
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): February 26, 2007

ROLLINS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-4422

(Commission File Number)

51-0068479

(I.R.S. Employer Identification No.)

2170 Piedmont Road, N.E., Atlanta, Georgia 30324

(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: **(404) 888-2000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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ITEM 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Adoption of Performance Bonus Program for Fiscal 2007.

On February 26, 2006, the Compensation Committee (the "Committee") of the Board of Directors of Rollins, Inc. (the "Company"), approved the performance bonus program for the Named Executive Officers for 2007, in accordance with the terms of the Company's Performance-Based Incentive Cash Compensation Plan for Executive Officers, which was approved by the Company's shareholders at the Company's 2003 annual meeting and is described in more detail in the Company's 2003 proxy statement. Under the 2007 performance bonus program, the Named Executive Officers will each have an opportunity to receive a bonus of up to 80% of his or her base salary, not to exceed a maximum of \$2,000,000 per individual per year. The amount of any bonus will be determined by a formula set by the Committee based upon the amount of revenue growth, pretax profit plan achievement, and pretax profit improvement over the prior year, if any, and in the case of Mr. Knottek and Mr. Cynkus, achievement of the Company's expense plan for the year and internal customer survey results. No bonuses will be paid under the 2007 performance bonus program until the satisfaction of the performance criteria has been certified by the Committee, which will not take place until after the close of 2007. The forms of the bonus awards are attached as exhibits to this Form 8-K.

The Committee also approved the amounts of Named Executive Officers' bonuses for 2006 under the 2006 bonus program, as reported on the Company's Form 8-K filed on January 31, 2006. The amounts were as follows: Mr. Randall Rollins, \$375,172; Mr. Gary Rollins, \$442,156; Mr. Glen Rollins, \$220,570; Mr. Cynkus, \$123,676; Mr. Knottek, \$123,676.

ITEM 9.01 Financial Statements and Exhibits.

- (a) Financial Statements
- (b) Pro Forma Financial Information
- (c) Shell Company Transactions
- (d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
(10)(t)	Form A of Executive Bonus Plan for Fiscal Year 2007
(10)(u)	Form B of Executive Bonus Plan for Fiscal Year 2007

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Rollins, Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ROLLINS, INC.

Date: February 28, 2007

By: /s/Harry J. Cynkus _____
Name: Harry J. Cynkus
Title: Chief Financial Officer and Treasurer

Standard Form A of Executive Bonus Plan for 2007
FOR: [Name of Executive]

The elements of the plan are as follows:

1. PROFIT TO PLAN

The Profit to Plan element will be paid according to the following scale up to a maximum of 30% of your annual salary:

Rollins Inc. Pre-Tax Profit to Plan Achievement	Annual % of Salary
105.0%	30.00%
102.5%	25.00%
100%	20.00%
97.5%	15.00%
95%	10.00%

The Company must have a profit and a profit improvement for this element to be paid.

Your CY[Year] Pre-Tax Profit Plan is:

\$[TARGET AMOUNT]
Annual [Year]

2. PROFIT INCREASE OVER LAST YEAR

You will be paid [1.44% for chairman of the board, 1.6% for CEO of Rollins, 0.96% for President of Orkin, 0.308% for Senior Vice President and Secretary, 0.32% for Chief Financial Officer and Treasurer] of the profit increase up to the maximum of 20% of your annual salary.

The Company must have a profit and a profit improvement for this element to be paid.

Your CY[Last Year] Pre-Tax Adjusted Profit base was:

\$ _____
Actual [Year]

3. COMBINED REVENUE GROWTH

The Combined Revenue Growth element will be paid according to the following scale up to a maximum of 30% of your annual salary:

Percentage Increase over Prior Year	Revenue \$ Increase	Annual % of Salary
8.00%	\$ _____	30%
7.50%	\$ _____	25%
7.00%	\$ _____	20%
6.50%	\$ _____	15%
6.00%	\$ _____	10%
5.50%	\$ _____	5%
5.00%	\$ _____	2.5%

The Company must have a profit and a profit improvement for this element to be paid.

