
From: Killion, Mark
To: Nathalie Leitch
CC: Shepherd, Michael; McClanahan, Patrick; Hepp, Christopher
Sent: 10/24/2011 2:44:24 PM
Subject: 2011 bonus plans
Attachments: KADIAN ABM 2011 Bonus plan.docx; KADIAN RBD 2011 Bonus Plan.docx

Nathalie,

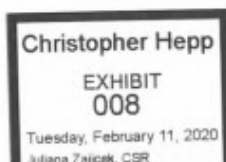
Hope you're having a great time in Germany. We know you're going to be tied up all week but we wanted to send this to you now.

Attached are the revised 2011 bonus plans (ABM and RBD) that Sheri requested. I believe we captured all of the changes for the year (main difference being we went to a trimester only payout vs payouts based on YTD performance).

The only question we had was regarding the section on the retention bonus. We couldn't remember if you wanted to keep or pull that section. If you want it pulled let us know and we can do that for you.

Whenever you get final approval (if you even need Legal approval) let us know and we can get it sent to Inventiv Health for their files. Thanks and safe travels.

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2011 Kadian Area Business Manager Incentive Compensation Program

1. Program Objectives

The 2011 Kadian ABM incentive compensation program is designed to provide incentive for sales results. The objectives of the plan are to:

- i. Maximize the sales of Kadian Capsules;
- ii. Align sales force goals with organizational goals;
- iii. Recognize and reward individual sales performance;
- iv. Reward the team for completing the project.

2. Program Description

i. 2011 Sales Incentive Program – hired before 1/1/2011

The Sales incentive program provides for bonuses to be paid based on individual territory Kadian Capsule sales as a percentage of a pre-determined 2011 sales quota for three trimester periods. The quota periods for each trimester will be January 1, 2011- April 30, 2011, May 1, 2011- August 31, 2011 and September 1, 2011- December 31, 2011. Target payout for 100% quota attainment is \$10,000 for each trimester. The target payout at 100% is based upon an annual bonus amount of \$30,000. Each trimester quota and payout will stand alone and the previous trimester performance will not affect the current trimester payout. Table 1 describes payouts relative to quota achievement in detail.

No bonus will be earned until 85% of quota has been met.

ii. 2011 Sales Incentive Program – hired after 1/1/2011 and before 11/30/2011

The Sales incentive program provides for bonuses to be paid based on individual territory Kadian Capsule sales as a percentage of a pre-determined 2010 sales quota. Target payout for 100% quota attainment will be **pro-rated** against the annual payout of \$30,000. The number of months used for calculating the pro-rated amount will be dependent on the ABM start date within the trimester the bonus is paid. (See eligibility criteria).

The 2011 sales quota for the territory in the trimester will be **pro-rated** based on the ABM start date. No bonus will be earned until 85% of quota has been met.

iii. 2011 Sales Incentive Program – hired after 4/1/2011, 8/11/2011 and 12/1/2011

Any ABM hired in the last month of a trimester will not be eligible to participate in the 2011 Kadian ABM Sales Incentive Program until the following trimester.

Table 1. Kadian ABM Payout vs. % to Goal (Annual Payout; Trimester payout is one third of the annual amount)

<u>% to Goal</u>	<u>\$ Payout</u>	<u>% to Goal</u>	<u>\$ Payout</u>	<u>% to Goal</u>	<u>\$ Payout</u>
< 85%	0				
85%	\$5,000	111%	\$40,500	137%	\$53,500
86%	\$6,000	112%	\$41,000	138%	\$54,000
87%	\$7,000	113%	\$41,500	139%	\$54,500
88%	\$8,000	114%	\$42,000	140%	\$55,000
89%	\$9,000	115%	\$42,500	141%	\$55,500
90%	\$10,000	116%	\$43,000	142%	\$56,000
91%	\$12,000	117%	\$43,500	143%	\$56,500
92%	\$14,000	118%	\$44,000	144%	\$57,000
93%	\$16,000	119%	\$44,500	145%	\$57,500
94%	\$18,000	120%	\$45,000	146%	\$58,000
95%	\$20,000	121%	\$45,500	147%	\$58,500
96%	\$22,000	122%	\$46,000	148%	\$59,000
97%	\$24,000	123%	\$46,500	149%	\$59,500
98%	\$26,000	124%	\$47,000	150%	\$60,000
99%	\$28,000	125%	\$47,500	> 150%	\$250/pt
100%	\$30,000	126%	\$48,000		
101%	\$31,000	127%	\$48,500		
102%	\$32,000	128%	\$49,000		
103%	\$33,000	129%	\$49,500		
104%	\$34,000	130%	\$50,000		
105%	\$35,000	131%	\$50,500		
106%	\$36,000	132%	\$51,000		
107%	\$37,000	133%	\$51,500		
108%	\$38,000	134%	\$52,000		
109%	\$39,000	135%	\$52,500		
110%	\$40,000	136%	\$53,000		

