

# A-Z GUIDE

The Danish Companies Act

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# A

## Amendments to the Articles of Association

- Decisions on amendments of the articles of association require a 2/3 majority both of the cast votes as well as the voting share capital represented at the general meeting, cf. Section 106(1), or a 9/10 majority both of the cast votes as well as the voting share capital represented at the general meeting, cf. Section 107(2), depending on which amendments to the articles of association the decision concerns.
- The non-voting shares are not to be included when calculating the represented capital, unless a representation right has been allocated to such shares.

## Articles of Association

- The Danish Commerce and Companies Agency has templates for articles which may be used and supplemented with specific information regarding the individual company.

# B

## Board of Directors

- Public limited companies may be managed by a board of directors with an executive board or by a supervisory board with an executive board, cf. Section 111.
- The Board of Directors consists of at least three members. The majority of the board members may not be executive directors. Neither the chairman nor the deputy chairman may be an executive director. In public limited companies the majority of the members must be elected by the general meeting.

## Bonus Shares

- A capital increase where reserves are transferred to undistributable share capital by issuance of shares, cf. Section 165.

# C

## Capital Increase

- When public limited companies perform a capital increase, it is possible to choose not to prepare a statement from the central governing body and the accountant's opinion, if the shareholders agree thereon.

## Capital loss

- A limited liability company's management is obliged to ensure that a general meeting is held whenever the company's equity represents less than half the share capital, cf. Section 119(1). In the event that a company's equity amounts to less than DKK 62,500, a general meeting must be convened irrespective of the size of the share capital, cf. Section 119(2).
- If any shares are not paid in full, the non-paid part is an outstanding amount and thus an asset. In the event that a company is established with a nominal capital of DKK 500,000, and DKK 125,000 is paid, it does thus not indicate that the company is in a capital loss situation.

## Capital Reduction

- When public limited companies make a capital reduction, it is possible to choose not to prepare a statement from the central governing body and the accountant's opinion, if the shareholders agree thereon.

- Creditors must be notified to submit their claims within four weeks, if the capital reduction takes place as disbursements or is set aside to reserves, cf. Section 192.
- After the expiry of the four-week deadline, the amendment will automatically be registered in the company's articles of association by the Danish Commerce and Companies Agency, cf. Section 193(1). The central governing body is obligated to react if the capital reduction is no longer reasonable, cf. Section 193(2).
- If the capital reduction takes place to cover the company's losses, it is not necessary to obtain an accountant's opinion. The company's central governing body is however responsible for ensuring that the loss as a minimum is equal to the capital reduction.

## Controlling Interest in Groups

- Controlling interest means the authority to direct a subsidiary's financial and operational decisions, cf. Section 7.

## Conversion of limited liability cooperatives

- Certain requirements apply regarding conversion of a limited liability cooperative into a public limited company, cf. Sections 325-337.
- A conversion plan, a conversion statement and an interim statement of accounts must be prepared, cf. Sections 326-328. The latter two only to the extent that the members of the limited liability cooperative do not agree to avoid them, cf. Sections 327(2) and 328(2).
- In addition, the following must be prepared: a valuation report on non-cash contribution, a valuation expert's declaration on the conversion plan and a valuation expert's statement concerning the creditors' position, cf. Sections 329-331. The declaration on the conversion plan is only required to the extent the members of the limited liability cooperative do not decide otherwise, cf. Section 330(1)(2).

## Corporate Governance

- The general structures and principles regarding corporate governance regulating the interaction between the company, the shareholders and any third parties.

