

EMPLOYEE BONUS PLAN (USA)

1. Objective

- 1.1 The objective of the _____ [insert company name] Bonus Plan is to reward employees for their contributions to the success and profitability of _____ [insert company name].

2. Definitions

The following terms shall have the respective meanings set forth below unless the context requires otherwise:

- 2.1 "Base Salary" means the regular gross base salary actually earned by an employee during the Performance Period, excluding any additional forms of compensation, such as other bonuses, payments under the Plan, other incentive payments, automobile allowances, tax gross-ups, on-call pay, or other fringe benefits.
- 2.2 "Board" means the Board of Directors of the Company.
- 2.3 "Bonus" means the cash compensation awarded to a Participant pursuant to the Plan.
- 2.4 "CEO" means the chief executive officer of the Company.
- 2.5 "Committee" means the compensation committee of the Board.
- 2.6 "Company" means _____ [insert company name] and any successor entity thereto.
- 2.7 "Fiscal Year" means the twelve (12) month period from _____ through _____.
- 2.8 "Performance Measure" means the criteria upon which Bonuses are paid tied to individual performance and/or the Company's success. The factors upon which the Company's success are based include, but are not limited to, any or all of the following: earnings per share, revenue dollars, revenue growth, total stockholder return, earnings before interest and taxes, net profit, other business unit, function and term measures.
- 2.9 "Performance Period" means the period of time during the Fiscal Year during which performance is measured and at the end of which Bonuses are paid.
- 2.10 "Plan" means the _____ [insert company name] Bonus Plan, as amended from time to time.
- 2.11 "Retirement" means a termination of employment by an employee after attaining either the normal retirement age (as defined in the principal tax-qualified plan of the Company), or, if the Company does not have such a plan, the attainment of the age of sixty-five (65).

3. Participants

- 3.1 This Plan applies to full-time and part-time employees of the Company who:

- (a) began work on or before the first day of the Company's _____ fiscal quarter;
- (b) are employed on the day Bonuses are paid; and
- (c) are not enrolled in any other bonus, sales or incentive plan.

4. Term

- 4.1 The Plan shall be effective as of the _____ day of _____, _____ and shall be applicable for future Fiscal Years of the Company unless amended or terminated by the Board or the Committee.

THIS IS A 6-PAGE DOCUMENT.