

Here is a template, totally free of charge!

However, **we don't recommend using it.**

Like all free templates on the internet, it hasn't been adapted to your specific needs.

Visit our website to easily create a [fully personalized document](#) for a low one-time fee.

Our lawyers work hard to keep everything updated and accurate.

You get all of the benefits of a lawyer at a fraction of the cost.

## **SEVERANCE PACKAGE AGREEMENT**

*State of Alabama*

### **BACKGROUND:**

A. This Severance Package Agreement is made effective as of the following Effective Date: \_\_\_\_\_, by and between the following Employer (the "**Company**"): \_\_\_\_\_

and the following Employee who is being terminated from the Company (the "Employee"): \_\_\_\_\_

B. WHEREAS, the Employee is being terminated from their current position working for the Company and has a final separation date of \_\_\_\_\_ (the "**Separation Date**");

C. WHEREAS, the Employee is being terminated from the Company for the following reason: \_\_\_\_\_

D. WHEREAS, the Parties intend to establish the terms and conditions governing the separation of the Employee from employment with the Company and to outline the severance benefits provided in connection with this separation;

NOW, therefore, in consideration of the covenants and promises contained in this

Agreement, the Parties agree as follows:

***I. SEVERANCE COMPENSATION.***

1. Following the Separation Date, the Employer shall pay to the Employee a severance of \$2 (two US dollars) (the "**Severance**").

2. The Employer shall pay the Employee's Severance in the form of one lump sum payment, due upon the Employee's Separation Date and their ceasing to be an officer or employee of the Employer or any of its affiliates in any capacity.

3. The severance package includes a payout in the amount of \$2 (two US dollars) (the "Vacation Reimbursement") as reimbursement for 2 days of accrued but unused vacation and paid time off (PTO).

4. Since the Employee earns commission, their severance package will include a prorated commission payment based on sales or performance metrics in the amount of \$2 (two US dollars).

***II. ADDITIONAL SEVERANCE PACKAGE BENEFITS.***

5. The Employee will continue to receive their health insurance benefits with the Company for the following period of time after termination: \_\_\_\_\_.

6. To support the transition to new employment, the Employee will be provided with outplacement services, including career counseling, resume writing assistance, and job search support.

7. The Employees will receive a contribution to their retirement accounts, such as 401(k) or pension plans, during the severance period in the amount of: \$2 (two US dollars).

8. Aside from healthcare coverage, the Company will cover the cost of health and welfare benefits for the Employee including the following:

\_\_\_\_\_

This will be covered for the following period of time: \_\_\_\_\_ after the termination of the employment contract.

9. Since the Employee holds stock options or equity in the Company, they will receive

guidance and assistance in exercising or liquidating their vested stock options or equity awards.

10. Since the Employee is participating in a tuition reimbursement program or loan assistance program, they will receive the following continued support during the severance period:

\_\_\_\_\_

### ***III. RECOMMENDATION LETTER AND REFERENCE.***

11. Upon the Employee's departure from the Company, the Company agrees to provide a positive and truthful reference upon request. This reference may include details regarding the Employee's job responsibilities, skills, and contributions during their tenure with the Company.

12. Upon the Employee's request, the Company may, at its discretion, provide a formal recommendation letter outlining the Employee's professional qualities, achievements, and notable contributions to the organization. This recommendation letter will be drafted in a positive and professional manner, reflecting the Employee's qualifications and accomplishments.

### ***IV. NON-DISPARAGEMENT AGREEMENT.***

13. The Employee will sign a non-disparagement agreement, refraining from making negative statements about the Company, as well as its Employees, executives, products, services, or any other aspect of the business.

### ***V. NON-COMPETE CLAUSE.***

14. In consideration of the severance benefits provided under this Agreement, the Employee agrees that, for a period of \_\_\_\_\_ following the termination date, they will not engage in any competitive employment, consulting, or business activities that directly compete with the products, services, or business interests of the Company.

15. This non-compete obligation applies within the following geographical area which is within a reasonable radius from any location where the Company conducts business or has a significant presence:

---

The Parties acknowledge that the specified geographical scope is reasonable and necessary to protect the Company's legitimate business interests.

16. The non-compete obligation includes, but is not limited to, engaging in similar business ventures, employment with competitors, consulting for competing entities, or any activities that may be deemed competitive or harmful to the Company's business interests.

17. The Employee acknowledges that the severance benefits provided under this Agreement serve as adequate and valuable consideration for the non-compete obligation outlined herein.

18. The non-compete obligation does not restrict the Employee from accepting general employment or engaging in activities unrelated to the Company's business that do not pose a competitive threat.

19. The Parties agree that the non-compete clause is reasonable, necessary to protect the Company's legitimate business interests, and not unduly restrictive. In the event any part of this clause is deemed unenforceable, the remaining provisions shall continue to be valid and enforceable.

## ***VI. CONFIDENTIALITY AGREEMENT.***

20. The Employee is required to adhere to a strict confidentiality obligation. This obligation extends to all aspects of the severance agreement, including but not limited to the terms and conditions, financial details, any discussions or negotiations related to the separation, internal company information, trade secrets, proprietary knowledge, and any other information deemed confidential by the Company.

21. The obligation to maintain confidentiality persists indefinitely and applies both during the employment period and after the termination date. This requirement extends to the Employee's interactions with current and former employees, clients, vendors, or any other third parties.

22. A breach of the confidentiality requirement may result in legal action and the pursuit of remedies available under applicable laws. This may include the recovery of damages, injunctive relief, or other appropriate measures to protect the Company's interests.

23. The confidentiality requirement does not prohibit the Employee from disclosing

information as required by law or as part of legal proceedings.

