, or loss of data, arising from or in connection with this Agreement, even if advised of the possibility of such damages.
- The total aggregate liability of either party under this Agreement, whether in contract, tort (including negligence), or otherwise, shall not exceed the total fees paid or payable by the Client to the Contractor under this Agreement.

## 8. Termination

**Termination for Convenience:** Either party may terminate this Agreement for any reason or no reason by providing written notice to the other party at least **[X calendar days]** in advance.

**Termination for Cause:** Either party may terminate this Agreement immediately by written notice if the other party:

- A. Materially breaches any provision of this Agreement and fails to cure such breach within **[X calendar days]** after receiving written notice; or
- B. Engages in fraud, gross misconduct, criminal behavior, or other unlawful activity that reasonably justifies immediate termination.

**Obligations Upon Termination:** Upon expiration or termination of this Agreement, the following shall apply:

- Contractor shall immediately cease all services and return or delete any Client property, data, materials, or confidential information in their possession or control;
- Client shall pay Contractor for all services satisfactorily performed and accepted up to the effective date of termination;
- Any outstanding payment obligations, and all confidentiality, non-disclosure, and intellectual property provisions, shall survive termination and remain in effect.

**Surviving Clauses:** The provisions of this Agreement which by their nature should survive termination—including but not limited to **Sections on Confidentiality, Intellectual Property, Indemnification, and Governing Law**—shall continue in full force and effect following termination.

**Exception for Criminal or Harmful Conduct:** In cases involving fraud, harassment, data breaches, intentional harm, or unlawful conduct, the non-breaching party reserves the right to terminate this Agreement immediately without prior notice or opportunity to cure.

## 9. Governing Law and Jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of **[Insert Jurisdiction – e.g., the Republic of the Philippines or the State of New South Wales, Australia]**, without regard to conflict-of-law principles.

Any dispute, controversy, or claim arising out of or relating to this Agreement—including its formation, interpretation, performance, breach, or termination—shall be exclusively subject to the jurisdiction of the competent courts located in **[Insert City and Country]**, to the extent permitted by applicable law.

The parties knowingly and voluntarily waive any right to a trial by jury in any legal proceeding arising under or relating to this Agreement.

In the event of any dispute, the prevailing party shall be entitled to recover reasonable attorneys' fees, court costs, and other legal expenses incurred in connection with enforcing or defending its rights under this Agreement.

## 10. Signature Page

CLIENT

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

CONTRACTOR

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## 11. Additional Resources

To help ensure your engagement remains compliant and efficient, here are useful resources:

- [Penbrothers Official Website](#)
- [Independent Contractor vs Employee: Which Is Better for Hiring Remote Talent?](#)
- [4 Termination Letter Templates with Tips \(For Independent Contractors\)](#)
- [How to Pay Offshore Teams: Tools, Methods, and Compliance Tips](#)
- [Find the Talent You Need by Freelancing, Outsourcing, or Offshoring](#)

For questions or support regarding this Agreement or compliance with cross-border labor laws, please reach out to your dedicated [Penbrothers Client Success Manager](#).