

[Company Letterhead]

[Date]

[Executive Name]

[Title]

[Address]

Dear [Executive Name],

This letter is to formally notify you of your prorated target bonus allocation for the [Year] fiscal period. As outlined in your employment agreement, you are eligible for an annual performance bonus based on specific company and individual performance metrics.

Due to your [Start Date/Change of Status Date] on [Date], your bonus eligibility has been prorated to reflect your period of active service during this fiscal cycle. The details of your allocation are as follows:

- **Full Annual Target Bonus:** \$[Amount]
- **Eligibility Period:** [Start Date] to [End Date]
- **Proration Factor:** [Number of Months/Days] / [Total Months/Days in Year]
- **Prorated Target Amount:** \$[Calculated Amount]

This prorated target amount represents the baseline for your potential payout. The final award remains subject to the achievement of performance goals as determined by the Board of Directors and the terms of the [Name of Bonus Plan].

Bonus payments are typically processed on [Payment Date], subject to applicable tax withholdings and continued employment through the payment date.

If you have any questions regarding this calculation, please contact the Compensation Department.

Sincerely,

[Signature]

[Name of Sender]

[Title]

[Company Name]