

## EXECUTIVE COMPENSATION AGREEMENT

This Agreement is made this \_\_\_\_ day of \_\_\_\_\_, 2016 (the "Effective Date"), by and between \_\_\_[Corp Name]\_\_\_\_\_ (the "Corporation"), of \_\_\_[address]\_\_\_\_\_, and, \_\_\_\_\_[Name]\_\_\_\_\_ (the "President"), of \_\_\_[address]\_\_\_\_\_. The President accepts employment as President of the Corporation on the following terms and conditions:

### 1. TERM OF EMPLOYMENT

By this Agreement, the Corporation employs the President, and the President accepts employment with the Corporation. The term of the President's employment shall be three years, beginning on the Effective Date above (the "Term"), unless his employment is sooner terminated pursuant to the provisions of this Agreement. Commencing on the third anniversary of the Effective Date, the Term shall be automatically extended for additional consecutive three-year periods.

### 2. COMPENSATION

2.01. As compensation for all services rendered under this Agreement, the President shall be paid by the Corporation a salary to be calculated on the basis of monthly reoccurring revenue (MRR) of the Corporation according to the table below. President's salary shall be payable in pro-rated monthly installments.

<b>MRR</b>	<b>Salary per year</b>
From 0 to \$25,000	\$ _____
From \$25,000 to \$50,000	\$ _____
Over \$50,000	\$ _____

2.02. The President is authorized to incur reasonable business expenses in the performance of the President's administrative duties under this Agreement. The Corporation will reimburse the President from time to time for all such business expenses, provided that the President presents to the Corporation one of the following:

- (a) A statement of expenses in which the President recorded at or near the time each expenditure was made:
  - (i) The amount of the expenditure;
  - (ii) The time, place, and type of expense; and
  - (iii) The business reason for the expenditure.
- (b) Receipts that state sufficient information to establish the amount, date, place, and essential character of each expenditure.

The President must receive a prior permission from the Board of Directors of the Corporation prior to expending out of pocket any amount exceeding \$ 5,000.

2.03. President shall be granted options to purchase shares of common stock of the Corporation at an exercise price of \$ \_\_\_\_\_ per share (the "Grant"), when, and if, the Corporation achieves each of the following annual reoccurring revenue (ARR) milestones. All shares shall immediately become exercisable. The President may exercise the Grant in full or in part.

<b>ARR</b>	<b>Number of shares</b>
\$1,000,000	X
\$5,000,000	Additional X
\$10,000,000	Additional X

Except as otherwise provided in this Agreement, the Grant will be subject to the Corporation's standard terms and conditions for executive stock option awards

2.04. The President understands and acknowledges that this Agreement does not entitle him to any other compensation, benefits or plans, except as provided for in this Article 2 of this Agreement.

### **3. DUTIES OF PRESIDENT**

3.01. As the Corporation's President, he shall carry out the policies of the Corporation and control the day-to-day operations of the business and affairs of the Corporation. The President shall report directly to the Corporation.

3.02. The President shall not be required to work more than [REDACTED] hours a week. Normal working days and hours are Monday through Friday, 9 a.m. to 5:00 p.m.

3.03. The President shall devote his ability, attention, and energies to the business of the Corporation during the term of this Agreement.

### **4. VACATION AND SICK DAYS**

4.01. The President shall be entitled to twenty days paid vacation per year, which, to the extent they are not used at the end of the contract term, a maximum of ten days may be carried over at the end of the contract term.

4.02. The President shall be entitled to ten days paid sick leave per annum. Upon termination of employment, the President shall be entitled to a maximum of ten days paid sick leave.

### **5. MONITORING**

The President shall give Corporation, through its authorized representatives, access to and the right to examine any or all pertinent records or other written materials maintained by President and related to the business of the Corporation or this Agreement. President shall also give Corporation the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder by President.

### **6. TERMINATION**

7.01. This Agreement may be terminated by either party, for any reason or no reason, by giving ten days' written notice of termination to the other party.

7.02. In the event of the termination of this Agreement prior to the term of employment specified above, the President shall be entitled to the compensation earned by the President prior to the date of termination as provided for in this Agreement, computed pro rata to and including that date.

### **7. PROPERTY RIGHTS OF PARTIES**

7.01. All files, records, documents, drawings, specifications, equipment and similar items relating to the business of the Corporation, whether or not prepared by the President, shall remain the exclusive property of Corporation.

7.02. Corporation shall have the right to use, copyright, reproduce, publish, or distribute any and all materials created by President under the name of Corporation, without obtaining permission from President and without expense and charge.

7.03. On the termination of employment or whenever requested by Corporation, President shall immediately deliver to the Corporation all property in the President's possession or under the Employee's control belonging to the Corporation (including but not limited to all accounting records and files). Such property shall

be returned in good condition, ordinary wear and tear excepted.

**8. GENERAL PROVISIONS**

8.01. The President shall comply with all applicable laws, ordinances, codes, and regulations of the State of California, local and federal governments.

8.02. Neither this Agreement nor any duties or obligations under it shall be assignable by President without the prior written consent of Corporation.

8.03. Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

8.04. The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties, shall be governed by the laws of the State of California.

8.05. In the event that any or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

**CORPORATION:**

By: \_\_\_\_\_

Name/Title: \_\_\_\_\_

Date: \_\_\_\_\_

**PRESIDENT:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_