## Cross-border Mergers and Divisions

- Regardless of whether the circle of owners agree, the requirements for a merger or a division plan, respectively, may not be deviated from at cross-border mergers and divisions, cf. Sections 272, 273, 292 and 293, respectively.
- In private limited companies, the shareholders can in agreement decide not to prepare an interim statement of accounts in connection with a merger, cf. Section 274(2).
- If the owners agree, they may choose not to make an interim statement of accounts in connection with division regardless of the corporate form, cf. Section 294(2).
- The owners may in agreement choose not to obtain the valuation expert's creditor statement of accounts in return for the possibility that the creditors may demand that their requirements be met, cf. Sections 277 and 297.
- The companies may not deviate from the four-week deadline of publication, cf. Section 280 and 300.
- Financial impact may be conferred on cross-border mergers and divisions after the time of the resolution.

## Cross-border Relocation of Registered Office

- A common EU set of rules are expected.

## D Division

- At a division, a company's assets and obligations as a whole are transferred to two or more existing or newly established private limited companies or public limited liability companies against remuneration to the capital owners of the investing capital company.
- Irrespective of the corporate form, the owners may in agreement choose not to prepare a statement, cf. Section 256(3), and an interim statement of accounts, cf. Section 257(2).
- The owners may in agreement decide that it is not necessary to obtain a valuation expert's statement regarding the division plan, including the valuable consideration, cf. Section 259(2).
- Shareholders in private limited companies can in agreement choose not to prepare a division plan, if the participants are private limited companies only, cf. Section 255(2).
- The owners may in agreement choose not to obtain the valuation expert's creditor statement of accounts in return for the possibility that the creditors may demand that their requirements be met, cf. Section 260(2).
- As a dominant general rule, it is a requirement to file and publish plans etc. with the Danish Commerce and Companies Agency at least four (4) weeks before the division is resolved, cf. Section 263(1). This deadline may be deviated from in private limited companies, when it is agreed and the participants are private limited companies only, and a positive ("blank") creditor statement of account is available, cf. Section 263(2).

## Dividends

- It is possible to pay ordinary and extraordinary dividends.
- It is not a hindrance to payment that the entire share capital has not

been deposited, cf. Section 182.

- Regarding extraordinary dividends in public limited companies, a balance sheet must be enclosed with the decision, cf. Section 183(1). If the balance from the annual report is more than six months old, an interim balance sheet must be prepared, cf. Section 183(2).
- Regarding extraordinary dividends from private limited companies, it is up to the central governing body to assess whether the decision must be accompanied by a balance sheet, cf. Section 183(3). An interim balance sheet must be prepared, however, if the balance sheet from the latest annual report is more than six months old.

## E

### Employee and Group Representation

- A number of the rules may be deviated from by agreement between the company and the employees.
- The further rules thereon will be determined by the Danish Commerce and Companies Agency by executive order, cf. Section 143.
- It is possible to provide employees in certain foreign companies with voting rights, cf. Section 141.
- If a company has a supervisory board, but not a board of directors, employee representatives are elected for the supervisory board. The employees cannot demand for a board of directors to be established.

### Equal-rights Principle

- It is not possible to differentiate between shares without establishing share classes. However, it is possible to enter into shareholders agreements, but these agreements will not be binding upon the company, which is further described under Shareholders' Agree-

ments.

## Executive Board

- The executive board is part of the management in a limited liability company, cf. Section 111.
- As regards public limited companies, the company may be run by an executive board governed by a board of directors, or the executive board may be the central governing body of the company. In the latter, a supervisory board must be established, cf. Section 111(1)(2). The supervisory board is part of the company's management, however, it has not been conferred any managerial powers. Its primary object is to supervise the executive board, cf. Section 116.
- Private limited companies can have the same management structure as public limited companies. Furthermore, private limited companies may also have a board of directors alone.
- A member of the executive board may not be a member of the supervisory board, cf. Section 111(1)(ii)(3).

## Fund

- An independent institution with no owners.

## Financing

- The Offer Document shall include information regarding the financing of the offer and financing must be secured by the offeror before the Offer Document is submitted. Consequently, the offer cannot be conditional upon the offeror's financing.

