

WHAT HAPPENS TO MY BUSINESS IF I DIE?

5-STEP PLAN

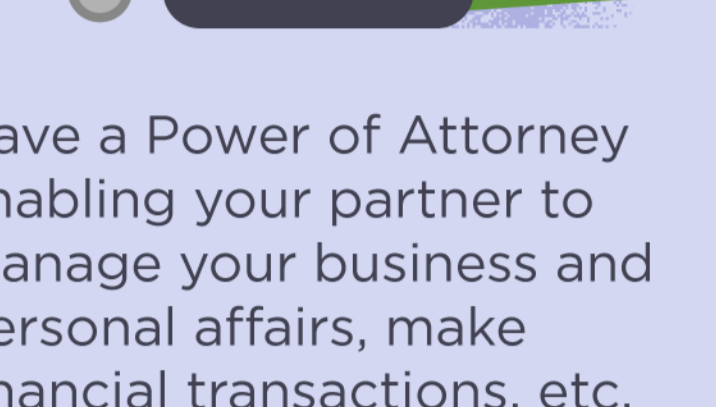
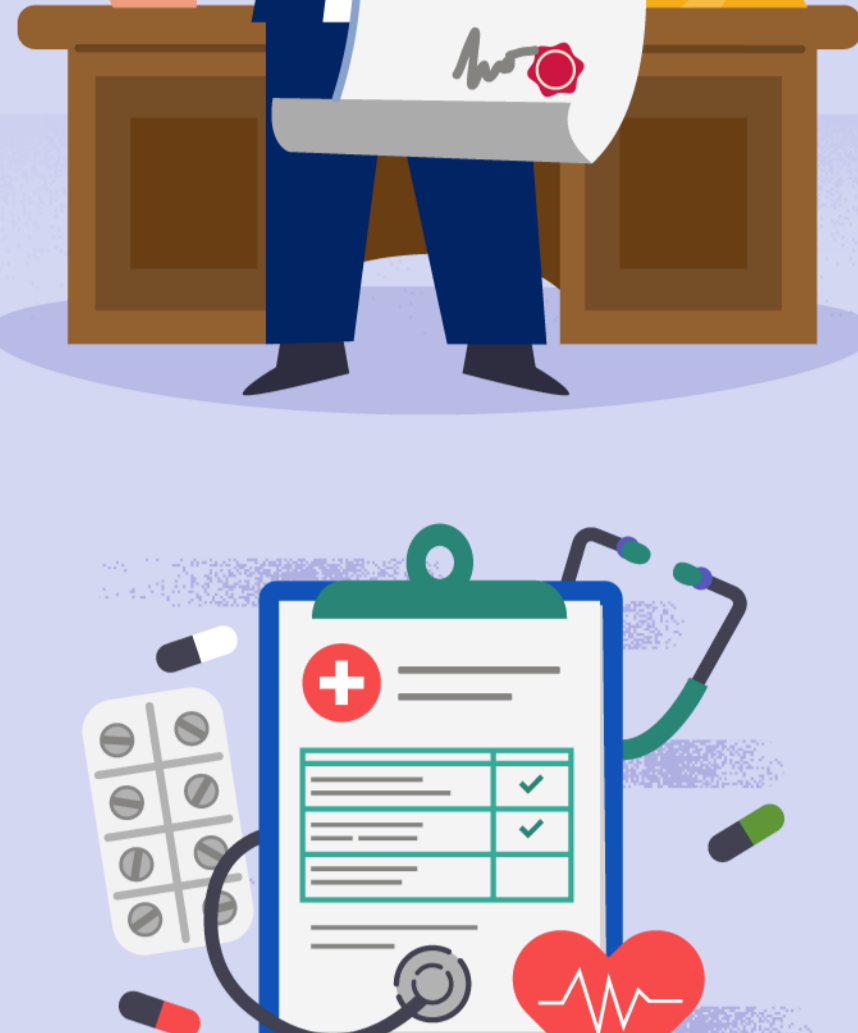
If you own a business, it is important to plan ahead for what may happen if you pass away:

1

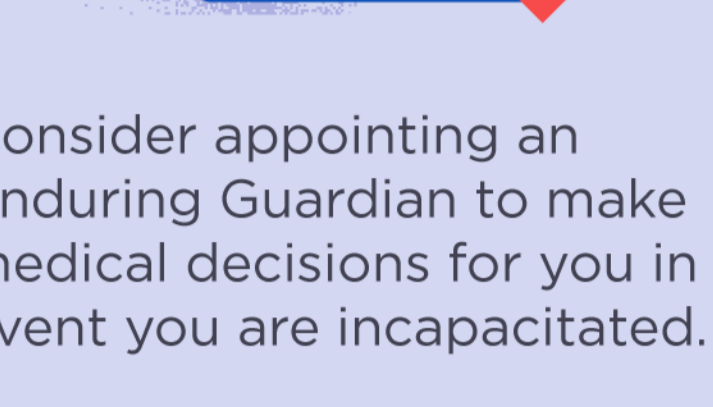
Write a Will and Power of Attorney

In your Will, leave your shares in your business to someone. Also, authorise your Executor(s) to operate your business.

