

# GENERAL CONDITIONS OF CONTRACT TAL2018

These conditions of contract shall be applied to services, offers, order confirmations and services contracts of the accounting firm.

## Offer

1. An offer of an accounting firm shall be valid for a period of 30 days from the date of the offer, unless otherwise stated in the offer.

## Entry into force of the contract

2. The contract enters into force by signing of the accounting services contract by both parties, when the client has approved the accounting firm's offer, or when the accounting firm has confirmed the order of the client.

## Services

3. The tasks to be performed by the accounting firm are the ones jointly agreed upon in the service specification or other documents attached to the contract (hereinafter Services). If the accounting firm agrees to perform on the basis of the client's order other than the services mentioned in the attachment, these terms apply to them as well.

The accounting firm starts to provide the Service forthwith after the client has given the accounting firm necessary information and material and paid a possible advance payment. Accounting firm shall provide the Services carefully and professionally in accordance with the working and reporting methods of the accounting firm.

## Basic Information

4. The client shall see that the accounting firm always has up to date basic information on the client (hereinafter Basic Information). Such information include contact, personnel, financial year, trade register information, industry, domicile, nationality, members of the board of directors and other necessary information and instructions on the measures to be taken. The client shall name a contact person, to whom the accounting firm can turn if needed to obtain information or decisions in relation to the Services. A party shall inform the other party if the contact person is changed.

## Giving information and instructions on measures to be taken

5. The client shall supply the accounting firm with the information and material necessary to perform the Services well enough in advance in order to enable the accounting firm to carry out its tasks properly within normal working hours. Unless otherwise agreed, the material must be available to the accounting firm as follows:

- entire accounting material by the 10th day of the month following the end of the month in question
- material relating to payroll five (5) business days before the date the parties have agreed the calculation of pay shall be ready

- material relating to financial statements and taxation no later than within 30 days from the end of the financial year
- other material no later than 10 working days before the due date. The client contributes to the producing of the Services and carefully fulfills its own tasks in accordance with the contractual terms and instructions and recommendations of the authorities and the accounting firm. Enquiries and requests of the accounting firm shall be responded to without delay.

## Confidentiality

6. The party shall keep confidential the other party's trade secrets and other confidential information brought to his knowledge. They cannot be used for any other purpose than to fulfill the contract. The offer, order confirmation and contract with its terms and thereto included plans and schemes and other material are regarded as confidential. The confidentiality obligation shall survive the termination of the contract. The parties shall ensure that also their employees and sub-contractors undertake to observe the confidentiality obligation.

## Validity of the contract

7. The contract is valid until further notice with a two months' notice period, unless otherwise agreed. If neither of the parties gives a notice on a fixed term contract at least two months before the end of the agreed fixed term, the contract is valid until further notice with a two months' notice period.

When the contract is terminated, the Service may - in accordance with the nature of the Service - be unfinished as regards to a past or ongoing Service processing period. This has been dealt with in section 11 below.

## Interruption of the Services and termination of a contract with immediate effect

8. The accounting firm has the right to interrupt the Services, if

- a) the payment to the accounting firm is delayed with more than seven (7) days,
- b) the client does not provide the necessary information or material in due time or does not otherwise properly contribute to the provision of the Services,
- c) client breaches the contract in some other manner or breaks the laws, orders, instructions or recommendations of the authorities significant to the provision of the Services, or
- d) the client refuses to follow the accounting firm's entry instructions in a situation that might lead to criminal or civil sanctions for the parties. This condition is applied even if it is only a question of the parties' different interpretations of the content or meaning of the law, an order, a recommendation or instructions, for example different interpretations of

the spreading of income and related expenses or the valuation of assets and liabilities in the accounting or in the financial statements.

If the client does not correct the situation within seven (7) days from the written remark of the accounting firm, the accounting firm has the right to terminate the contract with immediate effect.

9. The client has the right to terminate the contract with immediate effect, if the accounting firm essentially breaches the contract and does not begin to correct the situation within seven (7) days from the written remark of the client.

10. A party may terminate the contract with immediate effect, if the other party applies for composition with creditors, the other party's property is applied to be transferred to a bankruptcy, or it is applied for company reorganization or arrangement of debts.