# G

## General Meeting

- General meetings are conducted in Danish, but a simple majority of the votes may decide to use another language, cf. Section 100.
- General meetings may be held physically or electronically, cf. Sections 87 and 77(2).
- Partly electronic general meetings, as a supplement to the physical general meeting, can be held if the central governing body decides so, cf. Section 77(1). This provides the shareholders with an opportunity to participate in and vote at the general meeting without being physically present.
- Fully electronic general meetings, entirely replacing the physical general meeting, can be held if the general meeting decides so. This decision must be included in the articles of association, cf. Section 77(2).

## Group of Companies

- A group (of companies) consists of a parent company and its subsidiaries cf. Section 5(18).

# I

## Incorporation

- The incorporation takes place by preparing a memorandum of association, cf. Section 25.
- The deadline for registration with the Danish Commerce and Companies Agency is two weeks from the date that the memorandum of association is signed, cf. Section 40(1).

- Registration of the incorporation may only take place when 25% of the share capital, however a minimum of DKK 80,000, has been paid, cf. Section 40(2). Premium must always be paid in full, cf. Section 33(1)(2).
- Incorporation of a company can take place with a retroactive or proactive effective date in relation to the decision date, cf. Section 40. Until the day of the effective date for the incorporation, the company cannot undertake any obligations, cf. Section 41(2).

## L

### Language at the Board of Directors' Meetings and Supervisory Board's Meetings

- The default language is Danish, cf. Section 126(1).
- It is possible for a majority to decide on a language other than Danish to be used, provided that simultaneous interpretation is made available for all participants. If a language other than Danish is chosen without simultaneous translation for all participants, this must be decided unanimously by the board of directors or the supervisory board, cf. Section 126(2).
- It is possible to choose Swedish, Norwegian or English as the language to be used at the meetings without simultaneous interpretation, provided that the relevant language is entered into the articles of association as the group language, cf. Section 126(3).
- Any board member or member of the supervisory board can demand that documents prepared in other languages than Danish be translated. This does not apply to documents prepared in Swedish, Norwegian or English, insofar as the relevant language is entered into the articles of association as the group language, cf. Section 126(4).
- For the purpose of clarification, any board member is entitled to speak Danish, Norwegian or Swedish regardless of whether the

meeting takes place in Danish, Norwegian or Swedish. This is justified with the commonality of the Nordic languages.

## Language at the General Meeting

- The language at the general meeting is Danish, cf. Section 100(1). It can, however, be decided by a simple majority that a different language should be used, provided that there is access to simultaneous interpretation, cf. Section 100(2). If it is decided by a simple majority that the language should be Swedish, Norwegian or English, simultaneous interpretation is not necessary, cf. Section 100(3). Both decisions can be entered into the articles of association without the need for a special majority, as described in the articles of association.
- It is also possible to choose a different language than Danish, Swedish, Norwegian or English at the general meeting without providing the possibility of simultaneous interpretation. Such a decision requires the passing of 9/10 of the votes together with the represented capital, cf. Section 100(4).
- If a language other than Danish has been chosen earlier at the general meeting, a simple majority can at all times decide to go back to Danish, cf. Section 100(5). This can be entered into the articles of association without a special majority, as described in the articles of association.
- In principle, documents used at the general meeting must be prepared in Danish, cf. Section 100(6). With a simple majority, the general meeting can decide that the documents be prepared in Swedish, Norwegian or English. This decision may be entered into the articles of association without a special majority, as described in the articles of association, cf. Section 100(7). If it is decided that the documents are to be prepared in any other language than Danish, Swedish, Norwegian or English, the passing of 9/10 of the votes together with the represented capital is necessary, cf. Section 100(8).

## Language in Documents to the Danish Commerce and Companies Agency

- Information registered in the Danish Commerce and Companies Agency's IT system must be in Danish.
- As regards limited liability companies, almost all documents described in the Companies Act may be submitted in Danish, Norwegian or Swedish.
- As regards branches of foreign limited liability companies, the documents which must be submitted to the Danish Commerce and Companies Agency may be in Danish, Norwegian, Swedish or English. However, the company's purpose and provisions regulating the power to bind the company must be in Danish with a view to register.

