

**DATE:** [Insert Date]

**TO:** [Employee Name]

**ADDRESS:** [Employee Address]

**RE: Notice of Conditional Severance Payment and Equity Clawback Provision**

Dear [Employee Name],

This letter serves as formal notice regarding your eligibility for severance pay and the status of your equity awards following your separation from [Company Name] effective [Separation Date].

**1. Conditional Severance Pay**

The Company is prepared to offer you a severance payment in the amount of \$[Amount]. This payment is strictly conditional upon your execution and non-revocation of the attached Separation and Release Agreement. Failure to sign the agreement by [Deadline Date] will result in the forfeiture of this payment.

**2. Equity Clawback Provision**

Pursuant to the terms of the [Name of Equity Incentive Plan] and your individual Grant Agreement(s) dated [Grant Date(s)], please be advised that your equity awards are subject to clawback provisions. The Company reserves the right to recoup any realized gains or unvested shares if it is determined that you have engaged in "Detrimental Conduct" as defined in the Plan.

Detrimental Conduct includes, but is not limited to:

- Violation of non-compete or non-solicitation covenants.
- Unauthorized disclosure of confidential company information.
- Conduct resulting in a material financial restatement for the Company.

**3. Repayment Obligations**

In the event the Board of Directors determines a clawback trigger has occurred, you will be required to return [Shares/Cash Value] within [Number] days of receiving written demand from the Company.

Please acknowledge receipt of this notice by signing below.

Sincerely,

[Name of Authorized Representative]

[Title]

[Company Name]

---

**Acknowledgment of Receipt:**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_