

Bonus agreement without cap is invalid and will not be paid out

On Sunday 26 March, Energi Danmark notified the three key employees, who entered into a collective bonus agreement with the former managing director without the board's knowledge, that the agreement is invalid. Energi Danmark hoped to be able to enter into an agreement with the three key employees. Unfortunately, it has not been possible, and the employees have been suspended for the time being.

In the media, Energi Danmark has deliberately been reluctant to comment on the current case regarding Energi Danmark's bonus agreements due to the fact, that the agreement is of personnel and legal matter. Energi Danmark has carried out a thorough investigation into the case and has indeed tried to conduct a constructive dialogue with the three key employees, who entered into this collective agreement with the former managing director without the board's knowledge.

The agreement was entered into illegally and is void.

"We fully understand that bonus schemes attract attention in a time of energy crisis and large price fluctuations, and in this case, it is important for us to emphasize that the bonus agreement for the three employees without a cap is invalid. This is a share purchase agreement that was entered into without the board's knowledge and under circumstances that consequently makes it invalid. No employee in Energi Danmark will be paid neither a two- or three-digit million bonus for 2022. Nor have we set aside money in the annual accounts for that", say chairman of the board of Energi Danmark Jesper Hjulmand and deputy chairman Jacob Vittrup.

The three employees' bonuses have been normalised

Energi Danmark has recently initiated a dialogue with the three employees and their trade union.

- Energi Danmark has informed the employees that their agreement from August 2021 is invalid and that their bonus for both 2022 and going forward will be normalised. None of the three employees will therefore receive a bonus payment for 2022 that exceeds an eight-digit million amount.
- The dialogue with the employees has currently been in vain for the purpose of entering into an agreement.
- If the three key employees and their trade union do not agree on a normalisation of their bonuses, they are forced to pursue the bonus claim via court proceedings.

As a result of the above, the three employees have been suspended on Sunday 26 March 2023, which means that the employees will not appear at work for the time being.

"We hoped to be able to reach an agreement with the three employees in an orderly manner. Unfortunately, the dialogue has failed. However, this does not change the fact that the bonus agreement without a cap for the three employees is invalid, and that Energi Danmark will maintain this point of view - even if the

consequences will be a legal aftermath", say chairman of the board of Energi Danmark Jesper Hjulmand and deputy chairman Jacob Vittrup.

Invalid agreement

Since Energi Danmark declares the agreement invalid, it is naturally after a thorough legal investigation, which concludes with the following three points:

1. The agreement was a share purchase agreement entered into by the former managing director under pressure from the three key employees regarding a collective depopulation of parts of Energi Danmark's trading department, on the basis of an agreement that one of them had entered into with a similar company, Norlys Energy Trading. It was on this basis that the collective share purchase agreement was entered into.
2. The former managing director did not have a mandate to enter into such an agreement on behalf of Energi Danmark. The agreement was not presented to or approved by the board of Energi Danmark in connection with the signing of the agreement. It is Energi Danmark's opinion that the agreement has been deliberately avoided from the board's knowledge.
3. The three key employees' agreement would lead to a bonus payment to each individual employee, which for 2022 corresponds to more than 150 times the usual annual salary. Bonuses of that magnitude are highly irregular as regards to the conditions of the parties to the agreement, just as it would be unreasonable or against regulations to enforce the agreement.

Neither Energi Danmark nor Energi Danmark's owners Andel and NRGi cannot comment further on the individual personnel matters in this case.