## Liability

- A shareholder is only liable for the share capital, cf. Section 1(2).
- In case a transfer of a capital share not yet fully paid takes place, the transferor and the transferee, and any later transferees, must be jointly and severally liable for the payment obligation, cf. Section 34(6).

## Limited Liability Company

- The general term for a public limited company (including limited liability partnership) or a private limited company, cf. Section 5(17).

## Limited Partnership Company

- The rules for public limited companies also apply to limited partnership companies, with the necessary exceptions however, cf. Sections 358-360.

## Loss Coverage

- A reduction of capital may occur to cover a loss, cf. Section 188. The central governing body is responsible for the size of the reduction not surpassing the covering of the loss.

# M

## Majority Requirement

- As a starting point, the general meeting adopts decisions by simple majority of votes, while decisions which entail amendments to the articles of association, as a starting point, are made with 2/3 of the votes and 2/3 of the capital represented at the general meeting.
- It is possible to state in the articles that certain types of proposals must be adopted by a greater majority than what is determined by law, cf. Section 105.

## Management Structure

- As regards public limited companies, it is possible to choose to have a board of directors and an executive board or to choose to have a supervisory board and an executive board.
- As regards private limited companies, the rules are even more flexible. Companies are allowed to have an executive board only, an executive board and a board of directors, or an executive board and a supervisory board.

## Mergers

- A transfer of one or more companies' assets and obligations to an existing company at dissolution of the discontinuing company (merger by absorption) or to a new company at a dissolution of the discontinuing companies (merger by formation of a new company).

At a merger, universal succession applies to the receiving company.

- The owners may agree that it is not necessary to obtain a valuation expert's statement regarding the merger plan, including the valuable consideration, cf. Section 241(2).
- As regards private limited companies, the shareholders may in agreement choose not to prepare a merger report, cf. Section 238(2), and an interim statement of accounts, cf. Section 239(2).
- Shareholders of private limited companies may in agreement choose not to prepare a merger plan, if the participants in the merger are private limited companies only, cf. Section 237(2).
- The owners may in agreement choose not to obtain the valuation expert's creditor statement of account for the benefit of the creditors being able to demand for their requirements to be met, cf. Sections 242 and 243.
- As a dominant general rule, it is a requirement to file and publish plans etc. with the Danish Commerce and Companies Agency at least four weeks before the merger is resolved, cf. Section 245(1). This deadline may be deviated from in private limited companies when it is agreed, and the participants are private limited companies only, and a positive ("blank") creditor statement of account is available, cf. Section 245(2). In such cases, the merger may be realised immediately.

## Minimum Capital

- Reference is made to Private Limited Companies and Public Limited Companies.

# N

## Nominal Value

- Shares may be issued with a nominal value or as non-par value shares or a combination of both, cf. Section 47(1).
- If shares are issued with a nominal value, they will have face value. This relevant share's part of the aggregate share capital is calculated on this basis

## Non-cash Contribution

- A Non-cash Contribution is a contribution of other values than cash in connection with the incorporation of the limited liability company, cf. Section 35. A valuation report must be prepared, cf. Section 36. The report must be prepared no later than four weeks prior to signing the memorandum of association, cf. Section 36(2). The report may be omitted if the contributed asset has been individually valued and is presented in the annual accounts or the consolidated annual accounts for the previous financial year, or the asset is a security or some other money market instrument to be admitted at the average rate at which it has been traded on a regulated market more than four weeks before the memorandum of association has been signed, cf. Section 38.
- If non-cash contribution is used, the entire share capital must be paid in full, cf. Section 33(1)(4).
- As regards future acquisitions (subsequent establishment), it is only necessary to obtain a valuation report if the acquisition (e.g. purchase of a property which could have been contributed as a non-cash contribution in connection with the incorporation) is made by a founder within two years after the company's registration and the consideration for the acquisition exceeds 10% of the share capital, cf. Sections 42 and 43.
- The rules on subsequent acquisition (subsequent establishment) only apply to public limited companies, cf. Section 42.

