

FAR SRS's General Terms and Conditions for Accountancy Services (version 2008.1)

1. General

These General Terms and Conditions are applicable to Engagements concerning accountancy services which the Accountancy Firm or Audit Firm (the Contractor) undertakes to execute for the Client in accordance with a separate Engagement Letter. The terms and conditions set out below and an Engagement Letter, with attachments or additions or references in writing, together constitute the Engagement Contract between the Contractor and the Client.

The Contractor may enter into a framework contract with the Client from which it is apparent that all future Engagements relating to accountancy services shall be covered by these general terms and conditions. In the event of conflict between these general terms and conditions and other documentation which forms part of the Engagement Contract on the one hand and the Engagement Letter on the other, the Engagement Letter shall take precedence.

2. Scope and execution of the Engagement

2.1 Engagement Letter

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

2.2 Confirmation of need

The Client is responsible for the scope and orientation of the Engagement according to the Engagement Contract having been judged to meet the Client's needs in a reasonable manner.

2.3 Variances and additions

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

3. The Parties' undertakings

The Contractor shall execute the Engagement with such proficiency and care as follow from generally accepted accountancy principles and the Standard for Accounting Consultants (Reko).

The Client is responsible for decisions being taken on the basis of adequate scope and quality and for the work being undertaken in accordance with applicable laws and regulations.

The Client shall, at the request of the Contractor, without delay 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 is slow in providing information and material or does not take action required for the Engagement to be executed, this may cause delays and additional costs. The Contractor is not responsible for such delays and additional costs, whether increased fee costs or other costs are concerned.

Unless the Client and the Contractor have specifically agreed otherwise in the Engagement Contract, the Engagement is based on the information and material supplied by the Client. When the Engagement is carried out, 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 from 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 informed without delay of any changes in the basic conditions relating to the Engagement.

To enable the Contractor to fulfil the Engagement within the specified time limits and otherwise in a reasonable time and with no loss of quality, the Client shall ensure that the Client's personnel are available to provide the Contractor with the assistance which the Contractor can reasonably demand.

The Contractor undertakes, following instructions in writing from the Client, to follow the security rules applicable to use of the Client's computer equipment or access to data networks.

4. Processing of personal data

The Client is responsible for personal data being processed in accordance with applicable legislation. The Contractor shall comply with the Client's written instructions for the processing of personal data and observe the provisions of the Personal Data Act (1998:204) when such data are processed.

5. Reporting and limitation of liability

If the Engagement includes delivery of documents, the following shall apply. The Contractor fulfils its Engagement by supplying deliverables (stored both physically on paper and in electronic form) to the Client. The documents may contain advice and recommendations in reports, minutes of meetings, correspondence and documents prepared at the Client's request, such as draft financial statements and annual accounts.

During execution of the Engagement and at the request of the Client, the Contractor may, verbally (by telephone or at meetings) or more informally, provide answers to direct questions or otherwise submit comments. As this may signify a quick reply to, or a quick comment on, a complex problem where the Contractor does not have access to complete and correct information, the Contractor is not liable until such time as the reply or comment has been confirmed in writing.

Drafts of documents which the Contractor supplies to the Client privately do not constitute the Contractor's final position, and the Client therefore cannot ever rely on or act or desist from acting on the basis of such drafts.

If the Engagement covers the preparation of a compilation report, this is intended solely for the Client, and the Contractor has no responsibility for harm that arises in connection with the statement being used by another person.

6. The Contractor's manning

6.1 Own personnel

The Contractor undertakes to man the Engagement with personnel in such a way that the undertaking in clause 3 is fulfilled. If the Parties to the Engagement Letter or some other document in the Engagement Contact have agreed on which staff are to take part in the Engagement – without any particular limitation of the right to replace personnel – the Contractor may replace staff if this does not adversely affect the Contractor's undertaking in accordance with clause 3 or increase the costs to the Client or mean that any timetable is materially disrupted.

6.2 Sub-consultants

If the Engagement Letter does not specifically govern the right of the Contractor to appoint sub-consultants and the possibility of the Contractor doing so, the Contractor may, if judged necessary, appoint sub-consultants

provided that these fulfil the Contractor's obligation in accordance with clause 3.

7. Recruitment

The Parties undertake during the Engagement and for six (6) months after it has ceased not – either directly or indirectly through anyone else – to employ, attempt to employ or in any other way tie any personnel at the Party concerned 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 bases of calculation stated in the Engagement Letter. In the absence of such bases of calculation, the Contractor will charge a reasonable fee and in so doing take account of time spent, the complexity of the Engagement, the need for specialist knowledge, use of technology and structural capital and whether the Engagement has been so urgent that the work has needed to be executed after normal working hours, at weekends and during holiday periods.

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

8.3 Price adjustment, disbursements and taxes

Unless specifically otherwise agreed in the Engagement Letter, the Contractor has the right, for regular Engagements, to make such price adjustments as can be attributed to general price adjustments at the Contractor.

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. In addition, the Contractor may charge for secretarial services, photocopying, printing, fax, messengers, postage etc.

The Client shall pay to the Contractor the value-added tax or other tax paid on account of the Engagement.

- in connection with a legal procedure insofar as is required for the Parties to be able to safeguard their legal interests.

