



Accountancy Services

version 2014.1 – (January 2014)

1 General

1.1 Application

These General Terms apply to Engagements for accountancy services which the Contractor undertakes to execute for the Client in accordance with a separate Engagement Letter.

1.2 Engagement Contract and Framework Contract

These General Terms and Engagement Letter, together, constitute the Engagement Contract between the Contractor and the Client.

The Contractor may enter into a Framework Contract with the Client under which all future Engagements for accountancy services shall be covered by these General Terms.

1.3 Conflicting terms

In the event of a conflict between these General Terms and the Engagement Letter, the Engagement Letter shall take precedence.

2 Scope and execution of the Engagement

2.1 Engagement Letter

The detailed scope of the Engagement is governed by an Engagement Letter, which shall be confirmed in writing by the Client.

2.2 Modifications and supplements

Modifications or supplements to an existing Engagement Contract are valid only if they have been confirmed in writing by both Parties.

3 The Parties' undertakings

3.1 The Contractor's undertaking

The Contractor shall execute the Engagement with such proficiency and care as follow from professional ethics and the Swedish Standard for Accounting Services (Reko).

3.2 The Client's undertaking

The Client is responsible for decisions being made on the basis of documentation of adequate scope and quality, and for its operations being undertaken in accordance with applicable laws and regulations.

The Client shall, at the request of the Contractor, promptly provide such complete and correct information as is needed for the Engagement to be executed. If the Client, or a third party designated by the Client, does not provide the information and material in time, or fails to take action required for the Engagement to be executed, this may cause delays and additional costs. The Contractor is not liable for such delays and additional costs, whether they are increased fee costs or other additional costs.

Unless the Client and the Contractor have specifically agreed otherwise in the Engagement Contract, the Engagement is based on the information and material provided by the Client.

The Contractor assumes that the information and material are correct and complete, which means that the Contractor does not independently verify the information and material supplied. The Contractor is not liable for conclusions or recommendations based on incorrect or deficient information from the Client or a third party designated by the Client. If there are evident reasons for the Contractor to assume that the information received is incorrect or deficient, the Client shall be promptly informed thereof.

During execution of the Engagement, the Client shall ensure that the Contractor is regularly and promptly informed of any changes in the circumstances of the Engagement.

To enable the Contractor to execute the Engagement within the specified time limits, or otherwise within a reasonable time limit, and with no loss of quality, the Client shall ensure that the Client's personnel are available to lend the Contractor such assistance as the Contractor may reasonably request.

If the Contractor requires access to the Client's premises in order to be able to execute the Engagement, the Client shall also provide premises and the other resources which the Contractor may reasonably request. The Contractor undertakes, after receiving written instructions from the Client, to follow the security rules applicable to the use of the Client's computer equipment, access to computer networks or premises.



4 Processing of personal data

Within the context of the Engagement, and in accordance with the Personal Data Act (1998:204), the Contractor, any network firm or other entity engaged by the Contractor will process personal data on behalf of the Client which the Client, itself, has voluntarily supplied, as well as personal data which the Contractor, any network firm or other entity engaged by the Contractor has obtained from external databases. The Contractor shall perform the technical and organisational procedures required under the Personal Data Act to protect such personal data against unauthorised access, destruction and modification. The Contractor shall ensure that whosoever acts on behalf of the Contractor performs corresponding procedures.

5 Reporting etc.

5.1 Reporting

If the Engagement includes delivery of documents, the following shall apply. The Contractor fulfils its Engagement by supplying the final deliverables (on paper and/or electronically) to the Client. These documents may comprise advice and recommendations in reports, minutes of meetings, correspondence and documents prepared at the Client's request, such as draft book closings and annual financial statements.

5.2 Verbal advice

During performance of the Engagement and at the request of the Client, the Contractor may verbally (by telephone or at meetings) or more informally respond to direct questions or otherwise submit comments. As this can imply provision of a quick response to or comment upon a complex problem regarding which the Contractor does not have access to complete and correct information, the Contractor is not liable until the response or comment has been confirmed in writing.

5.3 Drafts of documents

Drafts of documents which the Contractor supplies to the Client on an ongoing basis, during the execution of the Engagement do not constitute the Contractor's final position, and the Client may never, therefore, rely on or act or desist from acting on the basis of such drafts.