## Non-par Value Shares

- It is possible to issue shares as non-par value shares meaning that the shares have no nominal value. Each share unit constitutes an equal part of the share capital, cf. Section 47(2).
- Public limited companies and private limited companies may also convert existing nominal share capital into non-par value shares. It is, however, not an obligation.

## Non-voting Shares

- In principle, all shares carry voting rights. However, non-voting shares may be issued and must appear from the articles of association, cf. Section 46(1)(2).
- In principle, the non-voting shares carry no representation right and may therefore not be included in the decisions made at the general meeting, cf. Sections 106 and 107. However, such representation right may be added to these non-voting shares in the articles of association, cf. Section 46(2).

# O

## Own Shares

- Public limited companies and private limited companies may acquire own shares, if they have been paid in full, cf. Section 196(1).
- Own shares may be acquired as both possession and security, cf. Section 196(2).
- Neither a public limited company nor a private limited company may subscribe for new shares, cf. Section 205(1).
- Authorisation from the general meeting to the central governing body - i.e. the board of directors, if the company has one, or the

executive board - which is required in order to acquire own shares, may be granted for up to five years, cf. Section 198.

- The company may acquire its own shares to the extent that it has distributable reserves and profit in the present financial year, Section 197(1)(1).
- Own shares are not included in relation to the requirement of minimum capital, for which reason there has to be other shareholders than the company for a minimum of DKK 500,000 as regards public limited companies and DKK 80,000 as regards private limited companies, cf. Section 197(1)(2).

## P

### Parent Company

- A parent company is a limited liability company which owns the controlling interest in one or more subsidiaries, cf. Section 5(20).
- A company may only have one direct parent company. The parent company is the authority responsible for all financial and operational decisions, cf. Section 6.

### Participation Right

- Reference is made to General Meetings.

### Payment for Shares

- Public limited companies and private limited companies must have a nominal share capital of DKK 500,000 and DKK 80,000, respectively, cf. Section 4(2).
- It is enough to pay 25% of the share capital, however, at least DKK 80,000, cf. Section 33(1)(1).

- The remaining amount may be payable on demand from the company's central governing body. The company must receive payment within two weeks. However, the articles of association may determine a deadline of up to four weeks, cf. Section 33(2).
- If the share capital is issued at a premium, the entire premium must be paid together with a minimum of 25% of the share capital seen in relation to the shares, cf. Section 33(1)(2).
- It may be determined in the articles of association that some share classes must pay more than other share classes. However, one capital class cannot pay less than 25% of the aggregate share capital within that capital class. Thus, if a company is established with a share capital of DKK 500,000 of which DKK 400,000 are A-shares to be paid in full and the remaining part are B-shares, of which the minimum possible amount is to be paid, the B-shareholders must pay at least 25% of DKK 100,000 equal to DKK 25,000.
- It may be determined in the articles of association that some share classes must make an earlier payment than other classes.
- The payment must be the same for shares in the same capital class implying that one subscriber is not allowed to pay 50% of the share capital for his/her shares in order for another subscriber to pay nothing for his/her shares if they are in the same capital class.
- In case a shareholder chooses to pay his/her shares in other values than cash, all shareholders must pay the share capital in full regardless of whether or not other shareholders have paid the subscription amount in cash, cf. Section 33(1)(4). Thus, the minimum limit of 25% does not apply.
- In the event that a shareholder does not pay his/her remaining shares to the company on demand, such shareholder loses his/her right to vote at the general meeting with any part of that shareholder's capital in the company, and the share capital is also deemed not to be represented at the general meeting, cf. Section 34 (3)(1). However, the right to dividend and the right to new shares in connection with a capital increase are retained, cf. Section 34(2).
- If a not fully paid capital share is transferred to a third party, the

original shareholder will have joint and several liability for the payment of the capital share, cf. Section 34(6).

