



**Example of  
agreement**

# Employment agreement for CEO:s

- and other employees in a leading management position

Jusek



**EMPLOYMENT AGREEMENT for CEO:s  
- and other employees in a leading management position**

As the CEO of a limited company, you have a particular position of trust in relation to your employer.

As you are in a leading management position, you are not subject to either the Employment Protection Act or any collective agreements. It is therefore extremely important to negotiate and regulate all the employment terms that will apply to your employment as CEO. These terms shall be regulated in a written CEO agreement. Although verbal agreements are valid, it is the party that asserts that the parties have agreed on a particular condition, that has to prove this.

In larger companies, the management layer below the CEO as well as certain specialist functions who in various ways participate in and are responsible for the company's management, can also be considered to be in leading management positions. Regardless of whether they are considered to be in such a position or not, the employer may often want such managers to leave with immediate effect. This sample agreement is primarily aimed at CEOs, but can also be used where applicable as a starting point for anyone who will be working in a leading management position or as a specialist at an executive level – for example in the Group management – on the private labour market.

Below is an example of an employment agreement for a CEO along with comments. This also includes sample CEO instructions. You will receive some advice regarding how to structure your agreement and what pitfalls you should avoid. The example does not cover all eventualities. The idea is that you should be able to add and remove employment terms and conditions based on your personal needs and according to what is negotiable. You should not take up the position of CEO before you have agreed on the employment terms and conditions and the written employment agreement has been signed. If you do so, you will be in a significantly poorer bargaining position. Jusek would like to inform you about this as it is a situation that we regularly encounter.

This sample CEO agreement has been designed to be used when employing somebody to work in Sweden. If the position relates to work overseas, entirely different rules apply. Please contact Jusek's members' advice service for further advice and assistance.

Stockholm in February 2018

Catharina Klåvus  
Union lawyer  
Jusek

Anne Westerlind  
Ombudsman  
Jusek

## EXAMPLE OF

## CEO AGREEMENT

The following agreement has on this day been entered into between (Company's full name Ltd, corporate reg. no.), hereinafter referred to as the Company, and NN.

### § 1 Form of employment etc.

NN \_\_\_\_\_ is employed until further notice as the CEO of the Company as from \_\_\_\_\_.

NN will attend to the ongoing management of the Company in accordance with the rules set out in the Swedish Companies Act and according to the Board of Directors' guidelines and instructions. The CEO must conduct his/her work in accordance with the CEO's instructions determined by the Board of Directors. The currently applicable instructions are set out in **Appendix 1**.

NN shall report to \_\_\_\_\_ .

NN's place of employment and place of work is \_\_\_\_\_.

### Comments:

**Always check the legal person's identity and that the person who signs the agreement is actually an authorised company signatory. Just as your name and civic reg. number must be correctly specified, the Company's name and corp. reg. number must also be correct. Contact the Swedish Companies Registration Office for up-to-date information. Before you accept the employment, it is sensible to conduct a credit check on the Company, to ensure that the Company's financial status does not come as a surprise to you. This applies in particular if you are considering taking up the position of CEO in a smaller company.**

**Do not accept or take up the position of CEO until the terms and conditions have been fully negotiated and the CEO agreement has been signed. This advice may seem obvious, but it is Jusek's experience that far too many members accept and even take up the position before the terms and conditions have been regulated. This usually leads to the CEO being forced to accept the terms and conditions that the employer then offers. In other words, the room for manoeuvre is minimal or even non-existent.**

The Company may have operations in several locations. Even though, as CEO, you are naturally responsible for the overall operation and are hence expected to visit other operating units, it is advisable for your place of employment and your workplace to be written in the agreement. In this way, your primary workplace is clarified. This creates order and also acts as a starting point when assessing whether or not you are entitled to a subsistence allowance.

CEO instructions can also have varying degrees of detail. They are intended to clarify the CEO's responsibilities and authorisation in general, but also in relation to the Board of Directors.

Appendix 1 is just an example.

## § 2 Monthly salary etc.

At the start of the employment, NN receives a gross salary of SEK \_\_\_\_\_ per month at \_\_\_\_\_ (year) salary level. The salary is paid monthly in conjunction with the Company's regular payment of salary to salaried employees.

In addition to the monthly salary, NN receives a results-based remuneration (bonus or other similar remuneration) according to Appendix 2.

### Comments:

When it comes to results-based remuneration and variable salary portions, there are many calculation methods and structures that are tailored to the specific company. It is important to study the calculation grounds, in order to assess the potential for satisfying the specific requirements, before signing the CEO agreement. Results-based remuneration is usually a substantial portion of the salary and must therefore be attached to the CEO agreement. If you consider that the potential for satisfying the requirements for the results-based remuneration is small, you should instead try to negotiate a higher monthly salary.

Due to the considerable variation in result-based remuneration, there is no Appendix 2 in this example.

The reference to Appendix 2 is included in the agreement to point out that agreement regarding such remuneration, including its conditions, is part of the employment agreement and must be attached to this, as an appendix, if it is not written directly in the agreement. It is all too common for the appendices to which the agreement refers not to be present as appendices, and for the content of the appendices not to be discussed. Often there are simply no appendices. The parties often agree that they can be drawn up later. In the event of a dispute, this generally means that the benefit cannot be verified.

### § 3 Salary revision

Salary revision takes place on 1 January each year.

#### Comments:

Salary revisions should always be regulated and should take place at least once a year. There is nothing to prevent salary revision taking place more often than this. Salary setting is individual and is based on performance.