Dying without a Will (called 'Intestate') means your business activities will be frozen and your next of kin or business partners will have to apply to the courts to obtain authorisation to continue to run your business.



Have a Power of Attorney enabling your partner to manage your business and personal affairs, make financial transactions, etc.



Consider appointing an Enduring Guardian to make medical decisions for you in the event you are incapacitated.

2

If You Have a Pty Ltd Company, Ensure You Have a Company Constitution/ Shareholders Agreement

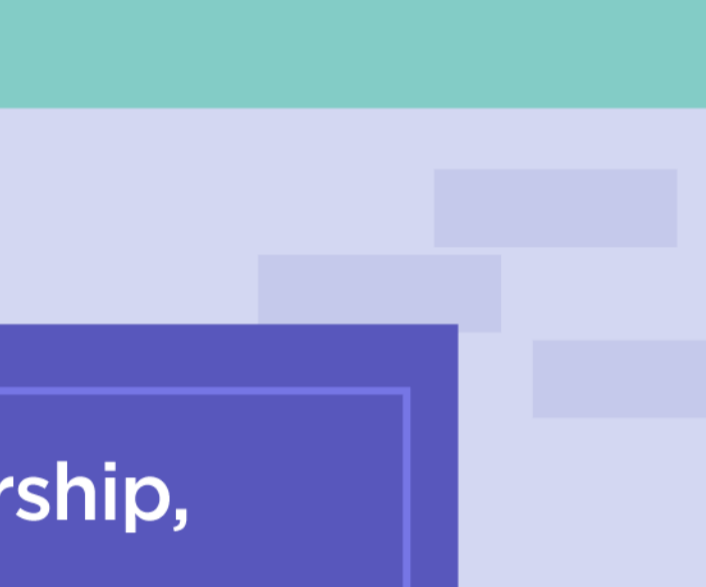


If you have a Pty Ltd structure, then the company will legally continue to exist after your death. Ensure you have a Company Constitution or Shareholders Agreement to specify what happens in the event of your death.

If there are other shareholders, then they might want to continue running the business.

You may want to have your shares transferred to your partner or the other shareholders, but you need to specify this.

Having a Company Power of Attorney will also smooth out the transition process.



3

If You Are a Partnership, Ensure You Have a Partnership Agreement

Have a written and signed Partnership Agreement with all your business partners. This sets out the rules in the event of one of the partner's death, for example:

Your estate takes over your share of the partnership and your beneficiaries become partners in the business;

or...

Surviving business partners can purchase your share of the Partnership from your estate at fair market value or using a predetermined formula;

or...

Surviving business partners bring in a new partner, who may buy your share of the Partnership from your estate;

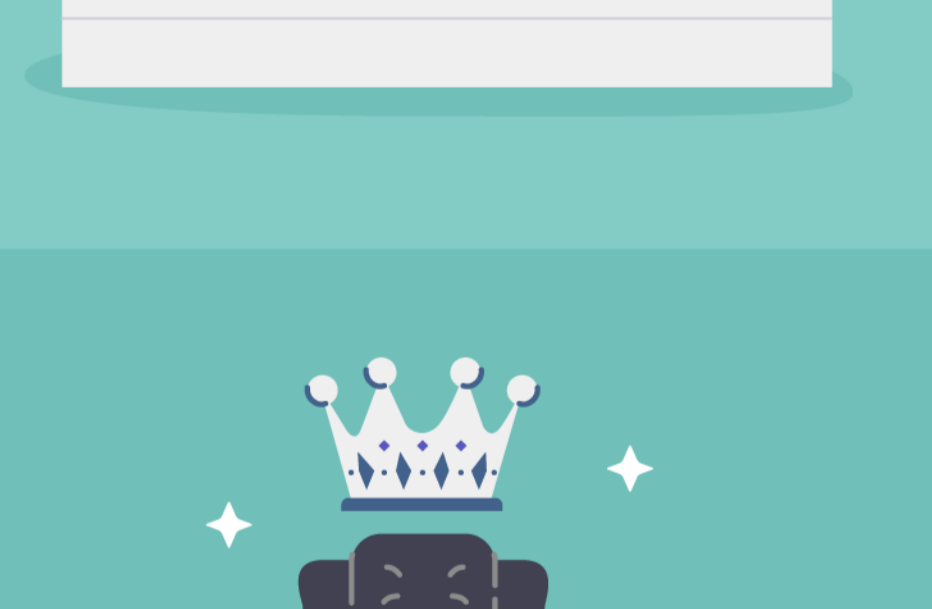
or...