A. Eligibility Criteria

Any ABM hired after 1/1/2011 will be eligible for bonus the first full calendar month after their start date. Their bonus payout will be pro-rated by the number of months in that trimester. ABM's hired in the last month of the trimester will not be eligible for a bonus payout until following trimester.

For example, if an ABM has a start date of 2/25/2011 then the ABM is eligible for the bonus program beginning 3/1/2011 for the first trimester. The ABM is eligible for a pro-rated bonus payout of 2/4 of the full bonus payout for the territory quota attainment. At 100% quota attainment for the full year, this would equal \$5,000.

An ABM hired on 4/1/2011 would not be eligible for bonus until the start of the second trimester (5/1/2011).

2011 Bonus Pro-ration table

Hire Month	Bonus Eligible Month	Bonus payout Monthly Pro-ration	% of Trimester Bonus Payout
January	February	3/4	75%
February	March	2/4	50%
March	April	1/4	25%
April	Not eligible until T2		
May	June	3/4	75%
June	July	2/4	50%
July	August	1/4	25%
August	Not eligible until T3		
September	October	3/4	75%
October	November	2/4	50%
November	December	1/4	25%
December	Not Eligible until T1 2012		

3. Basis for Payment

Payout for the 2011 Kadian Area Business Manager Bonus Plan will be based on total dollarized prescriptions, as reported by Wolters Kluwer Health. These sales will be credited towards quota achievement.

4. Payout Schedule

Incentive payouts will be paid at 3 different time periods; The payout dates are June 15, 2011, October 15, 2011 and February 15, 2012 and will be relative to year to date annual percent to goal. The payout dates are approximate and may vary depending on the processing dates from Inventiv Health. Percent to goal is measured based on trimester to date sales vs. trimester to date quota. Quotas are broken out to the monthly level and there will be three bonus periods;

Bonus Period 1	January- April 2011 (4 months)
Bonus Period 2	May – August 2011 (4 months)
Bonus Period 3	September- December 2011 (4 months)

Year to date quota and sales credit are calculated as the sum of the individual four month totals through the current bonus period.

Bonus period target payouts are shown in table 2 below:

Table 2. Payout Schedule

5. Payout

BP = Bonus Period

Example 1

End of BP	YTD % Quota Achievement	Annual Bonus Level (Table 1)	% Payout	Actual Bonus Period Payout
BP 1	95%	\$20,000	1/3 of annual payout	\$6,667
BP 2	90%	\$10,000	1/3 of annual payout	\$3,333
BP 3	100%	\$30,000	1/3 of annual payout	\$10,000
Total 2011 Payout				\$20,000

BP = Bonus Period

Example 2

End of BP	YTD % Quota Achievement	Annual Bonus Level (Table 1)	% Payout	Actual Bonus Period Payout
BP 1	75%	\$0	1/3 of annual payout	\$0
BP 2	100%	\$30,000	1/3 of annual payout	\$10,000
BP 3	105%	\$35,000	1/3 of annual payout	\$11,667
Total Payout				\$21,667

6. Retention Bonus

- i. If the Kadian project is terminated at any time during the year, ABM's eligible for the Kadian Incentive Compensation Program will be eligible for the Retention Bonus for the completed trimester
- ii. At the conclusion of the Kadian project, ABM's will be paid twice their Incentive Compensation Bonus as a retention bonus
- iii. For example, if the project were to end at the end of the 1st Trimester and an ABM was at 100% to plan, the Incentive Compensation Bonus would be 33% of \$30,000 or \$9,900. The Retention Bonus would be calculated by doubling the Incentive Compensation Bonus of \$9,900 for a total payout of \$19,800.

