

## **Service Contract Standard Terms and Conditions**

These Standard Terms and Conditions of Service shall constitute an integral part of the Service Contract concluded by and between the Client and the Consulting Agency **Wizard Consult Raamatupidamisbüroo OÜ** (hereinafter together referred to as the *Parties* and separately as a *Party*), and shall contain the basic provisions of the Contract.

### **1. Object of Contract**

1.1. While concluding this Service Contract (hereinafter - the *Contract*), a designated representative of *OÜ Wizard Consult Raamatupidamisbüroo* (hereinafter – the *Attorney*) undertakes to provide the Client the following accounting, consultancy, representation and storage services (hereinafter *Services*):

- *drawing up a chart of accounts corresponding to the nature of the Client's activity;*
- *keeping a ledger and a memorial based on source documents (to be submitted by the Client) and drawing up memorial orders (incl. suppliers, buyers, expenses and cash);*
- *accounting of wages;*
- *drawing up routine accounting reports and tax returns;*
- *drawing up annual accounts and notes thereto;*
- *representing the Client in relations with the Tax and Customs Board and the Health Insurance Fund;*
- *consulting the Client in matters concerning financial, accounting and internal audits;*
- *storage and archiving of documents*

1.2. In case the Client would like to receive any other services offered by the Attorney beyond those referred to in clause 1.1 hereof, the Parties shall enter into a separate agreement to that effect.

1.3. The object of the Contract is a transaction specified in §§ 619-634 of the Law of Obligations Act (LOA).

1.4. For the provision of the above Services, the Client undertakes to pay the Attorney a fee in accordance with the Contract Fee Proposal, which shall be signed by the Attorney and the Client prior to the commencement of services.

### **2. Procedure of Service Provision**

2.1. The Attorney shall provide the Services in accordance with law and the information and documents received from the Client. Provision of Services by the Attorney shall not constitute a breach of Contract and the Attorney shall not be held liable for any resulting errors or deficiencies if the Client submits incorrect, inaccurate or incomplete information or non-compliant documents or is otherwise responsible for non-performance.

2.2. In case of a disagreement between the Attorney and the Client concerning taxation of a transaction where the law does not establish clear taxation rules for such a transaction, the Attorney shall inform the Client of potential tax risks but is not obligated to rely on the Attorney's own interpretation in tax accounting. In such situations, the Attorney shall not be held liable if the Client's interpretation of taxation rules for a particular transaction is incorrect.

### **3. Rights and Obligations of Parties**

#### **3.1. The Attorney shall:**

3.1.1. exercise loyalty to the Client and due diligence in the performance of tasks, taking into account the nature of the task to be performed;

3.1.2. perform tasks in a timely manner to the best of its knowledge and abilities to ensure maximum benefit for the Client and to prevent any losses, acting at a generally accepted level of professional skills;

3.1.3. follow the Client's instructions in the performance of tasks. If the Attorney has to rely on its own expertise or special capabilities in the performance of a task, the Client shall not have the right to issue detailed instructions concerning the methods and conditions of performance;

3.1.4. notify the Client of any material facts related to the performance of a task and, above all, of any circumstances, which could lead the Client to change its instructions, and also provide the Client at request with information on the progress of a task;

3.1.5. present to the Client an overview of expenses and revenues associated with a task together with any relevant evidence;

3.1.6. maintain confidentiality of any facts that the Attorney has learned in the course of performing a task if such confidentiality is in legitimate interests of the Client; in particular, this applies to the Client's industrial and trade secrets. Confidentiality obligation is lifted if the Attorney has received the Client's permission to disclose certain facts or is required to do so pursuant to law. The Attorney's confidentiality obligation shall continue after completion of any contractual tasks referred to in this paragraph to the extent required for the protection of legitimate interests of the Client;

3.1.7. hand over to the Client all documents received or drawn up in connection with the performance of a task, as well as any documents received for the performance of a task, which were not used.

3.2. The Client may choose to let the Attorney retain the Client's accounting source documents for the purpose of storage for up to two years, subject to continuation of the Contract. Further storage of documents by the Attorney shall be subject to an additional fee, payable after the Attorney issues a respective invoice to the Client based on the Attorney's price list for the service in question, effective at the moment of expiry of the aforementioned term for free storage of documents.