#### **Services upon the termination of the contract**

11. If the contract terminates before the closing of the accounts of the financial year ended during the validity of the contract is made, the accounting firm will close the accounts, if the client pays an advance payment and provides the accounting firm with information and material needed for the closing of the accounts. If the contract terminates in the middle of the financial year, having received the advance payment the accounting firm prepares the itemization of the balance sheet accounts based on the information available to it. Equally, the accounting firm shall prepare the necessary itemizations of the calculation of salaries and payroll accounting. The accounting firm charges the costs and a fee of the aforementioned Services according to its practice.

#### **Rights to the material, right of retention to the material, transfer of the material to the client**

12. All rights to the material and the databases and the automatic solutions produced by the accounting firm belong to the accounting firm, when the Services have been produced with software that the accounting firm has acquired for its use or owns. This condition has no effect on the rights the client has to the material it has submitted to the accounting firm. Others than the accounting firm are not without the accounting firm's authorization allowed to commercially utilize the databases. Legal obligations, such as executing audits or auditing under the General Data Protection Regulation, are not considered commercial utilization. When the Service is produced with software that the client has acquired for its own use or own, and to which it has provided the accounting firm with user rights, the rights in the material and databases belong to the client. Regardless of which of the parties the rights in the databases belong to, the accounting firm has the right to produce and publish various sector specific, company form specific or other similar numbers by combining different clients' data so that a specific client's data cannot be identified, and trade secrets are kept. The accounting firm produces and publishes data only in accordance with competition law.

The accounting firm has the right to have in its possession the material prepared for the client on the basis of the material the client has submitted to the accounting firm or otherwise until all the receivables of the accounting firm from the client have been paid, unless nothing else is regulated in mandatory bankruptcy or other legislation. The accounting firm shall transfer the material to the client forthwith upon payment. The client shall take care of the picking up of the material at its own expense. If the client does not come to pick up the material on a due date given by the accounting firm at the latest, the accounting firm will send it as registered collect on delivery, unless otherwise agreed.

The accounting firm has the right to collect a fee for the keeping of the client's material.

The accounting firm has the right to keep the copies of the material it has produced also after the termination of the contract and it is not required to delete the client's data from the database, unless otherwise provided by mandatory law. The accounting firm keeps the Basic Information at least five years from the termination of the contract.

#### **Charges**

13. The accounting firm's **fees** are determined in accordance with the selection and nature of supplied services in each assignment. The accounting firm has the right to demand an **advance payment** from the client, if that has been agreed upon with the client or if it can otherwise be considered justified taking into account the circumstances of the case. In addition to the fee, the accounting firm has the right to charge for necessary and reasonable direct travel and other **costs**. Unless otherwise agreed, the accounting firm has the right to charge for **additional work** in accordance with the accounting firm's practice. Payable additional work is e.g. processing of delayed material and amendment work of the account scheme or other material caused by amendment of law or orders of the authorities or recommendation of the branch to be taken into use as well as supplementary work due to a request or a notification of authorities or other additional work which is not due to the accounting firm, such as work due to data protection legislation and its changes. If the request or a notification of authorities is resulting from an error or negligence due to the accounting firm, the additional work performed due to the request is not chargeable.

The charges do not contain VAT, which, as valid in each case, is added itemized to the charges together with all the other indirect taxes and charges required by law or ordered by the authorities.

The accounting firm has prepared for and invested in producing the Services until the end of the contract. The accounting firm has the right to receive fees and possible direct costs also under the notice period, even if no Services have been ordered and performed during the notice period.

**Invoice itemization, terms of payment, consequences for default**

14. The accounting firm charges for its Services in accordance with the contract and its price list. The Service and cost charges shall be itemized in accordance with the agreed pricing principle.

Unless otherwise appears in the price list of the accounting firm or otherwise agreed, the term of payment is fourteen (14) days from the date of the invoice and interest on overdue payments as set forth in the Act on Interest. The accounting firm has the right to charge the collecting costs of a delayed payment.

**Complaints regarding the invoices**

15. Complaints regarding the invoices shall be made in writing within ten (10) days of the date of the invoice.

**Changes of the payments and the General Conditions of Contract**

16. In case of changes in labor costs or in other bases for determining charges, the accounting firm has the right to adjust its charges accordingly.

17. If these General Conditions of Contract applied in the contract change, the accounting firm shall have the right to change the contractual terms by replacing the General Conditions of Contract with the amended General Conditions of Contract.