## Private Limited Companies

- A limited liability company in which the shares cannot be offered for public subscription, including via stock exchanges and other regulated marked places, cf. Section 5(2). A private limited company must have a minimum share capital of DKK 80,000, cf. Section 4(2).
- The shareholders' liabilities are limited to the capital contribution, cf. Section 1(2).
- At foundation, the capital may be subscribed for by the founders of the company or by others. This may, for example, be relevant if foreign companies wish to subscribe for shares in connection with the incorporation, because, based on prior practical experience, registration of a company with a foreign company as founder cannot be registered electronically.

## Public Register of Shareholders

- The company must register notifications received from the owners of significant capital items, pursuant to Section 55(1), with the Danish Commerce and Companies Agency's homepage, cf. Section 58(1). These notifications must be published, cf. Section 58(3).

# R

## Register of Shareholders

- The register of shareholders is kept by the limited liability company, cf. Section 50.
- The companies may register directly with the Danish Commerce

and Companies Agency, cf. Section 50(2). This provision has not yet become effective. The provision will probably become effective when the Danish Commerce and Companies Agency has adapted its IT-systems accordingly.

## Registration Date

- In listed companies the registration date is a week before the general meeting.
- In listed companies, it is assessed on this date who is registered as shareholders or who has reported their ownership, but has not yet been registered. This is essential with respect to determine who is entitled to vote at the general meeting.
- Since notice in listed companies must be sent no later than three weeks before the general meeting, cf. Section 99 – unless a longer deadline is stated in the articles of association – the shareholders have time to register their ownership of shares after the general meeting has been convened and thereby achieve the right to vote.
- Non-listed companies may voluntarily choose to use a registration date.

## Representation Right

- Shares carrying voting rights always have representation rights.
- Representation right is a right which may be added to non-voting shares, cf. Section 46(2). The right gives an opportunity to be included in the calculation of the represented capital at the general meeting and to participate in the general meeting.

# S

## Self-financing

- A limited liability company may grant loans for acquisition of shares in the company or its parent company, cf. Section 206(2). The general meeting must approve this with the majority prescribed in the articles of association and the resolution must be reasonably related to the company's financial position. The central governing body - the Board of Directors or Executive Board, as appropriate - must prepare a statement and the loan must be granted on an arm's length basis. The loan may only be granted with funds that could have been distributed as dividend, i.e. loans may only be granted within the company's revenue reserves.

## Share

- Irrespective of a share being paid in full or not, the shareholders' rights endure in accordance with the Act. The voting right at the general meeting cannot be exercised if the shareholder fails to pay his/her shares upon request from the central governing body. The general meeting may choose to issue shares that carry no voting rights, cf. Section 46(1)(2).
- Shares may be issued as non-par value shares without a nominal value, cf. Section 47(2).

## Share Capital

- The contributed capital with which the shareholders' liability is limited pursuant to the New Companies Act, cf. Section 5(27).
- The share capital must be calculated in DKK or EUR, Section 4(1).
- The capital requirements for public limited companies and private limited companies are described under Payment for Shares.

## Share Certificates

- Evidence of ownership of a share, cf. Sections 59 and 60.

## Share Classes

- A group of shares to which the same rights or obligations are attached.

## Shareholder Loan

- It is only possible for a limited liability company to grant loans to the shareholders or members of the company's management or a parent company, provided that it takes place as part of a self-financing, cf. Section 210(2).
- It is possible to grant loans to parent companies, cf. Section 211. Parent companies may be companies located within the EU/EEA or companies from certain countries outside the EU/EEA, which will be determined by the Danish Commerce and Companies Agency

## Shareholders' Agreements

- The Act determines that shareholders' agreements are not binding on the company.

