

Variable Compensation Criteria Letter

Date: [Insert Date]

To: [Executive's Name]

Title: [Executive's Title]

Company: [Company Name]

Address: [Company Address]

Dear [Executive's Name],

We are pleased to present you with the variable compensation criteria for the upcoming performance cycle. These criteria are designed to align your efforts with the strategic goals of [Company Name] and to reward the achievement of significant milestones.

Variable Compensation Structure

- **Performance Metrics:** The following key performance indicators (KPIs) will be used to measure performance:
 - Financial Performance (e.g., Revenue Growth, EBITDA)
 - Operational Efficiency (e.g., Cost Reduction, Process Improvements)
 - Market Penetration (e.g., New Customer Acquisition, Market Share)
 - Customer Satisfaction (e.g., NPS, Customer Retention Rates)
- **Weighting of Metrics:**
 - Financial Performance: 40%
 - Operational Efficiency: 30%
 - Market Penetration: 20%
 - Customer Satisfaction: 10%
- **Bonus Opportunities:** The potential bonus range is between [Insert percentage] of your base salary, subject to the achievement of specified targets.

Please align your initiatives with these objectives, as we will conduct a review at the end of the performance cycle to determine eligibility and amount of variable compensation based on the attainment of these criteria.

If you have any questions or need further clarification, please feel free to reach out.

Thank you for your commitment to [Company Name] and your continued dedication to achieving excellence.

Sincerely,

[Your Name]

[Your Title]

[Company Name]