18. The accounting firm shall notify the client of the aforementioned amendments in writing, no later than thirty (30) days before the adjustment enters into force. Then the client shall have the right to give a notice in writing within fourteen (14) days of the date of the notification to terminate the contract on the effective date of the adjustment.

19. In case the charges or the bases for determining the charges change due to amendment of law or orders of the authorities, the accounting firm shall have the right to amend its charges accordingly. The changes shall be notified fourteen (14) days before they become effective.

**Responsibilities of the parties**

20. The client, having a legal obligation to keep books, is responsible for its bookkeeping, as a taxpayer for paying the taxes and as an employer for the obligations related to the employer status and as a controller for its controller obligations. The client is as an employer responsible for interpreting laws, collective agreements and other agreements and for any decision-making related thereto. The client is responsible for working time records. The client is responsible for properly making all the surveillance and official notifications and obtaining the necessary permits. These responsibilities do not transfer to the accounting firm. The client shall see that the appropriate material describing business transactions is collected, kept and delivered to the accounting firm. The responsibility for the timeliness, sufficiency, correctness, completeness and pertinence for bookkeeping purposes of the information and material of the accounting period and information and material describing subsequent events supplied to the

accounting firm rests with the client. The client decides on what calculations and reports shall be prepared and how they are exploited.

21. The accounting firm shall place the Services and its expertise at the client's disposal in accordance with the contract and these General Conditions of Contract. The accounting firm shall notify the client of errors in the material supplied by the client. Unless otherwise agreed, the accounting firm shall, however, not be responsible for controlling or correcting any computational or other errors in the material provided by the client.

22. The accounting firm is liable for its breaches of contract with the limitation included in these General Conditions of Contract, error in its Services and negligence causing damages to the client. The accounting firm has the duty to compensate the damage only and to the extent that the client proves that due action according to the contract, carried out by the accounting firm on time, would actually have prevented the damage or limited it.

**Notification of the error of the accounting firm and correction of it**

23. If an error is discovered in the Service performed for the client by the accounting firm, the client must inform the accounting firm thereof without delay. The accounting firm shall then have the right and the obligation to correct the error it has caused without a charge, as soon as the circumstances permit. If the client neglects to report an error which it has detected, or which it should reasonably have detected, the client shall not have any right to make claims based on the error.

If the client issues a complaint and the accounting firm no longer can access the client's data system, the client must provide the accounting firm with access to the system on the client's expense so that the accounting firm can address the complaint. If the accounting firm uses its right or fulfils its obligations to correct its mistake, the accounting firm shall bear the costs for granting the accounting firm access to the data system.

**Accounting firm is responsible only for its own activities**

24. The accounting firm is not responsible for the taxes of the client, or for damages other than those mentioned in Section 22 above. The accounting firm is not liable for the damages caused by the inadequateness, incorrectness or tardiness of the information or instructions or of the material provided by the client, or damages attributable to the client, or if the damage has been caused by a person, other than an employee of the accounting firm, acting on behalf of the client. Nor shall the accounting firm be liable for damages caused by the fact that the client or somebody acting on its behalf, other than an employee of the accounting firm, has not followed the relevant laws or regulations of the authorities or the terms and conditions agreed. The accounting firm is never responsible for commercial or managerial decisions. They are decided upon and answered for by the client.

### **Limitation of liability of the accounting firm to direct damages and to maximum amount**

**25.** The accounting firm is not liable for indirect damages, like the loss of income, turnover or markets, interruption of production or service, lost profits or other thereto comparable damages.

The accounting firm will be responsible only for direct damage, which has been caused through its negligence.

**The maximum amount of liability of the accounting firm is however always Euros 10.000 per one damage event and for all damage events appearing during the same financial year maximum Euros 20.000, unless another maximum amount of liability has been specifically agreed upon.** The damage shall be regarded as one event of damage even though the recurrence of the same defect had had influence in it and even though it would influence during several financial years. The damage is considered to have appeared in its entirety during that financial year when it appeared to its essential part, even though a part of the damage would appear during some other financial year.

Breach of a contract, defect or negligence in performing the Services does not cause any other consequences to the accounting firm than those aforementioned.

