

# **General Terms and Conditions for Engagements with ERLEGAL**

**Version 2021:1**

## **1 General**

1.1 These General Terms and Conditions apply to Engagements for all advisory services which ERLEGAL Advokat KB (ERLEGAL) undertakes to execute for the Client in accordance with a separate Engagement Letter. Hence, by entering into an Engagement with ERLEGAL, you are considered to have agreed to these General Terms and Conditions.

1.2 The Swedish Bar Association's codes of conduct also apply to all the services provided by the ERLEGAL.

1.3 Any deviations from these General Terms and Conditions shall be agreed in writing.

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

## **2 The Parties' undertakings.**

2.1 ERLEGAL shall execute the Engagement with such proficiency and care as follow from the Swedish Bar Association's codes of conduct.

2.2 The Client shall, at the request of ERLEGAL, 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 act required for the Engagement to be executed, this may cause delays and additional costs. ERLEGAL is not liable for such delays and additional costs, whether they are increased fee costs or other additional costs.

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

ERLEGAL assumes that the information and material are correct and complete, which means that ERLEGAL does not independently verify the information and material supplied. ERLEGAL 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 ERLEGAL 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 ERLEGAL is regularly and promptly informed of any changes in the circumstances of the Engagement.

## **3 Client identification procedures and money laundering reporting**

3.1 ERLEGAL is under statutory duty (Money Laundering Act (2017:630)) to make sure of our clients' identity and ownership, and to obtain information about the nature and purpose of the matter, before work is begun. ERLEGAL may therefore ask you to provide information including evidence of your identity and/or the identity of any other person involved in the matter on your behalf, and, in the case of legal entities, the individuals having ultimate control over them (the beneficial owners), as well as information and documentation showing the origin of funds and other assets. ERLEGAL is also obliged to verify the information provided to us, and for that purpose may obtain information from external sources. We are obliged to retain all information that we have obtained in conjunction with these checks.

3.2 ERLEGAL is legally obliged to report suspicions of money laundering or financing of terrorism to the relevant authorities. We are also prevented by law from informing you of suspicions or that a report has been, or will be, made to the relevant authorities. Where there are suspicions of money laundering or financing of terrorism, we are obliged to decline or cease to act in the engagement. We cannot be held liable for loss or damage caused to you directly or indirectly by our compliance with the obligations we have considered to be incumbent on us under Clauses 3.1, 3.2 or 13.1.

## **4 Data Protection (GDPR)**

4.1 ERLEGAL is a controller of personal data provided and obtained in relation to Engagements or otherwise registered when preparing or administering an Engagement. All processing of personal data takes place in accordance with current data protection legislation. Please refer to ERLEGAL's "Privacy Notice" on [www.erlegal.se](http://www.erlegal.se) for more information about how we process personal data.

## **5 Reporting, etc.**

5.1 If the Engagement includes delivery of documents, the following shall apply. ERLEGAL 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, statements in various respects and documents prepared at the Client's request.

5.2 During performance of the Engagement and at the request of the Client, ERLEGAL 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, ERLEGAL is not liable until the response or comment has been confirmed in writing.

5.3 Drafts of documents which ERLEGAL supplies to the Client on an on-going basis during the execution of the Engagement do not constitute ERLEGAL'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 ERLEGAL undertakes to assign personnel to work with the Engagement in such a manner that the undertaking in clause 5 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 ERLEGAL's undertaking in accordance with clause 2, increase the costs to the Client, or imply that any timetable is materially disrupted.

6.2 If the Engagement Letter does not specifically govern the right or possibility of ERLEGAL to appoint sub consultants then ERLEGAL may, if deemed appropriate, appoint sub-consultants provided that these fulfil the Contractor's obligation in accordance with clause 2. ERLEGAL 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.

## **7 Fees, disbursements, etc.**

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

7.2 ERLEGAL's fee are always in line with the Swedish Bar Association's codes of conduct. 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, ERLEGAL 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 ERLEGAL, 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.

7.3 If the Engagement Letter specifies an estimated fee, ERLEGAL shall notify the Client, in writing, as soon as it is apparent that the estimated fee will be exceeded. The Client shall within ten (10) days of such notification inform ERLEGAL about any objections to the larger fee that the Client may have.

7.4 ERLEGAL 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.

7.5 The Client shall pay to ERLEGAL the value-added tax (VAT) or other tax paid arising from the Engagement.

## **8 Invoicing and terms of payment**

8.1 The following shall apply, unless otherwise agreed, in the Engagement Letter. ERLEGAL shall invoice the Client on an on-going basis, for the work performed and expenses incurred.

8.2 Alternatively, ERLEGAL may invoice the Client on an "on-account basis", according to the estimated fee for the Engagement. In such case the final invoice for the Engagement shall state ERLEGAL's total fees from which the already on-account invoiced amounts are deducted.

8.3 In certain cases, we will request a retainer before we commence work. The retainer will be used to settle future invoices. Our total fee for the engagement may be higher or lower than the retainer.

8.4 The Client shall provide payment not later than fifteen (15) 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).

8.5 Delayed payment. If the Client fails to pay an invoiced amount on time, ERLEGAL is entitled to immediately discontinue the Engagement until the outstanding amount has been paid in full, and ERLEGAL will, then, be free of liability for any delay or other damage which may result from such cancellation. ERLEGAL is entitled to terminate the Engagement Contract in accordance with clause 15 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 ERLEGAL.

