
From: DeWildt, Charles
Sent: Monday, February 28, 2005 7:17 PM
To: Morrison, Jacqueline
Subject: FW: MDM 1st Quarter Bonus Plan
Attachments: MDM Q1 2005.doc; Q1 2005 MDM Provigil Actiq Quota-Bonus Calculator.xls

Hi Jackie,

How was your trip to West Chester?

Are you receiving e mails sent to the MDM distribution list?

Thanks,

Chuck

From: Shanfelt, Nancy
Sent: Monday, February 28, 2005 7:16 AM
To: Sales Market Development
Cc: Sales Directors; Craig, Roy; Martin, Gregory S.; Meyer, Chris; Schurr, Kent; Luscombe, Dana
Subject: RE: MDM 1st Quarter Bonus Plan

Attached, please find an updated MDM Bonus Plan and Quota Calculator for Q1 2005. There was a typo in each of the original documents that I sent out earlier this month. In the Bonus Calculator, the tab was changed from "Provigil-Gabitril-Actiq" to "Provigil-Actiq." In the Bonus Plan, the header for the Strategic Objective and Performance section had originally said "2nd semester;" it has been corrected to read "1st Semester." I apologize for any inconvenience this may have caused.

Thanks!

Nancy

Nancy Shanfelt
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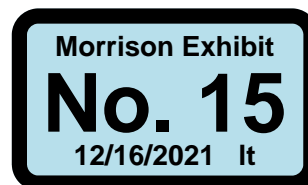
From: Shanfelt, Nancy
Sent: Friday, February 11, 2005 11:04 AM
To: Sales Market Development
Cc: Sales Directors; Craig, Roy; Martin, Gregory S.; Meyer, Chris; Schurr, Kent; Luscombe, Dana
Subject: MDM 1st Quarter Bonus Plan

Attached, please find the 1st quarter 2005 bonus plan, payment policy and quota calculator for MDMs. In the 1st quarter, the payout for each dollar increase will be \$0.01 and the payout for each percent increase will be \$75.

If you have any questions, please let me know.

Nancy

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Cephalon Market Development Manager 1st Quarter / 1st Semester 2005 Incentive Compensation Plan

REGIONAL TOTAL SALES 1ST QUARTER BONUS

You will be paid 20% of the amount earned in the average area in your region as calculated in the Area Manager Provigil/ Actiq 1st quarter bonus plans. All areas in the region will be used in calculating this amount. If an area is vacant or if an Area Manager is ineligible to receive a bonus for any reason, the amount that would have been received by a fully eligible Area Manager in the area, will be calculated, and included to determine the average amount earned for all areas.

REGIONAL NON-RETAIL SALES 1ST QUARTER BONUS

For 1st quarter 2005, your non-retail sales base (3rd quarter 2004) will be adjusted upward to reflect the price increase that went into effect for all products on September 30, 2004 (Provigil: +4.94%, Actiq: +4.9%)

For each dollar increase in your territory (1st quarter 2005 vs price adjusted 3rd quarter 2004) you will receive **\$0.01**

And

For each percent increase in your territory (1st quarter 2005 vs price adjusted 3rd quarter 2004) you will receive **\$75.00**.

STRATEGIC OBJECTIVE AND PERFORMANCE 1ST SEMESTER BONUS

You will be paid a 1st semester bonus based on the achievement of strategic objectives and overall performance in your role as Market Development Manager as determined by the Regional Director and Vice President, Sales. If the combined national level of sales for Provigil and Actiq are at 100% of budget your target bonus will be \$14,500. If national sales performance is above or below budget, your target bonus will be proportionately larger or smaller as well. You may be paid more or less than the calculated target bonus based on your achievement of strategic objectives and overall performance.

The Incentive Compensation Plan contained herein is not meant to, nor does it, create an Employee Handbook and/or an Employment Contract between the Company and you. The Plan contained herein does not guarantee payment of any bonus, nor does it guarantee employment for any period of time, nor does it guarantee any particular terms and/or conditions of employment. The employment relationship between the Company and you is "at will," which means that either the Company or you may terminate the employment relationship at any time. The Company, at its sole discretion, may change or terminate the Plan contained herein at any time with or without notice, or choose not to apply it in particular cases. Eligibility requirements for receipt of any bonus, of whatever nature, are contained in the Incentive Compensation Payment Plan Policies

File Provided Natively

1st Quarter 2005 Territory Quota and Bonus Calculator

Market Development Manager

Enter your 3rd quarter 2004 Non-Retail sales base for Provigil and Actiq where the red numbers are located.

Enter the 1st quarter 2005 sales that you are planning to achieve where the purple numbers are located. The blue numbers tell you what your quota is and what your bonus will be. Do not enter anything where there is a blue number.

Quota Calculator

If Your 3rd Quarter (Jul, Aug, Sep) 2005 Non-Retail Dollar Sales for Provigil = **\$1,000,000**

If Your 3rd Quarter (Jul, Aug, Sep) 2005 Non-Retail Dollar Sales for Actiq = **\$900,000**

Your Price Adjusted 3rd Quarter 2004 Non-Retail Dollar Sales for Provigil (+4.94%) = \$1,049,400

Your Price Adjusted 3rd Quarter 2004 Non-Retail Dollar Sales for Actiq (+4.9%) = \$944,100

Your Total Price Adjusted 3rd Quarter 2004 Non-Retail Dollar Sales = \$1,993,500

Your 1st Quarter (Jan, Feb, Mar) 2005 Total Non-Retail Dollar Quota = **\$2,256,902** (At which you will earn the target amount of \$3,625)

Which Represents a Dollar Increase (over price adjusted 3rd quarter) = **\$263,402**

Which Represents a Percent Increase (over price adjusted 3rd quarter) = **13.2%**

Bonus Calculator

If Your 1st Quarter (Jan, Feb, Mar) 2005 Total Non-Retail Sales = **\$2,275,000**

Your Non-Retail Bonus Will Be **\$3,874**