**SEVERANCE AGREEMENT**

**Parties to the agreement**

[Name of company]

[Address]

[Post Code and City]

[Country]

Company Reg. No. [insert]

(the ”Company”)

and

[Name of employee]

[Address]

[Post Code and City]

[Country]

(the ”Employee”)

1. **Background and purpose**

This separation agreement (the ”Agreement”) has been entered into in connection with the Company’s dismissal of the Employee on [date and year] (the ”Date of Dismissal”) by [number] months’ notice in accordance with the employment contract dated [date and year] (the “Employment Contract”), to expire on [date and year] (the “Effective Date of Dismissal”). The reason for the dismissal is [describe the reason for the dismissal].

1. **Notice period issues**

With effect from today/date and year] (the “Release Date”), the Employee is released from his/her duty to work, and consequently, after this date, the Employee is no longer obligated to perform services for the Company during the notice period.

During the notice period, the Employee is entitled to seek and take up other employment with non-competing as well as competing businesses, without the Company being entitled to set off salary received from such other employment in salary paid by the Company during the notice period. Further, during the release period, the Employee is entitled to commence self-employment, without the Company being entitled to set off salary received from such self-employment in salary paid by the Company during the notice period.

1. **Holiday**

Remaining holiday allowance for the accrual years [insert years] is paid into the Danish Holiday Account (in Danish: *FerieKonto*).

Compensation is paid for any untaken special holidays. Payment hereof is due by the Effective Date of Dismissal.

[Insert if relevant: Compensation for accrued overtime, [number] hours, will be paid out in connection with the Effective Date of Dismissal].

1. **Salary and pension**

The Employee will receive his/her usual salary until the Effective Date of Dismissal. Also, during the notice period, the Employee’s salary will be adjusted as usual on [date and year] and in accordance with the Company’s guidelines in this respect.

In accordance with current terms and conditions, the Employee is comprised by the Company’s pension scheme, health insurance, group life insurance etc. until the expiry of the employment relationship.

The Employee receives compensation for lack of commission earnings during the release period. The compensation is calculated on the basis of average commission earnings during the previous 12 months before the Date of Dismissal and amounts to [insert amount] per month.

Holiday allowance is calculated on the basis of the commission amount.

Salary and pension are due for payment as usual on the last weekday of the month.

1. **Bonus**

In connection with the Employee’s resignation, a pro rata part of bonus for the period [date and year] - [date and year], totaling DKK [insert amount], is paid out.

Holiday allowance is calculated on the basis of the bonus amount.

1. **Company car and telephone**

No later than on the Effective Date of Dismissal, the Employee is to return the company car made available by the Company for the Employee as part of the employment relationship.

The Employee has the option of returning the company car before the Effective Date of Dismissal against the Company’s payment of compensation corresponding to the taxable value of the car until the expiry of the notice period.

No later than on the Effective Date of Dismissal, the Employee is to return the mobile phone made available by the Company for the Employee as part of the employment relationship.

1. **Return of other material**

No later than on the Effective Date of Dismissal, the Employee is to return the following material belonging to the Company: laptop, tablet etc.

Any keys and access card are to be handed out to the Company on the Release Date.

1. **Non-competition clause and non-solicitation of customers clause**

The non-competition and non-solicitation of customers clause indicated in clause [insert number] of the Employment Contract lapses due to the parties having entered into this Agreement.

In this respect the parties have agreed that together with the Company’s last payment of salary, the Employee will receive a lump sum corresponding to [insert months] months’ salary, totalling DKK [insert amount].

1. **Severance pay**

In connection with the Employee’s resignation, and in accordance with section 2(a) of the Salaried Employees Act (*funktionærloven*), the Company will pay a severance pay corresponding to [insert number of months] months’ salary, totaling DKK [insert amount], and a severance pay in accordance with section 12 of the Managers’ Agreement (*Lederaftalen*) corresponding to 3 months’ salary, totaling DKK [insert amount].

The salary consists of the monthly remuneration including pension, bonus, commission, value of free company car and mobile phone, and other fixed salary components.

Further, the parties have agreed that the Company pays a supplementary severance pay corresponding to [insert number of months] months’ salary, totaling DKK [insert amount]. Payment of this severance pay is not subject to the Employee handing in his/her counter resignation and resigning at an earlier stage.

The salary consists of the monthly remuneration including pension, bonus, commission, value of free company car and mobile phone, and other fixed salary components.

The above mentioned severance pays are subject to section 7U of the Danish Tax Assessment Act according to which an amount of DKK 8,000 is tax-exempt whereas the remaining amounts are subject to ordinary Danish tax legislation.

1. **Outplacement/psycologist consultation/supplementary training**

The Company pays the expenses amounting to DKK [insert amount] exclusive of VAT in connection with an outplacement course at the Competences Centre of the Danish Association of Managers and Executives (*Ledernes Kompetencecenter*), against invoice issued directly to the Company

The Employee approaches him/herself the Competences Centre of the Danish Association of Managers and Executives with a view to planning the outplacement course.

The course must commence no later than on the Effective Date of Dismissal.

1. **Communication**

It has been agreed between the parties that colleagues and business partners are informed by means of [insert name] issuing the following statement:

*Example*:

*After [number] years of employment with [name of Company], [name of Employee] has decided to pursue new challenges ….*

1. **References**

It has been agreed between the parties that the Employee is entitled to mention [insert name] as reference in connection with seeking new employment.

1. **Leave-taking**

It has been agreed between the parties that the Employee and [insert name] agrees on the manner in which the Employee takes his/her leave of colleagues, co-employees etc.

1. **Confidentiality**

The terms of this Agreement are confidential, and the parties have agreed to refer to each other in a loyal manner.

1. **Full and final settlement**

This Agreement has been entered into without prejudice and in full and final settlement of any claim between the parties pertaining to the employment relationship and its cessation.

**16. First and second day of unemployment**

The Company will reimburse the Employee for his/her first and second day of unemployment (*G-dage*), in case the Employee meets the conditions in this respect.

**17. Execution**

In case the terms of this Agreement are not met, the Agreement can be executed in accordance with section 478 of the Danish Administration of Justice Act (*retsplejeloven*).

**Signatures**

[Place and date] [Place and date]

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For [Name of the Company] [Name of Employee]