

Excerpt of the  
Danish Act on Public and Private Limited Companies (the Danish Companies Act)  
(*lov om aktie- og anpartsselskaber (selskabsloven)*)

Chapter 8  
*Employee representation*  
*Representation at company level*

**Section 140.** *Para. 1* In limited liability companies that have employed an average of at least 35 employees for the preceding three years, the employees are entitled to elect representatives and deputy representatives to the company's supreme governing body, corresponding to half the number of the other management members. Employees in a company's foreign subsidiary domiciled in another EU/EEA country shall be considered as employees of the company. However, the employees may elect at least two representatives and deputies at any time. If the number of representatives to be elected by the employees is not a whole number, it must be rounded up.

*Para. 2* The employees may elect fewer representatives and deputies than they are entitled to elect under para. 1 if that many representatives cannot be elected.

*Representation at group level*

**Section 141.** *Para. 1* Section 140 correspondingly applies to the employees of a Danish parent company (see Sections 6 and 7) and its subsidiaries registered in Denmark as well as branches of foreign subsidiaries domiciled in an EU/EEA country.

*Para. 2* If the parent company falls under Section 140, the employees of that parent company may elect two representatives and deputies. The total number of employee representatives elected to the parent company's supreme governing body shall constitute half the number of the other members, but there must be at least three employee representatives. The employees may elect fewer representatives and deputies than they are entitled to elect under para. 1 if that many representatives cannot be elected.

*Para. 3* Subject to the rules on cross-border mergers and divisions set out in Chapter 16 of the Danish Act on SEs (*lov om SE-selskaber*), the general meeting of the parent company may decide that employees of one or more foreign subsidiaries are eligible to be elected and are entitled to vote. If the group has employees in Danish subsidiaries, those employees may elect at least one representative at any time. If the employees of the Danish subsidiaries constitute more than 10% of the total number of employees who can take part in the election, these employees may elect at least two representatives. If the majority required for representation at group level as stipulated in Section 142 is not reached, but the majority of the Danish subsidiaries vote in favour of group representation, employee representation will be deemed to have been adopted by the employees of the Danish subsidiaries with the result that elections for group representatives will only be held in the Danish subsidiaries.

*Election of employee representatives*

**Section 142.** A proposed resolution to elect board members pursuant to Sections 140 and 141 cannot be adopted unless it is passed by at least half of the employees in the limited liability company or its subsidiaries unless the management and employees agree not to hold a vote on this. The supreme governing body must be given notice of the resolution must in a manner that can subsequently be verified.

**Section 143.** The Danish Business Authority may set rules on the following:

1. which persons are considered employees for the purpose of employee representation;
2. calculation of the average number of employees pursuant to Sections 140 and 141;
3. details for conducting elections pursuant to sections 140 to 142, including rules to ensure a secret ballot;
4. the possibility of derogation from any of the specific provisions set out in this section, subject to agreement between the management and employees, including rules on establishing voluntary arrangements for employee representation and the central management body's facility to amend the capital company's articles of association;
5. how the employees in capital companies and groups in which board members are elected in accordance with Sections 140 and 141 must be briefed on the company's situation;
6. security of employment for employee representatives in management bodies, including representatives elected by voluntary arrangements, and the resolution of disagreements about this;
7. consequences of any breach of legal provisions and rules issued pursuant thereto;
8. that the register of owners shall also be made available to employee representatives in companies and parent companies in which employees have not elected board representatives to the board of directors pursuant to Sections 140 and 141; and
9. requirements for providing notice of general meetings to employees of the company or group if the employees have notified the board of directors that employee representatives are to be elected.