

BONUS AGREEMENT

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This Bonus Agreement (this "Agreement") is entered into as of [EFFECTIVE DATE] (the "Effective Date") by and between:

[COMPANY LEGAL NAME], a [STATE] [ENTITY TYPE] with its principal place of business at [COMPANY ADDRESS] (the "Company"); and

[EMPLOYEE NAME], an individual residing at [ADDRESS] (the "Employee").

The Company and the Employee are each a "Party" and together the "Parties."

Recitals. The Company wishes to offer the Employee an opportunity to earn a bonus (the "Bonus") based on the terms below, and the Employee wishes to be eligible for the Bonus. This Agreement sets out the amount or formula, the performance and service conditions, and when and how the Bonus is paid. It does not change the Employee's base salary or the at-will nature of any employment, except as expressly stated. In consideration of the mutual promises below, the Parties agree as follows.

1. Bonus Type and Period

1.1 Type of Bonus. The Bonus is a [DISCRETIONARY / TARGET PERFORMANCE / SIGN-ON / RETENTION / PROJECT-COMPLETION] bonus, as further described in this Agreement.

1.2 Performance period. The Bonus relates to the period beginning [START DATE] and ending [END DATE] (the "Performance Period"), unless a different period is stated for a particular component.

1.3 One-time or recurring. This Bonus is [a one-time award / an award for the stated Performance Period only and does not recur automatically]. Eligibility for any future bonus is determined separately.

2. Bonus Amount and Calculation

2.1 Target amount. The target Bonus is [DOLLAR AMOUNT or PERCENTAGE OF BASE SALARY], subject to the conditions in this Agreement.

2.2 Performance metrics. If the Bonus is performance-based, the amount actually earned depends on achievement of the following metrics during the Performance Period:

| Metric | Weight | Threshold | Target | Maximum |
|----------|--------|-----------|---------|---------|
| [METRIC] | [%] | [VALUE] | [VALUE] | [VALUE] |
| [METRIC] | [%] | [VALUE] | [VALUE] | [VALUE] |

2.3 Calculation method. The earned Bonus is calculated by [describe the formula, e.g. multiplying the target by the weighted attainment percentage, capped at the stated maximum]. The Company will calculate attainment in good faith using its books and records.

2.4 Discretionary component. [OPTIONAL: If any portion is discretionary, state that the Company retains sole discretion to determine whether and in what amount that portion is paid, considering individual and Company performance.]

2.5 Proration. If the Employee's eligible service covers only part of the Performance Period (for example, due to a mid-period start or an approved leave), the Bonus may be prorated based on [days of eligible service / as the Company determines], subject to applicable law.

3. Conditions to Payment

3.1 Service condition. Except as Section 3.3 or applicable law provides, the Employee must remain continuously employed by the Company through the payment date to receive the Bonus. A Bonus is not earned until all conditions are met.

3.2 Performance and compliance condition. Payment is conditioned on the Employee's satisfactory performance and compliance with Company policies, applicable law, and any applicable code of conduct during the Performance Period.

3.3 Exceptions. [OPTIONAL: Describe any exceptions, e.g. pro-rata payment on death, disability, or termination without cause. Note that some jurisdictions treat certain earned bonuses as wages that must be paid even after separation.]

4. Timing and Method of Payment

4.1 Payment date. Any earned Bonus will be paid in a single lump sum on or before [DATE / "the next regular payroll date after the Company certifies attainment"], but no later than required by applicable law.

4.2 Withholding. The Bonus is subject to all required tax and other withholdings and is paid through the Company's normal payroll. The Bonus is treated as supplemental wages unless otherwise required by law.

4.3 Form of payment. The Bonus is paid in cash unless the Parties agree in writing to another form. The Bonus does not count toward base salary, overtime calculations (except as required by law), or benefit accruals unless required by law or plan terms.

5. Clawback and Repayment

5.1 Clawback. If the Bonus was paid based on financial results or metrics later found to be materially inaccurate, or in the event of fraud or misconduct, the Company may recover the Bonus to the extent permitted by applicable law and any clawback policy the Company maintains.

5.2 Repayment of sign-on or retention bonus. [OPTIONAL: If this is a sign-on or retention bonus, state any repayment obligation if the Employee leaves before a stated date, the repayment amount or formula, and confirm enforceability and any deduction limits under applicable law.]

5.3 Method of recovery. The Company may recover amounts under this Section by direct repayment or, to the extent permitted by applicable wage law, by offset against other amounts owed to the Employee.

6. No Alteration of Employment

6.1 At-will status preserved. Nothing in this Agreement creates a contract of employment for any term or alters any at-will employment relationship, except as required by a separate written agreement or applicable law.

6.2 Not part of base compensation. The Bonus is a separate, conditional opportunity and does not become part of the Employee's base or guaranteed compensation, and does not create an entitlement to any future bonus.

6.3 No reliance on prior statements. This Agreement supersedes any prior oral or written statements about the Bonus, which the Employee acknowledges are not binding unless reflected here.

7. General Provisions

7.1 Administration and interpretation. The Company administers this Agreement and interprets its terms in good faith. Where the Bonus depends on the Company's financial results, the Company's determination of those results is final absent manifest error.

7.2 Governing law and venue. This Agreement is governed by the laws of the State of **[STATE]**, without regard to its conflict-of-laws rules. The Parties submit to the exclusive jurisdiction of the state and federal courts located in **[COUNTY, STATE]**.

7.3 Assignment. The Employee may not assign rights under this Agreement. The Company may assign this Agreement to a successor.

7.4 Entire agreement; amendment. This Agreement is the entire agreement between the Parties on its subject and supersedes prior discussions. It may be amended only by a writing signed by both Parties.

7.5 Severability and waiver. If any provision is unenforceable, the rest remains in effect. A Party's failure to enforce a provision is not a waiver.

7.6 Counterparts and electronic signature. This Agreement may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement.

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

| COMPANY | EMPLOYEE |
|-----------------------------|-----------------------------|
| Signature: _____ | Signature: _____ |
| Printed name: [NAME] | Printed name: [NAME] |
| Title: [TITLE] | Title: N/A |
| Date: _____ | Date: _____ |

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