The Partnership winds down and the business is sold off.

4

Appoint a Successor (or Successors)

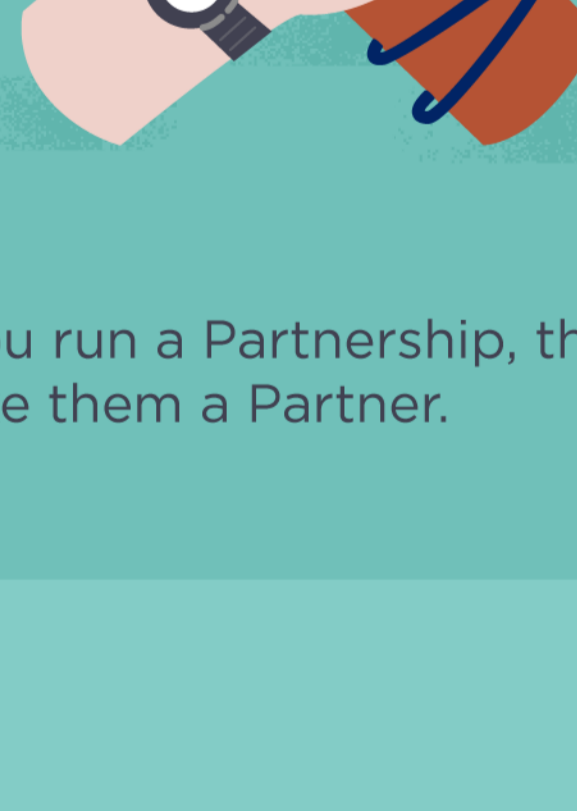


Decide if your business can survive after your death. Choose a successor (or successors) you trust and who is mature and responsible. Start training them to do your job.

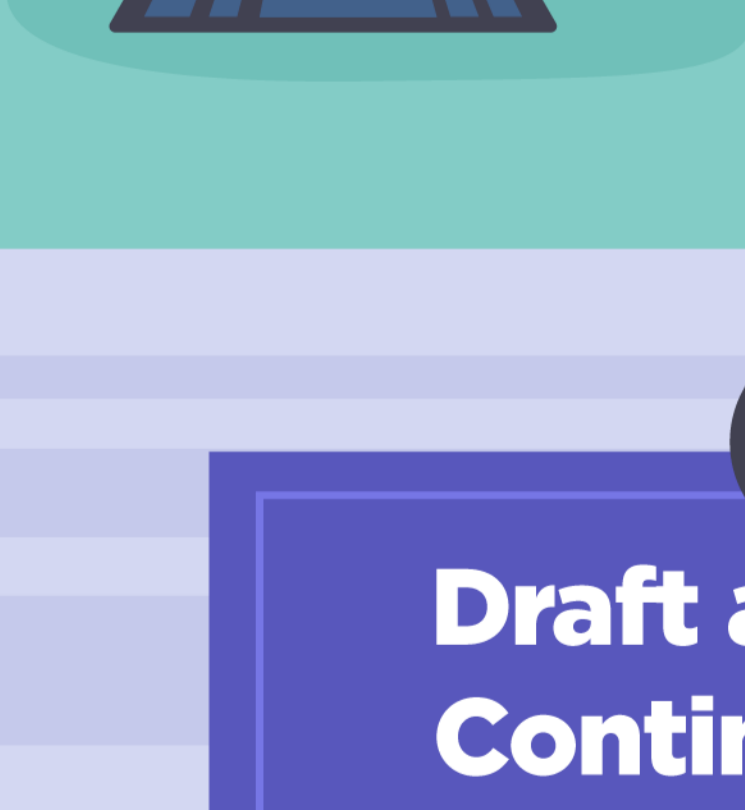
Gradually give them access to your IT systems and company accounts.



If you run a Pty Ltd company, then appoint them as Director;



if you run a Partnership, then make them a Partner.



Draft communications for your customers, employees and suppliers, reassuring them of the business's commitment to them.

