**Employee Bonus Plan**

**1. Purpose**

The purpose of this Employee Bonus Plan (hereinafter referred to as the "Plan"), is to provide incentives and rewards for the employees of [Insert company name] (hereinafter called the "Company).

The Plan aims to provide all full-time employees of the Company with a financial interest in the profitability of the Company and to reward long term employment with the Company. It is the intention of the Company to annually allocate a portion of its profits to the Bonus Pool in accordance with the terms of this Plan.

**2. Effective Date**

The Plan shall be effective as of [Insert Date].

**3. Eligible employees**

All full-time employees of the Company who are employed by the Company on December 31 are eligible to share for that year in the allocation of the Bonus Pool created with respect to that year.

**4. Full Time Employees**

"Full time employees" shall be deemed to mean employees who complete not less than [Insert number of hours] hours of service with the Company during the calendar year. An employee whose employment with the Company is terminated for any reason prior to December 31 shall not be entitled to share in the allocation of the Bonus Pool.

**5. Bonus Pool**

Each year the Company intends to contribute a percentage of its net profits to the Bonus Pool created by this Plan. For this purpose, "net profits" shall be determined at the sole discretion of the Company.

The determination of the actual percentage of net profits to be contributed by the Company to the Bonus Pool shall be solely and completely within the discretion of the Company. The Company shall not be under any obligation to account to any employee as to why or how such determination of the percentage was made. In addition, the Company shall not be under any obligation to contribute any percentage of the net profits to the Bonus Pool.

**6. Allocation of Bonus Pool**

All contributions by the Company to the Bonus Pool shall be allocated among the eligible employees for that year based upon the relative lifetime considered compensation of the employees eligible to share in the allocation for that year.

**7. Considered Compensation**

"Considered compensation" shall mean -Compensation shall include the combination of salary, overtime, hourly wages and performance bonuses or the combination of salary plus any additional compensation earned from overrides (in excess of salary), personal sales and performance bonuses. Additional compensation related to overrides and personal sales shall be included for the calendar year during which the sales are made. Compensation for salary and performance bonuses is included in the calendar year that it is paid.

**8.** **Payment of Profit-Sharing Bonus**

An eligible employee's allocable share of the Bonus Pool shall be paid to the employee in a cash or lump-sum payment as soon as is practicable after the Company has determined the amount of the Company's contribution for that year, if any, and the Company has determined each eligible employee's allocable share. Said payments shall be deemed additional compensation to the employee, and payroll taxes shall be withheld from said payments in accordance with all applicable federal, state and local laws.

**9. Termination of Employment**

This Plan does not create a contract of employment between the Company and any employee. This Plan does not limit the right of the Company to discharge or terminate an employee for any reason, or for no reason. The award of any bonus under this Plan is completely discretionary to the Company and no person shall have any claim to be granted or to receive any bonus. No director, officer, employee or other person shall have authority to enter into any agreement with any person for the award or payment of any bonus, or to make any representation or warranty with respect thereto. Upon an employee's termination of employment with the Company for any reason including, but not limited to the death or disability of the employee, the employee's rights, if any, to share in the allocation of the Bonus Pool hereunder shall terminate. An employee must be employed on December 31 of a year in order to share in the allocation of the Bonus Pool with respect to that year.

**10. Amendment or Termination**

The Company reserves the right to amend or terminate the Plan at any time. Such amendment or termination may be made at any time during the year, and no such amendment or termination shall entitle any employee to a claim under this Plan

**11. Declaration.**

I have read, understand, and acknowledge receipt of the Employee Bonus Plan.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Employee Name

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date