6 Assignment of personnel to the Engagement

6.1 Own personnel

The Contractor undertakes to assign personnel to work with the Engagement in such a manner

that the undertaking in clause 3 is fulfilled. If the Parties to the Engagement Letter or to another document in the Engagement Contract have agreed on the personnel to be included in the Engagement Team – without any specific limitation of the right to change personnel – the Contractor may change personnel if this does not adversely affect the Contractor's undertaking in accordance with clause 3, increase the costs to the Client, or imply that any timetable is materially disrupted.

6.2 Sub-consultants

If the Engagement Letter does not specifically govern the right or possibility of the Contractor to appoint sub-consultants then the Contractor may, if deemed appropriate, appoint subconsultants provided that these fulfil the Contractor's obligation in accordance with clause 3. The Contractor is responsible for the work of the sub-consultant and is entitled to remuneration for work performed by the sub-consultant included in the Engagement. The Contractor also undertakes to be responsible for the subconsultant's compliance with the guidelines and undertakings generally applying to the Contractor in relation to the Client. If the Contractor forms part of a network, all other firms affiliated to the network (network firms) and individuals affiliated to these shall be regarded as subconsultants in cases in which their services are used in the Engagement.

7 Recruitment

The Parties undertake, during the Engagement and for six (6) months after its termination, to refrain – either directly or indirectly through anyone else – from employing, or attempting to employ, personnel who have been involved in the Engagement.

8 Fees, disbursements, etc.

8.1 General

Unless specifically agreed in the Engagement Letter, the following shall apply to fees, disbursements and expenses, additional taxes and charges, etc.

8.2 Calculation of fees

The fee for the Engagement will be charged according to the basis of calculation stated in the



Engagement Letter. In the absence of such basis of calculation, the Contractor will charge a reasonable fee, and in so doing, will consider, among other things, the resources employed, including specialist knowledge, the complexity of the Engagement, research and know-how which has been developed by the Contractor, use of technology and structural capital and whether the Engagement has been so urgent that the work has been required to be executed after normal working hours, at weekends or during holiday periods.

If the Engagement Letter states a calculated fee, the Contractor shall inform the Client in writing as soon as it becomes apparent that such calculated fee will be exceeded. The Client shall inform the Contractor no later than ten (10) working days following such notification as to whether there are any objections.

8.3 Price adjustment, disbursements and taxes

The Contractor has the right, as regards ongoing Engagements, to make such price adjustments as can be attributed to general changes in prices or costs.

In addition to a fee, the Contractor is entitled to compensation for disbursements and expenses in connection with the Engagement such as application and registration charges and disbursements for travel and board and lodging.

The Client shall pay to the Contractor the value added tax or other tax paid arising from Engagement.

9 Invoicing and terms of payment

9.1 Invoicing and terms of payment

The following shall apply, unless otherwise agreed, in the Engagement Letter. The Contractor shall invoice the Client on an ongoing basis, for the work performed and expenses incurred. Alternatively, the Contractor may invoice the Client on an on account basis, according to the estimated fee for the Engagement. The Client shall provide payment not later than ten (10) days from date of invoice. In the event of delay in payment, penalty interest shall be payable in accordance with the Interest Act (1975:635).

9.2 Delayed payment

If the Client fails to pay an invoiced amount on time, the Contractor is entitled to immediately discontinue the Engagement until the outstanding amount has been paid in full, and the Contractor will, then, be free of liability for any delay or other damage which may result from such cancellation. The Contractor is entitled to terminate the Engagement Contract in accordance with clause 12 if the Client has not paid an amount due and more than thirty (30) days have passed since the due date. The same applies if the Client fails to pay on time for any other engagement performed by the Contractor.

10 Non-disclosure

10.1 The Parties' undertaking regarding non-disclosure

Each Party undertakes to refrain from disclosing confidential information on the Engagement to external parties or information on the activities and affairs of the other Party without the written consent of the other Party. The Contractor shall, however, be entitled to disclose confidential information to the extent required for execution of the Engagement. The Contractor is responsible for any sub-consultant being bound by this non-disclosure undertaking.

