

# Royalty Payment Structure for Licensing Agreement

Date: [Insert Date]

To: [Licensee's Name]

[Licensee's Address]

Dear [Licensee's Name],

We are pleased to outline the royalty payment structure for the licensing agreement entered into on [Insert Date of Agreement]. This structure is designed to ensure clarity and transparency in our mutually beneficial partnership.

## Royalty Payment Structure

- **Base Royalty Rate:** [X]% of gross sales revenue derived from the licensed product.
- **Minimum Annual Guarantee:** \$[Amount] per year.
- **Payment Schedule:** Royalties will be calculated and paid quarterly, due on [insert due date] of each month.
- **Audit Rights:** We reserve the right to audit your sales records once per year, with [X] days' notice.

We believe this structure will promote a fair and profitable relationship for both parties. Should you have any questions or require further clarification, please feel free to contact us at your convenience.

Sincerely,

[Your Name]

[Your Title]

[Your Company]

[Your Contact Information]