### **Deadline for presenting claims**

**26.** The client shall notify the accounting firm, without delay and in writing, of any claim it may have. If the matter involves an error or deficiency which is detected or can be detected immediately, the notification must be made immediately and in no case later than within fourteen (14) days. Unless an itemized claim is presented to the accounting firm within six (6) months of the detection of the damage, no compensation shall be paid. Furthermore, no compensation will be paid if a claim is presented when more than three (3) years has lapsed after the performing of the Service in question. Nonetheless, if the damage is caused by an error committed by the accounting firm in the client's bookkeeping subject to residual tax review or a Service directly based thereon, such as the tax return or other calculation directly related to the client's taxation, the time for presenting the claim is six years from the performing of the Service in question instead of the aforementioned three years.

### **Third party claims**

**27.** Should a third party present one of the parties with a claim for damages based on the Services or the assignment contract, the other party must be notified of this without delay. Should the accounting firm pay damages to a third party, the client shall indemnify the accounting firm for the loss the accounting firm has incurred so far as it is not resulting from the error or omission of the accounting firm in observing of the contract terms. The accounting firm's limitations of liability are also applicable to third party claims in the relationship between the accounting firm and the client.

### **Subcontractors and the personnel**

**28.** Unless otherwise agreed or prescribed by mandatory law, the parties may use sub-contractors.

The party is responsible for the work performed by its subcontractors like it is responsible for its own work. The client's obligations towards the accounting firm and the terms on the limitation of liability are in force also for the benefit of the subcontractors, personnel, shareholders and management of the accounting firm.

### **Liability insurance of the accounting firm**

**29.** The accounting firm keeps in force at its own expense proper liability insurance. Upon the occurrence of an event of damage the client shall for its part submit the insurance company with necessary reports and provide the insurance company with a possibility to assess the quantity and quality of the damage.

### **Force majeure; grounds for release**

**30.** If the fulfilment of either party's contractual obligations is prevented, impeded or delayed owing to a circumstance beyond the party's control, such as a strike, work boycott, lockout or other labour conflict, a fire or other accident or crisis situation, lightning damage or other act of nature, or due to a disturbance in the communications connections or electricity, the party concerned shall be released from the performance of its contractual obligations and from the sanctions as long as the circumstances require. Error or delay of the authorities or of a bank, a defect in equipment or software, the breaking off, interruption, or disturbance of data communications or links, and an action taken by a network operator shall be deemed grounds for release.

**31.** The other party shall immediately be notified of the force majeure and the ending of it.

### **Notifications**

**32.** Termination or early termination of the contract, as well as other remarks and notifications according to the contract must be made demonstrably. Unless otherwise agreed, the notifications deem to have been made and come to the knowledge of the receiver by the latest the following working day of the date when,

- they are left for the post to be delivered and addressed to the address mentioned in the contract or notified later by the party in writing. However, if mail is not delivered on a business day in Finland, arrival shall be considered to have taken place on the following business day, or
- they have been sent to the e-mail address mentioned in the contract or notified later in writing by the party.

### **Electronic communication**

**33.** The parties are each responsible for information security and antivirus and other protection software condition and updating. The parties know and accept that despite of this electronic communication may be disturbed. The parties may send each other emails and attachment files without encrypting them, unless otherwise agreed. The party is not responsible for the email or attachment file sent through the electronic communication system has been received unchanged or without delay.

### **Use of data systems used jointly for producing the Services**

**34.** The user rights in the application software used to produce the Services can be a) user rights provided by the client to the accounting firm to the client's own or acquired software or b) restricted remote access provided by the accounting firm to the client to software either licensed to or owned by the accounting firm. The terms of situation a) are described in section 34a. The terms of situation b) are described in section 34b.

**34a.** If the accounting firm produces part of or all agreed accounting, calculation or other Services by using the software application acquired by the client for example via an information network, the following is applied to such use, unless otherwise agreed:

#### ***The user rights of the accounting firm***

The client grants or acquires on its expense free user rights to the accounting firm and its sub-contractors to the software application it uses. The accounting firm shall comply with the client's and/or the third party's, such as the manufacturer of the software, instructions and terms of use, and use its user rights only for the agreed purpose. The accounting firm is not allowed to transfer its user rights without the client's written consent.