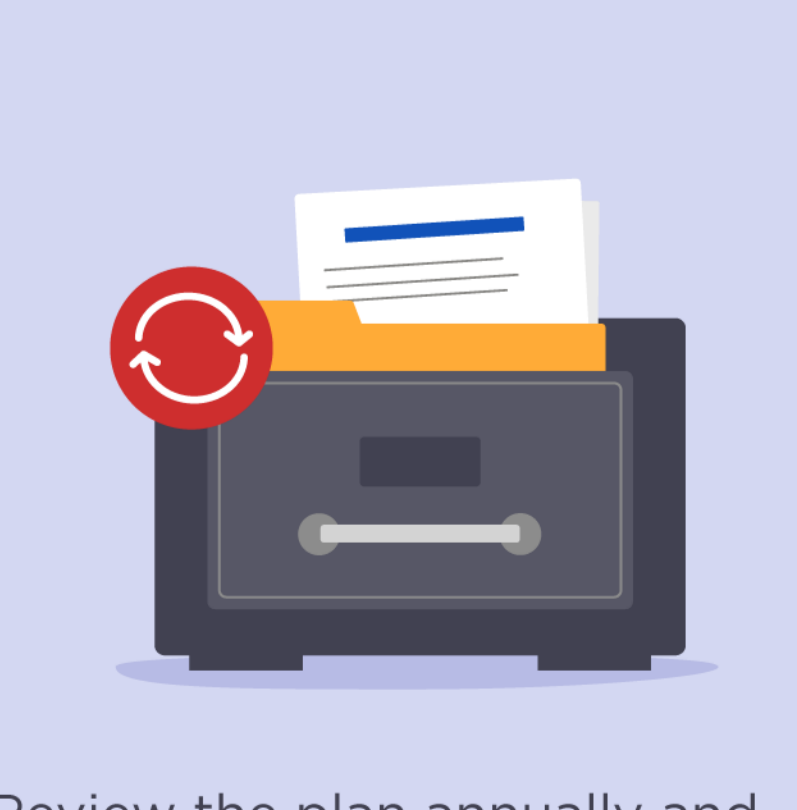
5

Draft a Business Continuity Plan (or my "Hit by a Bus Plan")

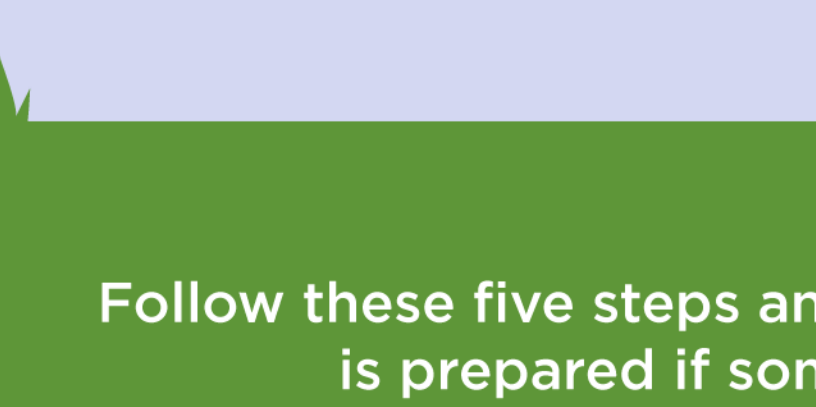
Imagine if you were hit by a bus and start from there.



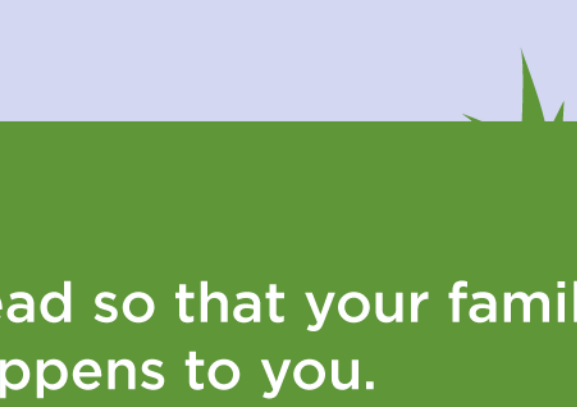
Nominate someone to take over and write a step-by-step plan to help them.



Make a list of all the business passwords, access codes and account numbers.



Keep all the important business documents (and your Will) in one place (filing cabinet or "Cloud storage").



Review the plan annually and keep the information up-to-date. And make sure your loved ones know where to find your plan.

Follow these five steps and plan ahead so that your family is prepared if something happens to you.