

Two-person GmbH (limited liability company): Requirements for the dismissal of one of the two managing partners

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GRP Rainer Lawyers Tax Advisors, Cologne, Berlin, Bonn, Dusseldorf, Hamburg, Munich, Stuttgart, Frankfurt www.grprainer.com elaborate: If the estranged managing partners are at the same time shareholders, the important reason for dismissal and termination of employment contract must also include substantial, objectively ascertainable circumstances that make cooperation impossible. These circumstances could result from the situation and significance of the individual managing partner (such as duration and quality of previous administration, achievements for the company) or from the interests of the company (e.g. business relations, relations with the workforce), which speak for the elimination of one director and for the retention of the other managing director.

In the case of the dismissal of managing directors, especially in a two-person limited liability company, it is imperative that one of the other parties not arbitrarily force the other out of the management position, for example by purposefully causing controversies and disputes in order to remove the other from his post, based on the resulting discord.

In the event of dismissal due to "irreparable rift between the managing directors?•, the notice period is deemed to be granted if within the last two weeks before the termination another, final event took place that deepened the dispute between the parties or made the irretrievable breakdown vividly clear again and that breach of duty or at least behaviour that reinforces or perpetuates the discord can be expected from the person who is to be terminated (cf. LG Karlsruhe, judgment of 29.04.98 - O 120/96 KfH I).

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Anlage: Bild