The client shall provide the accounting firm with any necessary user names. The accounting firm shall store the user names it receives carefully, and the accounting firm shall make sure that only a user (or users) authorized by the accounting firm may use the user names. The accounting firm shall use an appropriate virus protection, firewall and other necessary data security solutions.

#### ***Client's liability***

The software application can be found on the workstation or server designated by the client or its licensor. The client is responsible for the maintenance of the software and for making sure that the software application can be contacted through customary technical measures. The client is responsible for any costs related to the construction of the telecommunications connection and transfer of data, except for costs related to the accounting firm's own internet connection.

The client is responsible for its own use of the software and for the content, correctness and appropriateness of any material created by it using the software. Material produced by the client in this way is considered to be accounting data provided by the client to the accounting firm for the supply of the Service.

#### ***Infringement of intellectual property rights***

The client is responsible for ensuring that the accounting firm's use of the software does not infringe valid third party intellectual property rights. The client is not responsible for infringements that originated from the fact that the accounting firm has not followed the appropriate instructions provided by the client.

### ***Procedure in case of intellectual property right infringement***

If a third party considers that the accounting firm infringes its intellectual property rights by using the software, the accounting firm must inform the client of the demand in writing without delay. If the accounting firm authorizes the client to reply to the third party demands on its behalf and provides the client with necessary data and help required for handling the matters, the client shall take care of it as it best sees fit on its own expense and shall be responsible for any compensation the accounting firm is liable to pay.

If the demand has received binding legal force or the client considers the demand to justified, the client may in its own discretion

- acquire on its expense the right to continue the use or part of it
- change the user rights so that third party rights are not infringed or
- replace the software with another functionally equal.

### ***Faults and changes in the availability of the software application***

The possibility to use an appropriate software is a requirement for the accounting firm to be able to provide the Services. The client is responsible for any additional work expenses of the accounting firm deriving from any faults, interruptions, or loss of data, unless these derive from the accounting firm's actions or interruptions in the accounting firm's own internet connection. The client shall strive to solve the problem as soon as reasonably possible, taking into account the nature of the fault or situation.

The accounting firm is not responsible for any harm or delay the client has been caused due to any possible interruptions, termination or delay of the software's user rights.

If the interruption, essential change or cessation of use or the user rights, or a change in the operations model leads to changes in the supply of Services (for example the accounting or payroll Service), the amount of work and costs, the accounting firm has the right to change the fees it charges the client accordingly.

### ***Term and termination of user rights***

The remote access is only valid for as long as the client holds user rights to the software application. The remote access is terminated when the accounting services contract is terminated by the latest.

**34b.** If it is agreed that the client produces part of the bookkeeping, accounting, or other material related to the Services through remote access of an application software licensed to or owned by the accounting firm through an information network, the following shall be applied to such remote access, unless otherwise agreed:

#### ***The client's user rights***

Accounting firm grants/acquires, subject to an extra charge, for use of the client a limited right to remote

access to the application software the accounting firm is using. The client shall comply with the accounting firm's and/or the third party's, such as the manufacturer of the software, instructions and terms of use and use its user rights only for the agreed purpose. The client is not allowed to transfer its user rights without the accounting firm's written consent, unless otherwise prescribed by mandatory law. Typical transfer situations under mandatory law are, for example, transfer for audits or official inspections prescribed by law. The client is responsible for any costs caused by transfers of remote access rights under mandatory law.

The accounting firm shall provide the client with user specific user names. The client shall store the user names it receives carefully, and unless otherwise agreed, only an authorized user (or users) belonging to the client's personnel may use the user names. The client is always responsible for all actions made with the user names that has been provided to the client.

The application software is on the accounting firm's or the accounting firm's sub-contractor's server or on the server of the software supplier, which has assigned the access right to the accounting firm. The client is responsible for the costs of acquiring its own data communication connection and the costs for transfer of information, as well as for the compatibility, functioning and maintenance of the user terminals and computers and the software it is using in relation to the application software. The client shall use an appropriate virus protection, firewall and other necessary data security solutions. Unless otherwise separately agreed, the accounting firm is not responsible for the performance of the software in the operating environment of the client and not for the need for changes in the client's operating environment caused by possible repairs, updates or maintenance of the software.

The client is responsible for its own use of the software and the contents, accuracy and the due form of the material created by the client with the help of the software. The material so produced by the client is considered to be accounting material assigned by the client to the accounting firm.