9. Invoicing and terms of payment

The following shall apply unless otherwise agreed in the Engagement Letter. The Contractor invoices the Client regularly, based on the work performed and the disbursements made. Alternatively, the Contractor may invoice the Client on account, based on the estimated fee for the Engagement. The Client shall pay no 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).

If the Client fails to pay a receivable on time, the Contractor is entitled immediately to cancel the Engagement until the outstanding receivable has been paid in full, and the Contractor will then be free of liability for a delay or other harm which may result from the cancellation. The Contractor is entitled to terminate the Engagement Contract in accordance with clause 12 if the Client has not yet paid more than thirty (30) days after the due date. The same applies if the Client fails to pay on time for any other engagement executed by the Contractor.

10. Non-disclosure

Each Party undertakes not to disclose confidential information on the Engagement to outsiders, nor information on the activities and affairs of the other Party without the written consent of the other Party, unless this is necessary for execution of the Engagement.

Confidential information is understood as meaning any advice or disclosure, in verbal or written form, of a technical, financial or commercial nature, which has been exchanged between the Parties under the Engagement or on which either of the Parties in some way 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 some way other than through contravention of the Contractor's non-disclosure undertaking above, or
- a Party has received from a third party which is not bound by the non-disclosure undertaking above, or
- a Party has to submit by law or as a consequence of a professional obligation or to comply with the decision of an authority.

In addition, the Parties are entitled to disclose confidential information

- to their insurance companies or legal advisers, or

11. Period of validity and termination

11.1 Period of validity of the Engagement Contract

The Engagement Contract starts to apply from the day stated in the Engagement Letter or from the day on which the Engagement begins if no start date is specified in the Engagement Letter. The Engagement Contract applies until the Engagement has been completed.

11.2 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 and the deviation therefrom is of material significance.

11.3 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, company reorganiser or liquidator has been appointed or if there is reason to assume that something of this nature will occur.

11.4 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 according to the Engagement Contract is entitled up to the time of termination. If the termination is not made in accordance with clauses 11.2 or 11.3 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 sub-consultant contracts, specific investments occasioned by the Engagement and specific close-down costs as a consequence of the Engagement Contract having ceased prematurely. The Contractor shall take reasonable measures as far as possible to limit such costs.

12. Liability

12.1 Force Majeure

The Contractor is not liable for harm which is due to Swedish or foreign law or actions of authorities, acts of war, strikes, blockades, boycotts, lockouts or any other similar circumstance. With regard to strike, blockade, boycott and lockout, the reservation also

applies if the Contractor is itself the object of or takes such conflict-related action.

12.2 Amendments of law etc.

The Contractor carries out the Engagement in accordance with the rules which apply during the contract period and on the basis of the understanding of applicable interpretation of statutes, court rulings and applicable rules at the time when the Engagement or part of the Engagement is carried out. The Contractor does not have any liability for the consequences of statutory amendments or re-interpretations made after the date on which the Contractor has reported on the Engagement or part of the Engagement.

12.3 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 other liability towards third parties or any outsider who might attempt to utilise, derive benefit from or rely upon the work which the Contractor has executed 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 available to third parties. However, the Client remains liable for third-party claims if it can be demonstrated that the Contractor has deliberately acted in an incorrect manner or has been grossly negligent.

12.4 Limitation of liability

Harm in cases other than those referred to in 12.1 and 12.2 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, lost profit or any other indirect harm or consequential harm of any kind.

12.5 Maximum amount of compensation

The Contractor's liability for all harm, losses, costs and expenditure in the Engagement is limited to the greater of two (2) times the fee paid for the Engagement under the Engagement Contract or ten (10) times the price base amount according to the National Insurance Act (1962:381) which applied when the Engagement Contract was entered into. The limitation does not, however, apply when it is shown that the Contractor has caused the harm through wilful or gross negligence.

12.6 Complaints

The Client shall without delay lodge a complaint 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 criticism has been made, the Contractor shall be granted an opportunity to remedy the fault or deficiency within a reasonable time – if possible – before the Client demands compensation. The right of the Client to damages or other compensation will be forfeited if the complaint is not made within a reasonable time.

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

13 Engagement documentation - Notification – Electronic communication

13.1 Engagement documentation

The Contractor will retain the engagement documentation for at least ten (10) years after an Engagement is completed.

13.2 Notification

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 stated address of the Parties. Notifications shall be considered to have reached the recipient

- if delivered by messenger: on hand-over to the recipient
- if sent by registered letter: three (3) working days after being handed in to the postal service
- if sent by e-mail: on sending if reception has been duly confirmed, and
- if sent by fax: on sending if reception has been duly confirmed.

13.3 Electronic communication

Electronic transfer of information between the Parties cannot be guaranteed to be secure or free of viruses or errors, and such information consequently may 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, but both Parties consent to using commercially reasonable methods for virus checking or secrecy before information is sent electronically. The Parties accept these risks and approve electronic communication between them.

14. Complete contract, partial invalidity

The Engagement Contract constitutes the whole agreement between the Parties relating to the

Engagement. It replaces and supersedes any previous draft, correspondence, agreement or other communication, written and verbal.

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

15. Applicable law

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

16. Disputes

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