3.3. Once the current Contract is active, the Attorney shall provide consulting services to the Client.

3.3.1. Consultations, which total amount does not exceed one (1) hour per month, shall be deemed as a routine work of the Attorney; consultations exceeding one (1) hour per month shall be deemed as an extra work of the Attorney and shall be paid according to the Contract Fee Proposal.

3.3.2. The Attorney reserves the right to choose the form and means of communication for consultations, that is: e-mail, phone, Skype or a personal meeting, at his sole discretion.

3.4. Upon a mutual agreement of the Parties, the Attorney shall not require the provision of original documents and shall make a printout of scanned copies and virtual documents for processing and archiving.

3.4.1. A printout of virtual documents in the volume of up to twenty (20) pages per month shall be deemed as an average ancillary costs thereof. A printout of virtual documents in excess of twenty (20) pages per month shall be deemed as additional services and shall be subject to additional charges in accordance with the Contract Fee Proposal.

3.4.2. The additional document printing costs shall be indicated separately in the invoice for accounting services and shall vary depending on the number, print out type and the type of paper used.

### 3.5. The Client shall:

3.5.1. submit any information and documents required for the performance of the Contract to the Attorney in a timely manner and grant the Attorney access to the Client's accounting source documents as necessary;

3.5.2. submit documents required for wage accounting to the Attorney at the latest by the seventh (7<sup>th</sup>) day of each month;

3.5.3. submit any other required documents to the Attorney at the latest by the thirteenth (13<sup>th</sup>) day of each month;

3.5.4. notify the Attorney immediately of any important information beyond that specified in this Contract, which could affect performance of the Contract;

3.5.5. analyse the reports prepared by the Attorney. The Client should make sure that the reported amounts for the accounts "Trade receivables" and "Trade creditors" correspond to the actual situation;

3.5.6. shall pay the Attorney a fee for the Services provided in the manner prescribed by the provisions of Cl. 4 of these Standard Terms and Conditions of the Contract.

3.6. If the Client fails to submit source documents on time, the Attorney shall attempt to provide services in keeping with the terms and deadlines established by law, but shall not be held liable for any eventual delays.

3.6.1. If the Client fails to submit source documents on time, the Attorney proceeds to the processing of documents within 3-5 working days from receipt of the information and documents.

#### **4. Contractual Settlements**

4.1. The fee payable to the Attorney shall be paid by the Client on a monthly basis in accordance with the actual volume of services rendered by the Attorney and on the basis of the invoice issued by the Attorney in the month following the month when the Services were rendered. The Client shall pay the Attorney's Invoice within seven (7) business days from the invoice date (unless the Parties agree otherwise).

4.2. In case of delayed payment of the Invoice by the Client, the Attorney shall be entitled to retain in his possession the documents of the Client until redemption of indebtedness and to demand payment of a penalty of 0.7% (zero point seven percent) of the delayed amount for each calendar day of delay.

4.3. If the Customer fails to provide documents in a timely manner (in breach of paragraphs 3.5.2 and 3.5.3), the Attorney shall have the right to charge for urgent processing of documents in accordance with the price list applicable at the time of implementation of such urgent work, or in the amount defined by the Contract Fee Proposal.

4.4. In case of increase or decrease of a document flow (or a substantial increase or decrease of a realization turnover), respectively, an increase or decrease of the amount of remuneration shall occur, in accordance with the rates specified in the Contract.

4.5. The Attorney shall have the right to change the prices of services, including prices referred to in paragraphs 4.2., 4.3. of the Standard Terms and Conditions, notifying the Client on the event 2 months prior to the date the changes take effect.

4.5.1. The price of accounting services is indexed automatically once every two years, taking into account the level of inflation.

#### **5. Term of Contract**

5.1. The Contract shall enter into force upon its signature by the Parties, it contains data and details of the Parties, as well as the rates for the provision of Services, and operates under these Standard Terms and Conditions.

5.2. The Parties shall have the right to terminate the Contract unilaterally by notifying the other Party in writing at least two (2) months prior to the date of termination of the Contract.