7. General Terms and Conditions

- i. **Compliance** – an ABM must be in full compliance with Inventiv and Actavis promotional SOP's and guidelines to be eligible for any sales incentive payment.
- ii. **Termination / Resignations** – Area Business Managers must be an employee of Inventiv on the last day of the Bonus Period to be eligible to receive the incentive compensation payout that was earned for that Bonus Period.
- iii. **Out of Territory** – If an Area Business Manager is out of the territory during the year due to reasons other than company approved time off, the sales incentive payout will be prorated based on the number of days worked year to date.

iv. **Adjustments** – Management reserves the right to modify or adjust the Sales Incentive Program at any time.

2011 Kadian Regional Business Director Incentive Compensation Program

1. Program Objectives

The 2011 Kadian RBD incentive compensation program is designed to provide incentive for sales results. The objectives of the plan are to:

- i. Maximize the sales of Kadian Capsules;
- ii. Align sales force goals with organizational goals;
- iii. Recognize and reward Regional sales performance.
- iv. Reward the RBDs for completing the project

2. Program Description

i. 2011 Sales Incentive Program – hired before 1/1/2011

The Sales incentive program provides for bonuses to be paid based on individual territory Kadian Capsule sales as a percentage of a pre-determined 2011 sales quota for three trimester periods. The quota periods for each trimester will be January 1, 2011- April 30, 2011, May 1, 2011- August 31, 2011 and September 1, 2011- December 31, 2011. Target payout for 100% quota attainment is \$16,000 for each trimester. The target payout at 100% is based upon an annual bonus amount of \$48,000. Each trimester quota and payout will stand alone and the previous trimester performance will not affect the current trimester payout. Table 1 describes payouts relative to quota achievement in detail.

No bonus will be earned until 85% of quota has been met.

ii. 2011 Sales Incentive Program – hired after 1/1/2011 and before 11/30/2011

The Sales incentive program provides for bonuses to be paid based on individual territory Kadian Capsule sales as a percentage of a pre-determined 2010 sales quota. Target payout for 100% quota attainment will be **pro-rated** against the annual payout of \$48,000. The number of months used for calculating the pro-rated amount will be dependent on the RBD start date within the trimester the bonus is paid. (See eligibility criteria).

The 2011 sales quota for the territory in the trimester will be **pro-rated** based on the RBD start date. No bonus will be earned until 85% of quota has been met.

iii. 2011 Sales Incentive Program – hired after 4/1/2011, 8/11/2011 and 12/1/2011

Any RBD hired in the last month of a trimester will not be eligible to participate in the 2011 Kadian RBD Sales Incentive Program until the following trimester.

Table 1. Kadian RBD Payout vs. % to Goal (Annual Payout; Trimester payout is one third of the annual amount)

<u>% to Goal</u>	<u>\$ Payout</u>	<u>% to Goal</u>	<u>\$ Payout</u>	<u>% to Goal</u>	<u>\$ Payout</u>
< 85%	0				
85%	\$ 22,500	111%	\$ 64,500	137%	\$ 87,000
86%	\$ 24,000	112%	\$ 66,000	138%	\$ 87,750
87%	\$ 25,500	113%	\$ 67,500	139%	\$ 88,500
88%	\$ 27,000	114%	\$ 69,000	140%	\$ 89,250
89%	\$ 28,500	115%	\$ 70,500	141%	\$ 90,000
90%	\$ 30,000	116%	\$ 71,250	142%	\$ 90,750
91%	\$ 31,500	117%	\$ 72,000	143%	\$ 91,500
92%	\$ 33,000	118%	\$ 72,750	144%	\$ 92,250
93%	\$ 34,500	119%	\$ 73,500	145%	\$ 93,000
94%	\$ 36,000	120%	\$ 74,250	146%	\$ 93,750
95%	\$ 37,500	121%	\$ 75,000	147%	\$ 94,500
96%	\$ 39,000	122%	\$ 75,750	148%	\$ 95,250
97%	\$ 40,500	123%	\$ 76,500	149%	\$ 96,000
98%	\$ 42,000	124%	\$ 77,250	150%	\$ 96,750
99%	\$ 45,000	125%	\$ 78,000	> 150%	\$250/pt
100%	\$ 48,000	126%	\$ 78,750		
101%	\$ 49,500	127%	\$ 79,500		
102%	\$ 51,000	128%	\$ 80,250		
103%	\$ 52,500	129%	\$ 81,000		
104%	\$ 54,000	130%	\$ 81,750		
105%	\$ 55,500	131%	\$ 82,500		
106%	\$ 57,000	132%	\$ 83,250		
107%	\$ 58,500	133%	\$ 84,000		
108%	\$ 60,000	134%	\$ 84,750		
109%	\$ 61,500	135%	\$ 85,500		
110%	\$ 63,000	136%	\$ 86,250		

A. Eligibility Criteria

Any RBD hired after 1/1/2011 will be eligible for bonus the first full calendar month after their start date. Their bonus payout will be pro-rated by the number of months in that trimester. RBD's

hired in the last month of the trimester will not be eligible for a bonus payout until following trimester.