## Shares in a Private Limited Company

- A share is a capital share of the company's nominal share capital. In principle, all shares have equal rights in the company, cf. Section 45(1). The General Meeting may introduce non-voting shares, cf. Section 46(1).
- Shares are issued as non-par value shares and it is still possible to issue shares with a nominal value. The two types of issuance may

also be combined, cf. Section 47(1). Capital share units are further described under Shares in a Public Limited Company.

## Shares in a Public Limited Company

- A share is a capital share of the company's nominal share capital. In principle, all shares have equal rights in the company, cf. Section 45(1). The General Meeting may introduce non-voting shares, cf. Section 46(1).
- Shares may be issued at nominal value or as non-par value shares so that the relevant capital share does not have a nominal value, but on the contrary represents a pro rata part of the aggregate share capital, cf. Section 47(2). If a company holds share capital of e.g. DKK 500,000 and 500 shares have been issued as non-par value shares, each capital share will represent DKK 1,000 share capital. If the share capital is increased with e.g. DKK 1 million with 1,500 new shares, each capital share will subsequently represent DKK 750 share capital. The two types of issuance may also be combined, cf. Section 47(1).

## Statutory General Meeting

- A statutory general meeting may be held in connection with incorporation of a limited liability company, but this is not a requirement.

## Subsidiary

- A subsidiary is a company under the controlling interest of a parent company, cf. Section 5(3).

## Supervisory Board

- The management of capital companies may consist of a supervisory board along with an executive board, cf. Section 111 (1)(2).

- Even though the supervisory board constitutes a part of the company's management, it has not been conferred any managerial powers, cf. Section 116 regarding the supervisory board's tasks.
- For public limited companies, in particular, the supervisory board must consist of minimum three members, cf. Section 111(2), and it must engage the executive board, cf. Section 111(1)(2)(2).
- The members of the supervisory board have no subscription rights, cf. Section 135(2)(2).
- Contrary to the board of directors, the supervisory board is to supervise and not to run the company, with focus on internal control of the executive board. Just as with the board of directors, the supervisory board must follow the rules of procedure and must sign the annual report together with the executive board.
- Registration of the members of the supervisory board with the Danish Commerce and Companies Agency must take place pursuant to the same rules applying for members of executive boards and boards of directors, cf. Section 10(1).

## T Transfer of Shares

- Shares may be transferred with the limitations set forth in the Articles, including pre-emption right, consent of transfer, right of redemption and amortisation, cf. Sections 65-75.
- The shares may be transferred regardless of having been paid in full or not. It does, however, apply for shares which are not fully paid that the transferor shareholder cannot be released from the payment obligation. Transferor, transferee and any succeeding transferees must be jointly and severally liable for the payment obligation, cf. Section 34(6).

## Transitional Rules

- A date has not yet been set for the implementation of the third phase of the Danish Companies Act, amongst other subjects, this phase is concerned with a public owners register, which cannot be implemented before the IT-platform of the Danish Commerce and Companies Agency has been modified, therefore this phase can be expected to be implemented in 2-3 years.

## V

### Valuation Report

- The option to contribute valuables other than cash at incorporation as well as at a capital increase at a later date basically entails that a valuation report must be composed in order to assess the value of the investment, cf. Section 36(1). At investment of certain assets and shares, the valuation report may be replaced by a statement from the central governing body, cf. Section 38.

### Voting Power

- It is possible to differentiate between share classes concerning the voting power of each class. The differentiation is unlimited. This means that one capital class e.g. can carry 20 additional votes per capital share compared to other share classes. A capital class may also become non-voting. Reference is made to Non-Voting Shares.

## W, X, Y, Z

### Warrants

- Warrants are documents which grant the right, but not the obligation, to subscribe for shares in a company, and therefore represent an opportunity to increase the share capital.

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