24. The Employee hereby covenants and agrees, after the Separation Date, not to release or otherwise disclose any Trade Secret Information, as hereinafter defined, that Employee may have received in the course of the employment. Trade Secret Information includes, but is not limited to, any formula, process, method, pattern, design, or other information that is not known or reasonably ascertainable by the public, consumers, or competitors through which, and because of such secrecy, an economic or commercial advantage can be achieved.

25. If Employee received any Confidential Information, as hereinafter defined, not subject to trade secret protection, Employee shall maintain the secrecy of such information for a period of three (3) years after the Separation Date. Confidential Information shall be defined as any information which is confidential and commercially valuable to the Employer. Confidential Information may be in the form of documents, techniques, methods, practices, tools, specifications, inventions, patents, trademarks, copyrights, equipment, algorithms, models, samples, software, drawings, sketches, plans, programs or other oral or written knowledge and/or secrets and may pertain to, but is not limited to, the fields of research and development, forecasting, marketing, personnel, customers, suppliers, intellectual property and/or finance or any other information which is confidential and commercially valuable to Employer. Confidential Information shall not mean any information which:

- a. is known or available to the public at the time of disclosure or became known or available after disclosure through no fault of the Employee;
- b. is already known, through legal means, to the Employee;
- c. is given by the Employer to third parties, other than the Employee, without any restrictions;
- d. is given to the Employee by any third party who legally had the Confidential Information and the right to disclose it; or
- e. is developed independently by the Employee and the Employee can show such independent development.

## ***VII. INTELLECTUAL PROPERTY AGREEMENT.***

26. The Employee acknowledges and agrees that any and all intellectual property, including, but not limited to, inventions, designs, patents, trademarks, trade secrets,

copyrights, and any work product created or developed during the course of employment with the Company (collectively referred to as "**Intellectual Property**"), is and shall remain the exclusive property of the Company.

27. The Employee agrees to promptly disclose to the Company any Intellectual Property created during the course of employment, whether or not such creation occurs during working hours or using Company resources.

28. The Employee's obligations regarding the protection and non-disclosure of Intellectual Property shall continue beyond the termination of employment. This includes any work completed or conceived during the period of employment, regardless of reason for termination.

29. The Employee acknowledges the confidential and proprietary nature of the Company's trade secrets and agrees not to disclose or use such trade secrets for their benefits or the benefit of any other entity after the term of employment.

30. The obligations and covenants set forth in this Intellectual Property clause shall survive the termination of employment, whether voluntary or involuntary.

## ***VIII.***

## ***IX.***

## ***X. RELEASE OF ALL CLAIMS.***

31. In consideration of the receipt of the sums and covenants stated herein, Employee does hereby, on behalf of themselves, their heirs, administrators, executors, agents, and assigns, forever release, requite, and discharge the Employer and its agents, parents, subsidiaries, affiliates, officers, directors, employees, predecessors, successors, and assigns (the "**Released Parties**"), from any and all charges, claims, demands, judgments, actions, causes of action, damages, expenses, costs, attorneys' fees, and liabilities of any kind whatsoever, whether known or unknown, vested or contingent, in law, equity, or otherwise, which Employee has ever had, now has, or may hereafter have against said Released Parties for or on account of any matter, cause, or thing

whatsoever which has occurred prior to the date of their signing of this Agreement.

32. This release of claims includes, without limitation of the generality of the foregoing, any and all claims which are related to Employee's employment with the Employer and their separation from their position and employment on \_\_\_\_\_, and any and all rights which Employee has or may have had under federal, state, and local statutes, regulations, or public policies, as well as the laws of contract, torts, and all other subjects; provided, however, that nothing herein shall be deemed to affect any rights of Employee under this Agreement or to any pension, employee welfare benefits, or stock options.

#### ***XI. ADVICE OF COUNSEL.***

33. Employee acknowledges that Employer has provided Employee with reasonable and sufficient opportunity to obtain independent legal advice regarding this Agreement and any questions about the employment relationship Employee may have had.

34. Employee covenants that Employee has either received such independent legal advice prior to executing this Agreement or that Employee has independently and willingly chosen not to obtain legal advice and is executing this Agreement without doing so.

#### ***XII. NOTICES.***

35. Any notice, request, demand, or other communication required or permitted under this Agreement may be delivered in person, by certified mail return receipt requested, or by fax transmission. Deliveries by certified mail or by fax transmission will be sent to the address of the respective Party as first indicated above or as may be updated in the future in writing by either Party.

#### ***XIII. ENTIRE AGREEMENT.***

36. This Agreement contains the entire agreement of the Parties, and there are no other promises or conditions in any other agreement, whether oral or written, concerning the subject matter of this Agreement.

37. This Agreement supersedes any prior written or oral agreements between the Parties.

**XIV. SEVERABILITY.**

38. If any provision of this Agreement will be held to be invalid or unenforceable for any reason, the remaining provisions will continue to be valid and enforceable.

39. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision will be deemed to be written, construed, and enforced as so limited.

**XV. AMENDMENT.**

40. This Agreement may be modified or amended in writing, if the writing is signed by the Party obligated under the amendment.

**XVI. GOVERNING LAW.**

41. This Policy shall be governed by the laws of the State of Alabama. Both Parties consent to jurisdiction under the state and federal courts within the state of Alabama. The Parties agree that this choice of law, venue, and jurisdiction provision is not permissive, but rather mandatory in nature.

**XVII. WAIVER OF CONTRACTUAL RIGHTS.**

42. The failure of either Party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that Party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

**EXECUTION:**

\_\_\_\_\_  
\_\_\_\_\_, Employee

\_\_\_\_\_  
Date

\_\_\_\_\_  
\_\_\_\_\_, Employer



---

Date