

[Company Name]
[Company Address]
[City, State, Zip Code]

[Date]

[Executive Name]
[Title]
[Address]

Subject: Performance Criteria for [Year] Executive Target Bonus

Dear [Executive Name],

This letter outlines the performance criteria and target bonus opportunity for your role during the [Year] fiscal period. Your participation in the Executive Incentive Plan is designed to align your compensation with the strategic goals and financial success of [Company Name].

1. Target Bonus Opportunity

Your target bonus for the [Year] performance period is [Percentage]% of your annual base salary, which equates to \$[Amount]. The actual payout may range from 0% to [Maximum Percentage]% based on the achievement of the objectives defined below.

2. Corporate Performance Metrics ([Weight]%)

The payout for this portion is based on the company's achievement of the following financial targets:

- [Metric 1, e.g., Revenue]: [Target Amount]
- [Metric 2, e.g., EBITDA]: [Target Amount]
- [Metric 3, e.g., Strategic Milestones]: [Description]

3. Individual Performance Objectives ([Weight]%)

The remaining portion of your bonus will be evaluated based on your leadership and the following key performance indicators (KPIs):

- [Objective 1]
- [Objective 2]
- [Objective 3]

4. Terms and Conditions

Bonus payments are subject to the terms of the [Year] Executive Incentive Plan. You must remain employed in good standing with the company through the date of payment to be eligible for the bonus. All payments are subject to standard tax withholdings.

We look forward to your continued contributions to the success of [Company Name]. Please sign below to acknowledge your understanding of these criteria.

Sincerely,

[Name of CEO or Board Chair]

[Title]

Acknowledgment:

[Executive Signature] [Date]