Your CY[Year] Combined Revenue Plan is:

\$[Plan Year target amount]
Annual '07

\$ _____
Actual '06

[Target percentage]
% increase

Glossary of Terms and Conditions

[Year] Rollins, Inc. Executive Bonus Plan

I. General Plan Qualifiers and Provisions

- A. The plan year for this bonus is January 1, 20__ to December 31, 20__.
 - B. Your bonus plan is subject to change each year.
 - C. Your bonus will be calculated using your actual current base salary as of December 31, 20__.
 - D. Your eligibility for a bonus and the amount due will be determined solely by the Company.
 - E. Bonus payments will be made in one lump sum no later than March 15, 20__, minus applicable state and federal taxes. Other deductions may apply, e.g., 401(K) deductions, etc.
 - F. You must be employed in the same position on December 31, 20__ to be eligible for a bonus, except as described below in (H.)
 - G. You will not receive a bonus if for any reason you are in a position on December 31, 20__ that is not eligible for a bonus or if you are not actively employed on the date that the bonus is paid.
 - H. If you are promoted during the plan year from one bonus-eligible position to another bonus-eligible position, the bonus components common to both plans carry over to the new position. Plan components unique to the original bonus-eligible position will be paid based on time spent in the position (must be at least 50 percent of the plan year). Bonus amounts on these unique components will be calculated at the time of the transfer based on year-to-date results.
 - I. If you are hired into a bonus-eligible position during the year, or if you are promoted during the plan year from a position that is ineligible for a bonus into a bonus-eligible position, you will be eligible for a pro-rated bonus if you are in the bonus-eligible position for at least 50 percent of the plan year.
 - J. You will not receive any bonus if you falsify documents, violate company policy or know of such actions by employees under your direction without taking corrective actions.
 - K. Any disputes over your bonus will be resolved by the Compensation Committee.
 - L. The Compensation Committee reserves the right to reward outstanding performance in unique situations by awarding an employee a bonus outside the terms of the 20__ Home Office Bonus Plan.
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- M. The actual profit from which the bonus may be determined may be subject to adjustments as recommended by the President and approved by the Compensation Committee for the year 20__.
- N. Acquisitions over \$5,000,000 in revenue will be added to the Company strategic plan (revenue and profit) based on a pro forma of the acquisition model for bonus calculations.

II. Plan Components

A. General Provisions

The 20__ Home Office Executive Bonus Plans divide bonus opportunity into three components: profit to plan performance, profit increase over last year, and combined revenue to planned increase. No bonus will be paid under any component if Rollins Inc.'s pre-tax profit does not result in a profit improvement in 20__, as compared to 20__.

B. Profit Increase Performance Component

If Rollins Inc.'s pre-tax profit in 20__ increases compared to 20__, you will receive a percentage of your salary up to the maximum allowable percentage of salary under your bonus plan for this component based on a scale. A pro-rata calculation will be made for actual results that are between the levels on the scale to the tenths decimal place value.

C. Profit To Plan Performance Component

If Rollins Inc.'s pre-tax profit meets or exceeds 95% of the Company's plan in 20__, you will receive a bonus based on a scale up to the maximum allowable percentage of salary under your bonus plan for this component. Payouts will begin at 95% of Profit Plan and rise to 100% payout at 105% of Profit Plan. A pro-rata calculation will be made for actual results that are between the levels on the scale to the tenths decimal place value.

D. Combined Revenue Growth

If Rollins Inc.'s combined revenue increase meets or exceeds 5.0% of the Company's combined revenues for 20__, you will receive a bonus based on a scale up to the maximum allowable percentage of salary under your bonus plan for this component.

ACKNOWLEDGMENT

I have received and read a copy of my Incentive Plan with the accompanying Glossary of Terms and Conditions. I understand that participation in this Plan should in no way be construed as a contract or promise of employment and/or compensation. Employment is at-will, and therefore employment and compensation can terminate, with or without cause and with or without notice, at any time at the option of the Company or employee. I also understand that this Incentive Plan will be subject to review, and likely to change next year.

Plan Participant

Date

Standard Form B of Executive Bonus Plan

FOR: [Name of Executive]

The elements of the plan are as follows:

1. KEY OPERATING INITIATIVES

The Key Operating Initiatives element will be paid at 5% or more of your annual salary for 100% achievement of the following Key Operating Initiative:

Meet or be under your combined departments' Expense Plan

The Company must have a profit and a profit improvement for this element to be paid. The stipulation as described in number 3 of Section II, C of the attached Glossary applies to this component.

As an added incentive, if combined departments' expenses are below plan, then this element's payout will be increased up to 10% according to the following scale:

<u>Performance to Budget</u>	<u>Payout % of Salary</u>
94%	10%
95%	9%
96%	8%
97%	7%
98%	6%
100% to budget	5%

Qualifiers for additional bonus opportunity above 5%:

- a) Major projects must be kept on time;
- b) Key personnel openings (Director-level and above) must be filled in a timely manner, (i.e., no more than 90 day vacancy if no notice is given, or 60 days if involuntary termination/no notice is given);
- c) Customer Service Rating must be at or above 2006 level.

