

Executive Exit and Severance: A Negotiation Checklist

A plain-English guide for executives negotiating a departure. General information, not legal advice.

An executive exit is negotiable across far more than the cash line. Before you accept, make sure each of these is addressed.

Cash and timing

- Base severance amount and how it was calculated.
- Earned and pro-rata bonus, and any commissions still owed.
- Payout structure: lump sum versus installments, and the tax timing.

Equity and deferred compensation

- Vested versus unvested equity, and any acceleration on separation.
- Option post-termination exercise windows and expiration.
- RSUs, deferred compensation, and Section 409A timing.
- Any forfeiture or clawback triggers in your grant agreements.

The 'cause' label and the story

- Avoid a 'for cause' characterization that follows you.
- Agree on the stated reason and any internal or public announcement.
- Reference commitments and mutual non-disparagement.

Covenants and restrictions

- Non-compete scope, duration, and geography, and whether it is enforceable.
- Non-solicitation of clients and employees.
- Confidentiality terms and any garden-leave period.

Protections to secure

- Directors-and-officers indemnification and tail coverage.
- A mutual release, with carve-outs for vested equity, indemnity, and unemployment.
- Reimbursement of your legal fees for reviewing the agreement.

Not sure where you stand? A free, confidential consultation can tell you.
Sobel Law Solutions, LLC | (216) 282-9776 | sobellawsolutions.com/schedule

This checklist is general information and is not legal advice, does not create an attorney-client relationship, and does not guarantee any outcome. Your rights depend on your specific facts, your documents, and applicable deadlines. Attorney Advertising. © 2026 Sobel Law Solutions, LLC.