## **9 Non-disclosure, right of use and intellectual property rights**

9.1 ERLEGAL protects the information the Client provides to ERLEGAL in an appropriate manner and in accordance with the codes of conduct applying to members of the Swedish Bar Association.

9.2 When a specific engagement has become public knowledge, ERLEGAL may disclose its involvement on your behalf in our publicity material and on our website. Such disclosure may only contain information that is already in the public domain. If ERLEGAL has reason to believe that you may be concerned about our disclosure, ERLEGAL will seek your consent before disclosure is made.

9.3 The Client does not have the right to disseminate to third parties or to its own organisation, or to use, material which is supplied by ERLEGAL in connection with the execution of the Engagement, such as results in the form of, for example, reports produced during the Engagement (“the Result”), to an extent in excess of that following from the Engagement Letter. ERLEGAL may, without restriction, re-use or utilise the contents of the Result of the Engagement in other engagements, provided that, in doing so, ERLEGAL does not contravene clause 9.1

9.4 ERLEGAL retains the right of ownership to all intellectual property rights, both owned and developed prior to the Engagement, as well as those developed during the Engagement. The Client may, however, make use of intellectual property rights owned or developed by the Contractor in order to be able to benefit from the Result of the Engagement, provided that this does not occur to an extent greater than that which follows from clause 9.2.

If the Engagement covers or affects intellectual property rights which are owned, or have been developed by the Client, and which are modified or developed during the course of the Engagement through the initiatives of ERLEGAL, the Client retains full ownership to these rights. ERLEGAL may, however – unless otherwise agreed in the Engagement Letter – re-use or utilise the knowledge and know-how which it has supplied to the Client through its initiatives, provided that in doing so, it does not contravene clause 9.1.

Neither Party may use the trademarks, logos, or other marks of the other Party without explicit and written consent.

## **10 Conflicts of Interest**

ERLEGAL may be prevented from acting for a party if there is a conflict of interest in relation to another client. Before accepting an engagement, we therefore check whether there is a conflict of interest in accordance with the codes of conduct applying to members of the Swedish Bar Association and/or other relevant bar associations. Notwithstanding such checks, circumstances may arise that prevent us from acting for you in an ongoing or future engagement. If this occurs, we strive to treat our clients fairly, taking into account the codes of conduct applying to members of the Swedish Bar Association. Hence, it is important before and during the engagement that you provide us with any information you consider may be relevant to determine whether or not there is an actual or potential conflict of interest.

## **11 Period of validity and termination**

11.1 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.

11.2 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.

11.3 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.

11.4 In the event of termination of the Engagement Contract, the Client shall pay to ERLEGAL fees, disbursements and other expenses as referred to in clause 7 to which ERLEGAL, in accordance with the Engagement Contract, is entitled up

to the time of termination. If the termination is not made in accordance with clause 11.3 or if it is made by the Client and is not based on any material breach of contract on the part of ERLEGAL, the Client shall also compensate ERLEGAL 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 prematurely terminated. ERLEGAL shall take reasonable measures to, as far as possible, limit such costs.

## **12 Responsibility**

12.1 ERLEGAL 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 circumstance. With regard to strikes, blockades, boycotts and lockouts, the reservation also applies if ERLEGAL is, itself, the object of or takes such measures.

12.2 ERLEGAL 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. ERLEGAL does not have any liability for the consequences of any changes to statutes or re-interpretations made after the date on which ERLEGAL has reported on the Engagement or a pertinent part of the Engagement.

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

12.4 ERLEGAL shall be indemnified by the Client against any form of claim for compensation which third parties address to ERLEGAL – including ERLEGAL'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.

12.5 Damages in cases other than those referred to in clauses 12.1 and 12.2 shall be compensated for by ERLEGAL only if ERLEGAL has acted negligently. ERLEGAL is, in no case, liable for loss of production, loss of profit, or any other indirect damages or consequential harm of any nature.

12.6 If ERLEGAL's liability is not governed by law, ERLEGAL'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 Complaints**

The Client shall promptly lodge a complaint in writing with ERLEGAL 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 ERLEGAL, 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 Reportable arrangements according to the Tax Procedure Act (2011:1244) etc.**

14.1 Due to the statutory duty of confidentiality, to which members of the Swedish Bar Association (advokater) including all employees of a law firm are subject to, we are prevented from reporting certain reportable arrangements to the Swedish authorities. However, we are obliged to inform you as Client that you personally need to comply and report certain reportable arrangements, in accordance with chapter 33 b in the Tax Procedure Act (2011:1244) as well as under the Council Directive (EU) 2018/822 ("DAC6") and national legislation implementing DAC6, regarding cross-border reportable arrangements to the relevant tax authorities.

## **15 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.

## **16 Complete contract, partial invalidity**

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.

## **17 Different language versions**

These terms and conditions have been produced in Swedish and English. The Swedish version applies to clients domiciled in Sweden. The English version applies to all other clients. English terms used in these terms and conditions are to be construed solely on the basis of Swedish legal tradition and laws, not on the basis of any other country's legal tradition or laws.

## **18 Applicable law**

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

18.2 Under certain conditions, clients who are consumers may turn to the Swedish Bar Association Consumer Disputes Committee to have fee disputes and other financial claims against us tried. Visit [www.advokatsamfundet.se/Konsumentvistnamnden](http://www.advokatsamfundet.se/Konsumentvistnamnden) for further information.

## **19 Disputes**

Disputes arising from the Engagement shall be governed by Swedish law and subject to the jurisdiction of the Swedish Courts.