**SEPARATION AGREEMENT**

**between**

[Name of the company]

[Address]

Company Registration (”CVR”) no. [insert]

(Hereinafter the ”Company”)

and

[Name]

[Address]

(Hereinafter the ”Managing Director”)

Jointly the “Parties”

1. **Backgrund and Purpose**

This separation agreement (the ”Agreement”) has been entered into in connection with the Company having on [date and year] (the “Day of Dismissal”) dismissed the Managing Director by giving [number] months’ notice in accordance with the Managing Director’s service agreement dated [date and year] (the “Service Agreement”), with effective date of resignation being [date and year] (the “Effective Date”).

The reason for the dismissal is [reason for dismissal].

1. **Notice Period**

The Managing Director is released from duty to work as from this date/[date and year] (the “Release Date”) and is thus from this date no longer obligated to work for the Company during the notice period.

During the release period, the Managing Director is entitled to seek and take up other employment with non-competing as well as competing companies, without the Company being entitled to set-off any income from such new employment. Further, during the release period, the Managing Director is entitled to take up self-employment, without the Company being entitled to set-off any income from such self-employment.

[Alternative: During the release period, the Managing Director is entitled to seek and take up employment with non-competing companies. The Company has waived its entitlement to set-off income from such other employment for a period of [insert number of months] of the total notice period.

No later than on the Release Date, the Company will arrange for the Managing Director to be re-registered from the Danish Business Authority (in Danish: “Erhvervsstyrelsen”).]

[Alternative]

During the period from [date and year] to [date and year], the Managing Director is suspended and should not meet up for work on a daily basis. However, during weekdays from 09.00-11.00 hrs, the Managing Director must be available for telephone calls from and for carrying out possible work for the Company.

No later than on [date and year] (the “Release Date”), the Managing Director will be released from duty to work and is thus from this date no longer obligated to work for the Company during the notice period.

During the release period, the Managing Director is entitled to seek and take up other employment with non-competing as well as competing companies, without the Company being entitled to set-off any income from such new employment. Further, during the release period, the Managing Director is entitled to take up self-employment, without the Company being entitled to set-off any income from such self-employment.

[Alternative: During the release period, the Managing Director is entitled to seek and take up employment with non-competing companies. The Company has waived its entitlement to set-off income from such other employment for a period of [insert number of months] of the total notice period.

No later than on the Release Date, the Company will arrange for the Managing Director to be re-registered from the Danish Business Authority (in Danish: “Erhvervsstyrelsen”).]

1. **Insurance**

For a period of 12 months following the Effective Date, the Managing Director is covered by a management liability insurance (in Danish: “direktionsansvarsforsikring” taken out by the Company.

1. **Holiday**

No holidays are taken during the notice period, and compensation for non-taken holidays is paid out to the Managing Director at the time of actual resignation.

Any non-taken holidays will be financially compensated. Payment hereof will be made at the time of actual resignation.

1. **Salary and Pension**

Until the Effective Date, the Managing Director will receive [his/her] usual monthly salary, however subject to any usual salary adjustments made on [date] and in accordance with the Company’s guidelines in this respect.

Until the cessation of the employment relationship, and in accordance with the applicable terms, the Managing Director is covered by and participates in the Company’s pension scheme, health insurance, and group life insurance.

Salary and pension contribution will be paid out on the usual due date (last weekday of a month).

1. **Bonus**

In connection with the resignation, a pro rata part of bonus for the period [date] - [date], totalling DKK [insert amount], will be paid out.

[Alternative]

In connection with the resignation, bonus will be paid out in accordance with the stipulations of section 17(a) of the Danish Salaried Employees Act (in Danish: *funktionærloven*).

1. **Free Car and Free Telephone**

No later than on the Effective Date, the Managing Director is to return the mobile phone and the company car made available by the Company to the Managing Director.

The Managing Director may choose to return the mobile phone and/or the company car before the Effective Date, against the Company’s payment of a compensation corresponding to the taxable value hereof until the expiry of the notice period.

On the Effective Date, the Managing Director is entitled to take over the telephone number [insert number].

1. **Return of Property**

No later than on the Effective Date, the Managing Director shall return the following property belonging to the Company: laptop, tablet etc.

Keys and access card, if any, are returned to the Company on the Release Date.

1. **Non-Competition and Non-Solicitation of Customers Clause**

Due to the Parties having entered into this Agreement, the non-competition and non-solicitation of customers clause mentioned in clause [insert clause] of the Service Agreement no longer applies. The Managing Director is entitled to receive a lump sum compensation in accordance with clause [insert clause] of the Service Agreement and clause 10(2) of the Danish Act on Restrictive Employment Clauses (in Danish: “amsættelsesklausulloven”).

[Insert if the clauses are maintained] The non-competition and non-solicitation of customers clause mentioned in clause [insert clause] of the Service Agreement continues to apply. It has been agreed between the Parties that competing business is defined as [insert description/business/line of business/products]. During the period in which the clause applies, the Company shall pay a monthly compensation corresponding to [xx] per cent of the Managing Director’s salary at the time of resignation.

