

# STAY BONUS AGREEMENT

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

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

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

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

**Recitals.** The Company wishes to retain the Employee's services through a critical period and to incentivize the Employee to remain employed and in good standing through a specified date. The Employee wishes to receive a retention bonus on the terms below. In consideration of the mutual promises below, the Parties agree as follows.

## 1. Retention Period and Stay Date

**1.1 Retention Period.** The "**Retention Period**" begins on the Effective Date and continues through [STAY DATE] (the "**Stay Date**").

**1.2 Purpose.** The Company is offering the Stay Bonus to encourage the Employee to remain continuously employed and performing the Employee's duties in good standing through the Stay Date.

**1.3 No guarantee of continued employment.** Nothing in this Agreement guarantees employment for any specific period or alters the at-will nature of the employment relationship to the extent the employment is at-will under applicable law.

## 2. Stay Bonus Amount

**2.1 Amount.** Subject to the conditions in this Agreement, the Company will pay the Employee a retention bonus of [AMOUNT] (the "**Stay Bonus**"), less applicable withholdings and deductions.

**2.2 Form.** The Stay Bonus will be paid in [CASH / EQUIVALENT] through the Company's regular payroll, unless the Parties agree otherwise in writing.

**2.3 Not regular compensation.** The Stay Bonus is a one-time, special payment. It is not part of the Employee's base salary, is not included in any benefit or severance calculation unless required by applicable law, and does not establish a right to any future bonus.

## 3. Payment Conditions

**3.1 Eligibility conditions.** The Employee will earn the Stay Bonus only if, as of the Stay Date, the Employee: (a) remains continuously employed by the Company; (b) is performing the Employee's duties in good standing; and (c) has not given or received notice of resignation or termination, except as provided in Section 4.

**3.2 Timing of payment.** Subject to Section 3.1, the Company will pay the earned Stay Bonus within **[NUMBER, e.g. 30]** days after the Stay Date, or on the next regular payroll date thereafter.

**3.3 Installments (optional).** **[OPTIONAL: If the Stay Bonus is paid in installments, describe the schedule and the conditions for each installment here, e.g. 50% on [DATE] and 50% on the Stay Date.]**

**3.4 Withholding.** The Company will withhold from the Stay Bonus all taxes and other amounts it is required or authorized to withhold under applicable law.

## 4. Forfeiture and Accelerated Payment

**4.1 Forfeiture.** Except as provided in Section 4.2, the Employee forfeits all right to any unpaid portion of the Stay Bonus if, before the Stay Date, the Employee (a) resigns voluntarily, or (b) is terminated by the Company for Cause.

**4.2 Qualifying separations.** If, before the Stay Date, the Company terminates the Employee without Cause, or the Employee's employment ends due to **[death / disability / OTHER QUALIFYING EVENT]**, the Employee (or the Employee's estate) will remain entitled to **[the full Stay Bonus / a pro-rata portion of the Stay Bonus based on days worked during the Retention Period]**, paid within **[NUMBER]** days of the separation.

**4.3 Cause.** "Cause" means **[DEFINE: e.g. material breach of Company policy, dishonesty, gross misconduct, conviction of a crime involving the Company, or material failure to perform duties after written notice and a reasonable opportunity to cure]**, as determined by the Company in good faith.

## 5. Clawback and Repayment

**5.1 Clawback events.** If, within **[NUMBER]** months after payment of the Stay Bonus, the Company discovers that the Employee engaged in conduct that would have constituted Cause during the Retention Period, the Company may require repayment of the Stay Bonus to the extent permitted by applicable law.

**5.2 Repayment method.** Where permitted by applicable law, the Employee authorizes the Company to recover any required repayment through deduction from amounts owed to the Employee or by direct repayment. Wage-deduction rules vary by jurisdiction, and this Section applies only to the extent allowed by local law.

**5.3 No waiver of other remedies.** This Section does not limit any other remedy available to the Company at law or in equity.

## 6. Confidentiality of Terms

**6.1 Confidential terms.** The Employee will keep the existence and terms of this Agreement confidential, except as required by law or as necessary to obtain legal, tax, or financial advice from advisors bound to maintain confidentiality.

**6.2 Permitted disclosure.** Nothing in this Agreement prevents the Employee from disclosing information where such disclosure is protected or required by applicable law, including communications with government agencies.

## 7. No Effect on Other Agreements

**7.1 Existing obligations.** This Agreement does not modify or supersede the Employee's existing confidentiality, non-solicitation, invention-assignment, or other obligations to the Company, all of which remain in full force.

**7.2 Other compensation.** This Agreement does not affect the Employee's base salary, benefits, or other compensation, except as expressly stated.

## 8. Tax Treatment

8.1 **Employee responsibility.** The Employee is responsible for all taxes on the Stay Bonus, except for amounts the Company is required to withhold.

8.2 **Deferred compensation.** The Parties intend that the Stay Bonus comply with, or be exempt from, applicable deferred-compensation tax rules. The Parties should confirm the tax treatment with their own advisors, as these rules vary and carry significant consequences.

## 9. General Provisions

9.1 **Governing law.** This Agreement is governed by the laws of the State of [STATE], without regard to its conflict-of-laws rules.

9.2 **Venue.** The Parties submit to the exclusive jurisdiction of the state and federal courts located in [COUNTY, STATE].

9.3 **Entire agreement; amendment.** This Agreement is the entire agreement between the Parties on its subject and may be amended only by a writing signed by both Parties.

9.4 **Assignment.** The Employee may not assign this Agreement. The Company may assign it to a successor in connection with a merger, acquisition, or sale of substantially all assets.

9.5 **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.

9.6 **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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