10.2 Confidential information

Confidential information is understood to mean any advice or disclosure, in verbal or written form, of a technical, financial or commercial nature, which has been exchanged between the Parties during the Engagement or of which either of the Parties, in some manner acquires knowledge as a result of the Engagement, with the exception of such advice and disclosures as

- are generally known, or become generally known, in a manner other than through breach of the non-disclosure undertaking above, or
- a Party has received from a third party which is not bound by the non-disclosure undertaking above, or which the receiving Party has, itself, independently produced or already has knowledge of.

10.3 Exceptions to non-disclosure

The Parties have the right, and in certain cases the obligation, to disclose confidential information if this follows from law, or arises as a conse-



quence of a professional obligation, or the decision of an authority.

In addition, the Contractor is entitled to disclose confidential information to

- its insurance companies or legal advisers ahead of, or in connection with, a legal procedure insofar as is required for the Contractor to be able to safeguard its legal interests,
- any network firms or other entity engaged by the Contractor for the purpose of assessing any requirements of the Contractor as regards impartiality and independence and in order to perform quality assurance controls and other risk management measures, and
- any network firms for administrative purposes (such as internal accounting, financial reporting and utilisation of joint IT resources and/or to execute administrative support services).

11 Conflicts of interest

The Parties have undertaken, both before the Engagement Contract has been entered into and during the contract period, to perform reasonable procedures to examine that the Engagement does not lead to a conflict of interest which may jeopardise the execution of the Engagement, or with engagements including both auditing and accountancy services, such procedures shall be performed to ensure the auditor's independence. Each Party undertakes to inform the other Party of changed circumstances. The Contractor must be afforded the possibility of complying with any mandatory rules and other standards in the auditing and advisory services industries, such as FAR's EtikR 1 *Professional Ethics*. The Parties agree that it is not possible to identify and predict all of the conflicts of interest which might exist when the Engagement Contract is entered into or which, in the view of either Party, arise thereafter. The Client is aware that the Contractor is bound by confidentiality regarding engagements for other clients and that, consequently, the background to a conflict of interest cannot, in certain circumstances, be disclosed. When either (or both) of the Parties considers there to be a conflict of interest, the Party shall, however, attempt, to the best of their ability, to identify means of resolving the issue so that the Engagement can continue to be executed.

12 Period of validity and termination

12.1 Period of validity of the Engagement Contract

The Engagement Contract will apply from the date stated in the Engagement Letter or from the date on which the Engagement comes into effect if no start date is specified in the Engagement Letter. The Engagement Contract applies until the Engagement has been completed.

12.2 Termination – breach of contract

A Party may, by notification in writing, terminate the Engagement Contract with immediate effect if the other Party contravenes the terms of the Engagement Contract, provided that such deviation is of material significance and that no correction is made within thirty (30) days after a written request has been presented.

12.3 Termination – insolvency, etc.

A Party may, by written notification, terminate the Engagement Contract with immediate effect if the other Party is unable to pay its debts or an administrator according to either the Bankruptcy Act (1987:672) or the Company Reorganisation Act (1996:764) or a liquidator has been appointed, or if there is reason to assume that an event of this nature will occur.

12.4 Termination – impartiality or independence

A Party may, by giving notice in writing, terminate the Engagement Contract with immediate effect if it is found that the Engagement may pose a threat to the impartiality or independence of the Contractor in the capacity of auditor for the Client or any other audit client, and if the threat cannot be reduced to an acceptable level through other measures.

12.5 Termination – fee

In the event of termination of the Engagement Contract, the Client shall pay to the Contractor fees, disbursements and other expenses as referred to in clause 8 to which the Contractor in accordance with the Engagement Contract is entitled up to the time of termination. If the termination is not made in accordance with clause

12.3 or 12.4 or if it is made by the Client and is not based on any material breach of contract on the part of the Contractor, the Client shall also compensate the Contractor for other reasonable

costs which have arisen in connection with termination of the Engagement Contract. Such costs are regarded as including costs of subconsultant contracts, specific investments occasioned by the Engagement and specific closedown costs as a consequence of the Engagement Contract having been prematurely terminated. The Contractor shall take reasonable measures to, as far as possible, limit such costs.