#### ***Infringement of intellectual property rights***

The accounting firm is liable for the fact that the use of the remote access does not upon conclusion of the contract infringe intellectual property rights of a third party in force in Finland. The accounting firm is not responsible for any infringements of rights that derive from the fact that the client has not followed the instructions it has been provided with during the remote access, or from the fact that the client has used the application software for other than agreed purposes.

#### ***Procedure in case of intellectual property right infringement***

In case a third party deems that the client infringes its intellectual property right by using the remote access, the client shall forthwith notify the accounting firm in writing of such a claim. If the client authorizes the accounting firm to respond on its behalf to the claim of

the third party and gives the accounting firm necessary information and help needed for the handling of the matter, the accounting firm handles it the way it best sees fit at its own expense and is liable for the compensation possibly payable by the client. The payment of the compensation requires that the liability for infringement belongs to the accounting firm in accordance with these contractual terms.

If the claim is accepted and legally valid or the accounting firm considers the claim justified, the accounting firm has the right at its discretion to

- acquire at its own expense the right to continue the use or part of it,
- change the remote access right so that the rights of a third party are not infringed,
- replace the remote access with remote access to another functionally comparable software, or
- end the remote access right without notice period.

The infringement of a right is not deemed the fault or delay of the accounting firm. The liability of the accounting firm for the infringement of a right is limited to measures appearing in this section.

#### ***Faults and changes in the availability of the software application***

The accounting firm does not guarantee that the application software will work flawlessly or continuously, unless separately agreed otherwise. The accounting firm is not responsible for harm deriving from any faults, interruptions, or loss of data. The client shall inform the accounting firm of the fault individually and the accounting firm shall strive to solve the problem as soon as reasonably required by the nature of the problem and it is possible to solve the problem. The problem can be solved for example by providing instructions on how to go around the problem. If the fault derives from circumstances the accounting firm is not responsible for, the accounting firm has the right to receive compensation for its research work.

#### ***Term and termination of the remote access right***

The remote access right is in force only as long as the accounting firm has the right to use the application software. The remote access right ends at the latest when the accounting services contract is terminated.

#### ***Changes***

If the termination of the remote access or a change in the operations model leads to changes in the amount of work related to supply of Services (for example the accounting or calculation Service), the accounting firm has the right to change the fees it charges the client.

#### ***Recruitment limitation***

35. Neither party may without the consent of the other party engage a person, who has performed tasks meant by and essential to the Services, employed at that moment or previously by the other party, or agree on any other arrangement in order to acquire the work input of such a person, before six months has passed from the termination of the accounting Services contract.

Unless otherwise agreed, the party breaking the recruitment limitation shall pay the other party a compensation amounting to six (6) months' gross salary of the employee in question.

The recruitment limitation is not in force, if the employment relationship has ended for a reason attributable to the employer.

#### **Transfer of contract**

**36.** The transfer of contract is subject to a written consent of the other party. However, the accounting firm is entitled to transfer this contract, including rights and obligations related thereto, as part of a transfer of its business, to which the Services belong, to the transferee, unless otherwise prescribed under mandatory law.

#### **Amending of contract**

**37.** Other amendments to the contract than those mentioned in sections 16-19 and 34a and 34b shall be agreed upon in writing.

#### **Previous contracts**

**38. Contract, which includes these terms of contract, supersedes all the previous contracts** regarding the Services made between the parties and oral and written notifications.

#### **Dispute resolution**

**39.** The parties pursue to solve their disputes through negotiations. Any disputes arising from this contract are to be brought primarily for settlement by mediation in accordance with the mediation rules of the Finnish Bar Association or in a court of law. If necessary, either party may bring a settlement to be confirmed by an arbitrator. Otherwise the disputes shall be settled by the district court of the domicile of the defendant.

#### **Other terms**

**40.** These General Conditions of Contract and other documents mentioned in the contract shall be applied to this contract in accordance with the Laws of Finland. Information contained in the brochures, price lists and materials of the accounting firm are part of the contract only, if it is separately and explicitly stated so in the offer, order confirmation or contract.

#### **Order of priority**

**41.** If the contractual instruments contradict, they are applied in following order of priority:

1. Accounting services contract
2. Service specification and other attachments to the contract in the numerical order
3. These General Conditions of Contract.