

Date: [Insert Date]

To: [Co-Founder Name]

From: [Your Name]

Company: [Company Name]

Subject: Business Continuity and Succession Agreement

Dear [Co-Founder Name],

This letter serves to outline our mutual commitment to the stability and continuity of [Company Name] in the event of unforeseen circumstances affecting either of us as Co-Founders.

1. Triggering Events

The provisions of this letter shall be considered in the event of a Founder's death, permanent disability, or prolonged incapacity that prevents the fulfillment of operational duties for a period exceeding [Number] days.

2. Management Succession

In the event that [Your Name] is unable to perform their duties, [Co-Founder Name] shall assume full decision-making authority and operational control. Conversely, if [Co-Founder Name] is unable to perform their duties, [Your Name] shall assume these responsibilities.

3. Transfer of Shares and Equity

We agree that the equity held by the affected Founder shall be handled according to the following preference:

- [Option A: Buy-sell agreement funded by key-person insurance]
- [Option B: Transfer to a designated heir/trust with restricted voting rights]
- [Option C: Automatic vesting acceleration and board seat reassignment]

4. Key Person Insurance

The company shall maintain "Key Person" life and disability insurance policies for both Founders, with the company as the beneficiary, to provide liquidity for operations or equity buyouts during a transition.

5. Access to Critical Information

We agree to maintain an updated "Emergency Vault" containing:

- All administrative passwords and encryption keys.
- Contact details for legal, tax, and financial advisors.
- Current cap table and banking credentials.

6. Legal Effect

While this letter outlines our intentions, we agree to formalize these terms within our Shareholders' Agreement or a formal Operating Agreement by [Insert Date].

Sincerely,

[Your Name]

[Your Title]

[Co-Founder Name]

[Co-Founder Title]