13 Responsibility

13.1 Force majeure

The Contractor is not liable for damages resulting from Swedish or foreign law or from actions by authorities, acts of war, strikes, blockades, boycotts, lockouts or any other similar circumstances. With regard to strikes, blockades, boycotts and lockouts, the reservation also applies if the Contractor is, itself, the object of, or takes, such measures.

13.2 Amendments of laws, etc.

The Contractor carries out the Engagement in accordance with applicable rules and on the basis of the understanding of applicable interpretation of statutes and court rulings at the time at which the Engagement, or part of the Engagement, is executed. The Contractor does not have any liability for the consequences of any changes to statutes or re-interpretations made after the date on which the Contractor has reported on the Engagement or a pertinent part of the Engagement.

13.3 Third-party claims

Unless otherwise agreed in the Engagement Letter, the result of the Engagement is intended to be used solely by the Client, and the Contractor, therefore, does not accept any liability towards third parties or any outsider attempting to utilise, derive benefit from or rely upon the work which the Contractor has carried out in the Engagement.

The Contractor shall be indemnified by the Client against any form of claim for compensation which third parties address to the Contractor – including the Contractor's own expenses on the basis of third-party claims – as a consequence of the Client having made the result of the Engagement, or any part thereof, available to third parties. The Client is not liable for third-party

claims, however, if it can be shown that the Contractor has wilfully acted incorrectly or been grossly negligent.

13.4 Limitation of liability

Damages in cases other than those referred to in clauses 13.1 and 13.2 shall be compensated for by the Contractor only if the Contractor has acted negligently. The Contractor is, in no case, liable for loss of production, loss of profit, or any other indirect damages or consequential harm of any nature.

13.5 Maximum amount of compensation

The Contractor's liability for all damages, losses, costs and expenditure in the Engagement is limited to the higher of either two (2) times the fee paid for the Engagement under the Engagement Contract or ten (10) times the price base amount according to the Social Insurance Code (2010:110) applying when the Engagement Contract was entered into. This limitation does not, however, apply when it is shown that the Contractor has caused the damages wilfully or through gross negligence.

13.6 Complaints

The Client shall promptly lodge a complaint in writing with the Contractor for such faults or deficiencies in execution of the Engagement or part of the Engagement as the Client discovers or ought to have discovered. The complaint shall contain clear information on the nature and extent of the fault or deficiency. After a complaint or adverse observation has been made, the Contractor shall be granted an opportunity to remedy the fault or deficiency within reasonable time

– if possible – prior to the Client demanding compensation. The right of the Client to damages or other compensation is forfeited if the complaint is not made within reasonable time.

For it to be possible for a claim for damages to be lodged against the Contractor, the Client shall first make a complaint and shall then present such claims for damages in writing no later than twelve (12) months after the complaint.



14 Engagement documentation, notification and electronic communication

14.1 Engagement documentation

The Contractor shall retain the Engagement documentation for at least ten (10) years after an Engagement is completed and shall store it in such a manner that it is not accessible to unauthorised persons.

14.2 Notifications

Complaints, terminations and other notifications regarding application of the Engagement Contract and changes of address shall be sent by messenger or registered letter, e-mail or fax to the most recently indicated addresses of the Parties.

14.3 Electronic communication

Electronic transfer of information between the Parties cannot be guaranteed to be secure or free of viruses or errors, and such information may therefore be improperly intercepted, distorted, lost, destroyed, delayed or arrive in incomplete form or be damaged in some other way or be risky to use for some other reason. The Parties are aware that systems and routines cannot guarantee that transfers will not be subject to risks; however, both Parties consent to using commercially reasonable methods for virus checking or secrecy prior to information being sent electronically. The Parties accept these risks and approve of the use of electronic communication.

15 Complete contract, partial invalidity

The Engagement Contract constitutes the entire agreement between the Parties relating to the Engagement. It replaces and supersedes any previous draft, correspondence, agreement or other communication, in writing and provided verbally.

If any provision of the Engagement Letter is found to be invalid, this shall not mean that these General Terms or the entire Engagement Contract are invalid. Insofar as invalidity affects the rights or obligations of a Party, reasonable adjustment shall, instead, be made.

16 Applicable law

Swedish law, with the exception of the rules on choice of law, shall be applicable to the Engagement.

17 Disputes

Disputes arising from the Engagement shall be subject to the exclusive jurisdiction of the Swedish Courts.