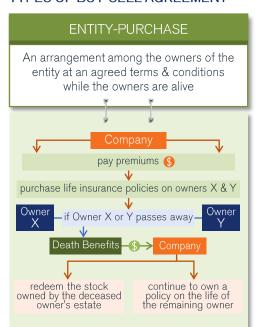




EXPLORING KEYMAN / **BUY-SELL AGREEMENT APPLICATIONS**

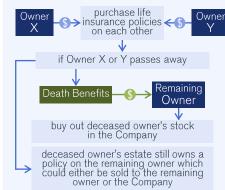
A Relationship between the Entity, Business Owners, and Key Employees

TYPES OF BUY-SELL AGREEMENT



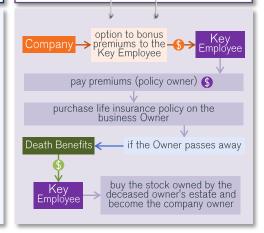
CROSS-PURCHASE

The business owners are obligated to sell their interests to each other (the remaining owner) on the agreement



ONE-WAY

A key employee in the business purchases and owns a life insurance policy on the life of the business owner per agreement



BENEFITS

Guaranteed Buyer

Set an Agreed Selling

Create Liquidity

Maintain Harmony

Protect against the sale of a significant interest to outside investors

Easier to negotiate an agreed price while alive than upon death where remaining owners control the business

Create the continuation of cash for the loved ones (owner's estate) to pay for living expenses and lifestyle

Avoid problems that could arise from the deceased owner's family joining the business

CASE STUDY



#TAKEAWAY

- The policies can double up as cash reserves through withdrawals and employees' benefit, giving all stakeholders peace of mind and providing financial power in succession planning.
- The policies also increase the net worth of the company, act as a contingent solution for company debts, and the possibility of a pension fund for the life assured.

*Value illustrated consists of guaranteed and non-guaranteed portions, it must be read in conjunction with the main Policy Illustration.

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Grandtag Financial Consultancy & Insurance Brokers Ltd.

Licensed by Insurance Authority (IA) FB1413 25th Floor, Guangdong Finance Building, 88 Connaught Road West, Hong Kong

+852 2866 5555 (Hong Kong) | clientfirst@grandtag.com

Grandtag Financial Consultancy (Singapore) Pte Ltd

Licensed by Monetary Authority of Singapore (MAS) FA100036 10 Anson Road, #09-13 International Plaza,

Singapore 079903

+65 6327 7318 (Singapore) | clientenquirysg@grandtag.com

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