5.3. The Contract may be terminated on an exceptional basis, if the fact that makes it possible to repudiate the Contract is revealed. For the Attorney, such an exceptional circumstance shall be – foremost but not limited to – the situation when the Client fails to pay in full the Invoice issued by the Attorney, and which is relevant to the Contract, for the period of time exceeding one (1) month from the due date of payment.

5.4. Unless otherwise agreed by the Parties and subject to the Attorney continuing to provide Services to the Client after expiry of the term specified in clause 5.3., the Contract shall be deemed to be extended for a period during which the Attorney actually provides Services to the Client.

5.5. The Contract may be amended or supplemented by a written agreement of the Parties or under other relevant conditions specified in the Contract.

5.5.1. Amendments and / or alterations to the Contract shall be made in the form of an Annex to the standard Contract and signed by both Parties.

5.5.2. Unless agreed otherwise by the Parties, any amendments or supplements to the Contract shall enter into force as of the moment of signing by authorised representatives of both Parties.

## **6. Contractual Notifications**

6.1. Except in cases when the Contract specifically provides for certain particular mode of communications, the transmission of day-to-day messages between the Client and the Attorney shall be effected by telephone or email.

6.2. If necessary, written notices shall be handed out to the other Party against the signed receipt or shall be sent to the other Party by registered mail to the address specified in the Contract or to the address let known to the other Party during the term hereof. Written notices shall be deemed as delivered to the other Party upon five (5) calendar days after the date of mailing.

6.3. Any claims arising from an alleged breach of Contract shall be submitted to the other Party in writing.

## **7. Confidentiality Obligation**

7.1. The Parties shall refrain from disclosing any confidential information or the content of documents entrusted to a Party, without a prior written consent of the other Party, during the term of the Contract and for five (5) years after expiry of the Contract. Confidential information shall include, in particular, business and trade secrets of the Parties as well as any other information, which should be kept confidential due to a legitimate interest of a Party.

7.2. A Party shall use any confidential information of the other Party exclusively for the provision of Services specified in the Contract. The use of any confidential information of the other Party for any other purpose is strictly subject to a prior written consent of the other Party.

7.3. Information received by a Party from a third party that is entitled by law to disclose such information shall not be construed as confidential information and shall not be subject to the restrictions specified in clauses 7.1. and 7.2.

7.4. The prohibition of disclosure of confidential information set forth in clause 7.1 shall not apply to auditors, banks and legal advisers of the Parties.

## **8. The rights and obligations of the Parties related to the Law on Prevention of Money Laundering and Financing of Terrorism**

8.1. The Attorney and a service consultant shall fulfill the obligations of the Law on Prevention of Money Laundering and Financing of Terrorism, as well as of legal acts issued on the basis thereof.

8.2. The Attorney shall have all the rights arising from the Law on Prevention of Money Laundering and Financing of Terrorism and from the legal acts issued on the basis thereof, including the right to refuse the provision of services and terminate the business relationship in cases provided by law.

8.3. The Client shall promptly submit all the necessary documents and information to the Attorney that the Attorney has the right and / or obligation to request on the basis of the Law on Prevention of Money Laundering and Financing of Terrorism and legal acts issued on the basis thereof.

## **9. Liability of Parties**

9.1. As long as the Parties act with integrity and in keeping with good practices, they shall be released from mutual financial or proprietary liability, which may arise hereunder.

9.2. The Parties' liability shall be excluded in the event of "force majeure".

9.3. Force majeure shall include situations that have developed beyond the control of the Parties after entry into the Contract, as well as events or incidents, such as war, mobilisation, unexpected call-up for military service or alternative service, seizure, confiscation, decisions of national or local government authorities, illness or any other occurrence beyond the Parties' control, which restricts or precludes performance of the obligations hereunder.

## **10. Settlement of Disputes**

10.1. Any disputes arising hereunder shall be solved by the Parties through negotiations.

10.2. Disputes and any other matters hereunder shall be resolved on the basis of the Contract, laws and other legislative instruments of the Republic of Estonia.

10.3. If a dispute hereunder cannot be resolved through negotiations, it shall be submitted by the Parties to the Harju County Court of the Republic of Estonia.