

[Company Letterhead]

[Date]

[Employee Name]

[Employee Address]

[City, State, Zip Code]

## **Re: Change of Control Severance and Vesting Agreement**

Dear [Employee Name],

This letter agreement (the "Agreement") sets forth the benefits you will be entitled to receive from [Company Name] (the "Company") in the event of a Change of Control. This Agreement is intended to provide you with financial security and incentive to remain focused on the Company's business during a potential transition period.

### **1. Definition of Change of Control**

For purposes of this Agreement, a "Change of Control" shall mean the occurrence of any of the following: (a) the sale of all or substantially all of the Company's assets; (b) a merger or consolidation in which the Company is not the surviving entity; or (c) the acquisition of more than 50% of the Company's outstanding voting securities by a single person or group.

### **2. Severance Benefits**

If your employment is terminated by the Company without "Cause" or by you for "Good Reason" (each as defined in your employment agreement) within [Number] months following a Change of Control, you shall be entitled to receive:

- (a) A lump-sum cash payment equal to [Number] months of your then-current base salary.
- (b) A pro-rated portion of your annual target bonus for the year of termination.
- (c) Reimbursement for COBRA premiums for a period of [Number] months.

### **3. Immediate Vesting of Stock Options**

Notwithstanding any provision to the contrary in the Company's [Year] Equity Incentive Plan or your individual Stock Option Agreement(s), in the event of a Change of Control, 100% of your then-unvested outstanding stock options and other equity-based awards shall become immediately and fully vested and exercisable as of the date immediately preceding the effective date of the Change of Control.

### **4. Release of Claims**

The receipt of any severance benefits under Section 2 is subject to your execution and non-revocation of a standard general release of claims in favor of the Company.

### **5. Miscellaneous**

This Agreement shall be governed by the laws of the State of [State]. It supersedes any prior agreements regarding severance or accelerated vesting in a Change of Control context.

Please indicate your acceptance of these terms by signing below.

Sincerely,

[Name of Authorized Representative]

[Title]

[Company Name]

**Accepted and Agreed:**

\_\_\_\_\_

[Employee Name]

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