[Alternative] It has been agreed between the Parties that the Managing Director may take up employment with a competing business, with the exception of [insert name and CVR number of competing businesses].

Within 5 days upon receipt of an inquiry from the Managing Director, the Company shall notify in writing whether a specific possible new employment is in contravention of the clause. It has been agreed that if notification from the Company is given either after the deadline mentioned above or not at all, this will be considered an accept that such new employment is not in contravention of the clause.

1. **Severance Pay**

In connection with the resignation, in accordance with clause [insert clause] of the Service Agreement, the Company will pay a severance pay corresponding to [insert number of months] months’ salary, totaling DKK [insert amount].

The salary is made up of monthly pay including pension, bonus, commission, value of free car and telephone, and other fixed salary elements.

It has been agreed that the Company will pay a supplementary severance pay corresponding to [insert number of months] months’ salary, totaling DKK [insert amount]. Payment of the supplementary severance pay is subject to whether the Managing Director hands in a counter-notice and resigns at an earlier date. In this situation, payment of the supplementary severance pay will fall due at such earlier time of resignation.

Payment of the above mentioned supplementary severance pay will be in accordance with section 7(U) of the Danish Tax Assessment Act (in Danish: “ligningsloven”), according to which an amount of DKK 8,000 is tax free whereas the remaining amount is liable for taxes in according with ordinary tax legislation.

In case of the Managing Director’s decease prior to the expiry of the notice period, the severance pay is paid out to the Managing Director’s partner/spouse, subsidiarily to the Managing Director’s children.

1. **Outplacement/psychological Assistance/Supplementary Training**

The Company shall cover the costs in connection with outplacement and/or a course programme at “Ledernes Kompetencecenter” at a value of [insert amount] plus VAT, against invoice issued directly to the Company.

Course programme terms will be agreed directly between the Managing Director and “Ledernes Kompetencecenter”.

The course programme commencement date will be no later than on the Effective Date.

1. **Communication**

It has been agreed that when informing colleagues and cooperation partners, [insert name] will state the following:

Example:

*After [number of years] year’s employment with [name of Company], [name of Managing Director] has chosen to pursue new challenges ….*

1. **References**

It has been agreed between the Parties that in connection with job-seeking, the Managing Director may mention [insert name] as reference.

1. **Leave-taking**

It has been agreed between the Parties that the Managing Director and [insert name] arrange between them the procedure for the Managing Director to take leave from colleagues, employees etc.

1. **Confidentiality**

The stipulations of this Agreement are subject to confidentiality, and the Parties have agreed to refer to each other in a loyal manner towards any third parties.

1. **Full and Final Settlement**

This Agreement has been entered into without any prejudice and in full and final settlement of all claims between the Parties.

1. **Settlement of Disputes**

In case of any disputes between the Parties arising from this Agreement, the Parties shall try to settle such disputes as quickly as possible in a joint and amicable manner.

Attempts to settle disputes may be made by means of mediation at the Danish Institute of Arbitration (in Danish: “Voldgiftsinstituttet”) according to the Institute’s rules of procedure applying at the time of requesting mediation. The Company will pay all costs related to mediation, including, if relevant, guarantee, and the Managing Director’s and the Company’s legal fees. The mediation does not entail any refraining from utilizing legal means such as seizure and injunction, and shall not prevent a party from bringing the case before the courts in accordance with the below stipulations or take other legal action deriving from a dispute, in order to avoid acquiescence resulting in the forfeiture of rights or time limitation.

In case a dispute is not settled by means of mediation within 30 days following appointment of a mediator, the Company as well as the Managing Director are entitled to bring the case before the ordinary courts.

[**Voldgift**

[In case an arbitration clause has been agreed, the following is included in the separation agreement:]

In case of any disputes between the Parties arising from this Agreement, attempts shall be made to settle such disputes by means of mediation at the Danish Institute of Arbitration (in Danish: “Voldgiftsinstituttet”) according to the Institute’s rules of procedure applying at the time of requesting mediation.

In case mediation is brought to an end without settlement, the dispute is to be arbitrated at the Danish Institute of Arbitration (in Danish: “Voldgiftsinstituttet”) according to the Institute’s rules of procedure applying at the time of commencement of arbitration.

The Company will pay all costs related to mediation, including, if relevant, guarantee, and the Managing Director’s and the Company’s legal fees. The Managing Director is exempt from all costs related to the Danish Institute of Arbitration and any legal fees. As a consequence hereof, the Managing Director provides no guarantee. In case the Danish Institute of Arbitration declines to observe these terms, the dispute will be transferred to the ordinary courts. ]

1. **Execution**

In case of breach of the stipulations of this Separation Agreement, the agreement may be executed in accordance with section 478 of the Danish Administration of Justice Act (in Danish: “retsplejeloven”).

**Signatures**

[Place and date] [Place and date]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

For [the Company] [The Managing Director]