**Bonus Policy - Basic Profit-Based Plan**

**Purpose**

The bonus plan of [Company Name] is designed to provide incentive compensation for all eligible employees.

**Eligibility**

To be eligible for the bonus payment, an employee:

* Must have been employed as of July 1.
* Must have a satisfactory year-end performance rating.
* Must be employed as of December 31 of the bonus plan year.

**Procedures**

The amount of the bonus pool is based on year-end company profit.

Each eligible employee’s bonus is computed as a percentage of wages or base salary received as of year-end. Bonus payments will be made no later than March 31 of the following year. The payment will be taxed at the flat Internal Revenue Service (IRS) rate plus applicable state rates for bonus payments.

The bonus plan is provided at the discretion of [Company Name]. [Company Name] reserves the right to administer, modify or terminate the plan with or without notice.