2. INTERNAL CUSTOMER SERVICE SURVEY RESULTS

The Internal Customer Service Survey element will be paid on a sliding scale up to a maximum of 5% of your annual salary:

<u>Internal Customer Service Survey Results of Consolidated Departments Reporting to Position</u>	<u>Annual % of Salary</u>
7.1 or more	5.0%
6.6 - 7.0	3.75%
6.1 - 6.5	2.5%
Below 6.1	0%

The Company must have a profit and a profit improvement for this element to be paid.

Glossary of Terms and Conditions

2007 Rollins, Inc. Executive/Home Office Bonus Plan

I. General Plan Qualifiers and Provisions

- A. The plan year for this bonus is January 1, 20__ to December 31, 20__.
- B. Your bonus plan is subject to change each year.
- C. Your bonus will be calculated using your actual current base salary as of December 31, 20__.
- D. Your eligibility for a bonus and the amount due will be determined solely by the Company.
- E. Bonus payments will be made in one lump sum no later than March 15, 20__, minus applicable state and federal taxes. Other deductions may apply, e.g., 401(k) deductions, etc.
- F. You must be employed in the same position on December 31, 20__ to be eligible for a bonus, except as described below in (H.)
- G. You will not receive a bonus if for any reason you are in a position on December 31, 20__ that is not eligible for a bonus or if you are not actively employed on the date that the bonus is paid.
- H. If you are promoted during the plan year from one bonus-eligible position to another bonus-eligible position, the bonus components common to both plans carry over to the new position. Plan components unique to the original bonus-eligible position will be paid based on time spent in the position (must be at least 50 percent of the plan year). Bonus amounts on these unique components will be calculated at the time of the transfer based on year-to-date results.
- I. If you are hired into a bonus-eligible position during the year, or if you are promoted during the plan year from a position that is ineligible for a bonus into a bonus-eligible position, you will be eligible for a pro-rated bonus if you are in the bonus-eligible position for at least 50 percent of the plan year.
- J. You will not receive any bonus if you falsify documents, violate company policy or know of such actions by employees under your direction without taking corrective actions.
- K. Any disputes over your bonus will be resolved by the Compensation Committee.
- L. The Compensation Committee reserves the right to reward outstanding performance in unique situations by awarding an employee a bonus outside the terms of the 20__ Home Office Bonus Plan.
- M. The actual profit from which the bonus may be determined may be subject to adjustments as recommended by the President and approved by the Compensation Committee for the year 20__.
- N. Acquisitions over \$5,000,000 in revenue will be added to the Company strategic plan (revenue and profit) based on a pro forma of the acquisition model for bonus calculations.

II. Plan Components

A. General Provisions

The 20__ Executive/Home Office Bonus Plans divide bonus opportunity into two components: customer satisfaction and key operating initiatives. No bonus will be paid under any component if Rollins Inc.'s pre-tax profit does not result in a profit improvement in 20__, as compared to 20__.

B. Customer Satisfaction Component

1. The 20__ Internal Customer Service Surveys will utilize a format similar to the ones utilized in 2006.
2. Participants with this component will have this portion of their bonus opportunity based on the weighted average rating of the departments who report to them.
3. You will receive 100 percent of the bonus opportunity under this component if your departments receive a weighted average rating of 7.1 or better.
4. You will receive 75 percent of the bonus opportunity under this component if your departments receive a weighted average rating of 6.6 - 7.0.
5. You will receive 50 percent of the bonus opportunity under this component if your departments receive a weighted average rating of 6.1 or above in the survey.

C. Key Operating Initiatives Component

1. The purpose of this portion of the bonus plan is to recognize achievement of specific financial and/or strategic goals.
2. Participants with this component will have this portion of their bonus opportunity based on 100% attainment (or better) of their combined departments' expenses to plan.
3. You will not receive any bonus for a KOI linked to your departments' expense to plan if you intentionally understaff your departments or delay an agreed-upon project.

ACKNOWLEDGMENT

I have received and read a copy of my Incentive Plan with the accompanying Glossary of Terms and Conditions. I understand that participation in this Plan should in no way be construed as a contract or promise of employment and/or compensation. Employment is at-will, and therefore employment and compensation can terminate, with or without cause and with or without notice, at any time at the option of the Company or employee. I also understand that this Incentive Plan will be subject to review, and likely to change next year.

Plan Participant

Date