For example, if an RBD has a start date of 2/25/2011 then the RBD is eligible for the bonus program beginning 3/1/2011 for the first trimester. The ABM is eligible for a pro-rated bonus payout of 2/4 of the full bonus payout for the territory quota attainment. At 100% quota attainment for the full year, this would equal \$8,000.

ARBDhired on 4/1/2011 would not be eligible for bonus until the start of the second trimester (5/1/2011).

2011 Bonus Pro-ration table

Hire Month	Bonus Eligible Month	Bonus payout Monthly Pro-ration	% of Trimester Bonus Payout
January	February	3/4	75%
February	March	2/4	50%
March	April	1/4	25%
April	Not eligible until T2		
May	June	3/4	75%
June	July	2/4	50%
July	August	1/4	25%
August	Not eligible until T3		
September	October	3/4	75%
October	November	2/4	50%
November	December	1/4	25%
December	Not Eligible until T1 2012		

3. Basis for Payment

Payout for the 2011 Kadian Regional Business Director Bonus Plan will be based on total dollarized prescriptions, as reported by Wolters Kluwer Health. These sales will be credited towards quota achievement.

4. Payout Schedule

Incentive payouts will be paid at 3 different time periods; The payout dates are June 15, 2011, October 15, 2011 and February 15, 2012 and will be relative to year to date annual percent to goal. The payout dates are approximate and may vary depending on the processing dates from Inventiv Health. Percent to goal is measured based on trimester to

date sales vs. trimester to date quota. Quotas are broken out to the monthly level and there will be three bonus periods;

Bonus Period 1	January- April 2011 (4 months)
Bonus Period 2	May – August 2011 (4 months)
Bonus Period 3	September- December 2011 (4 months)

Year to date quota and sales credit are calculated as the sum of the individual four month totals through the current bonus period.

Bonus period target payouts are shown in table 2 below:

Table 2. Payout Schedule

5. Payout

BP = Bonus Period

Example 1

End of BP	YTD % Quota Achievement	Annual Bonus Level (Table 1)	% Payout	Actual Bonus Period Payout
BP 1	95%	\$37,500	1/3 of annual payout	\$12,500
BP 2	90%	\$30,000	1/3 of annual payout	\$10,000
BP 3	100%	\$48,000	1/3 of annual payout	\$16,000
Total 2011 Payout				\$38,500

BP = Bonus Period

Example 2

End of BP	YTD % Quota Achievement	Annual Bonus Level (Table 1)	% Payout	Actual Bonus Period Payout
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BP 1	75%	\$0	1/3 of annual	payout	\$0
BP 2	100%	\$48,000	1/3 of annual	payout	\$16,000
BP 3	105%	\$55,500	1/3 of annual	payout	\$18,500
Total Payout					\$34,500

6. Retention Bonus

- i. If the Kadian project is terminated at any time during the year, RBDS's eligible for the Kadian Incentive Compensation Program will be eligible for the Retention Bonus for the completed trimester
- ii. At the conclusion of the Kadian project, RBD's will be paid twice their Incentive Compensation Bonus as a retention bonus
- iii. For example, if the project were to end at the end of the 1st Trimester and an RBD was at 100% to plan, the Incentive Compensation Bonus would be 33% of \$48,000 or \$16,000. The Retention Bonus would be calculated by doubling the Incentive Compensation Bonus of \$16,000 for a total payout of \$32,000.

7. General Terms and Conditions

- i. **Compliance** – an RBD must be in full compliance with Inventiv and Actavis promotional SOP's and guidelines to be eligible for any sales incentive payment.
- ii. **Termination / Resignations** – Regional Business Directors must be an employee of Inventiv on the last day of the Bonus Period to be eligible to receive the incentive compensation payout that was earned for that Bonus Period.
- iii. **Out of Territory** – If a Regional Business Director is out of the territory during the year due to reasons other than company approved time off, the sales incentive payout will be prorated based on the number of days worked year to date.
- iv. **Adjustments** – Management reserves the right to modify or adjust the Sales Incentive Program at any time.