### § 4 Leave

NN receives \_\_\_\_\_ paid leave days per year. NN receives advance leave without any settlement obligation.

#### Comments:

Rules regarding leave are set out in the Annual Leave Act and/or in the collective agreement that you may agree to apply. The highest number of leave days for managers and salaried employees, without overtime compensation, is normally 30 days per year within the private sector.

As you are the CEO and hence in a leading management position, we recommend at least 30 days' paid leave. 32 to 35 days' paid leave is not uncommon at this level.

Advance leave, i.e. paid leave that has not been earned by the employee, is often offered to salaried employees. Advance leave generally entails – both according to the Annual Leave Act and according to collective agreements – that the holiday pay that is paid in advance will be deducted from the employee's thereafter earned holiday remuneration. However, this does not apply e.g. if the holiday pay that was received in advance was paid out more than five years before the employment ceased. In case of termination of the employment due to shortage of work, deduction shall not take place.

Employment agreements for CEO:s with advance paid leave without deduction do frequently occur. Such agreements can be justified based on the perspective that termination of a CEO's employment generally takes place for reasons that are neither personal nor linked to a shortage of work. Objective grounds for termination of such employments are not required as the Employment Protection Act does not apply to individuals in leading management positions.

### § 5 Regular pension benefits etc.

(Note: Entries under point 1 and point 2 are alternatives):

### Alternative 1

1. NN receives pension benefits in accordance with the collective agreement for salaried employees in the private sector by which the company is bound, currently the ITP plan, the collective agreement between PTK and the Confederation of Swedish Enterprise. Regarding NN, (select) alternative ITP 1 (defined premium pension) or alternative ITP 2 (defined benefit pension) will apply.

In addition to this, the Company undertakes to pay in \_\_\_% of NN's monthly salary into an occupational pension insurance scheme specified by NN.

### Alternative 2

2. As the Company is not bound by a collective agreement, the Company undertakes on NN's behalf instead to pay in \_\_\_% of NN's monthly salary into an occupational pension insurance scheme and health insurance specified by NN.

In addition to this, the Company undertakes to pay the premiums for the following insurance schemes.

Group life insurance (TGL).

Work Injury Insurance (TFA).

Business travel insurance, which provides insurance cover for all business trips, anywhere in the world.

### **Comments:**

**In order to get things more or less right when it comes to pension benefits, it is necessary to contact a pension insurance expert. Jusek therefore only provides general information in this section. In other words, the information provided regarding pensions are only rules of thumb, which can help you to determine which pension solution would be suitable for you.**

**The ITP plan only applies at employers bound by collective agreements in the private sector. The employer may be bound either through membership of an employers' organisation or through a local collective agreement. The latter collective agreement is entered into directly between an employees' organisation and the employer. Similar pension plans exist – such as the BTP, FTP and KTP plans. These pension plans apply within the fields of banking, insurance and co-operatives respectively.**

**If the ITP plan otherwise applies to all salaried employees, the employer can also notify the CEO and other employees in leading management positions that they are also covered by this plan. Regardless of how you choose to negotiate your pension terms, you should ensure that, in any case, you receive pension payments and pension benefits corresponding to the ITP plan.**

If you are already covered by an ITP1 solution, it can be difficult to get the Company to agree to switch pension plan. If you have previously been covered by a defined benefit ITP2, it can be more beneficial to keep this. However, this presumes that the company is covered by the ITP plan and the Company accepts this.

If you have previously had ITP2 and are covered by a ten-fold earner solution, this can also be retained in future if the Company is covered by the ITP plan. You should then check whether it is beneficial for you to ensure that the premium level corresponds to the payment the employer would have made if there had been a ten-fold earner solution. This is generally known as a cost-neutral premium or released premium.

Bearing in mind that you do not have any employment security, you should naturally have the same pension benefits as other salaried employees as a minimum. In addition, in certain cases you can also negotiate an allocation to an extra occupational pension insurance scheme.

The major difference between ITP1 and ITP2 is that those born in 1979 or later generally have a defined premium occupational pension, while those born in 1978 or earlier continue to have a defined benefit pension and a defined premium ITPK. Even if you were born in 1978 or earlier, you may be covered by a defined premium retirement pension if you switch employer and start a new employment. For further information about the ITP plan, please refer to PTK's website, [www.ptk.se](http://www.ptk.se) or [Collectum's website, www.collectum.se](http://Collectum's website, www.collectum.se).

If your employer is not bound by any collective agreement, you should ensure that the Company undertakes to pay a certain percentage of your monthly salary into an occupational pension insurance scheme specified by you. This percentage rate should not drop below the percentage rates specified in the collectively agreed ITP plan part 1. Alternatively, the pension payments should correspond to the premium and the conditions that would have applied if you had been covered by the defined benefit ITP plan part 2. Always contact a pensions and insurance expert in order to ascertain which pension solution is most beneficial for you. Influencing factors include what insurance cover you already have and what you want to achieve. The historic yield and, in particular, the fees can act as a guide when it comes to the choice of pension insurance.

Group life insurance (TGL) and Work Injury Insurance (TFA), which are mentioned under this point, are common insurance policies, regardless of what salaried post you hold and regardless of whether you have a collective agreement or not. Business travel insurance is relevant in the event of offices abroad.

It is important to choose an occupational pension insurance scheme that has low fees, as this can significantly affect your final pension. Within the ITP plan, insurance options are procured at low fees and with pension products of a high quality. If you can be covered in some way by the ITP plan, you can benefit from these low fees, which is a major advantage for you. This also applies if you have a 'ten-fold earner' solution that you can continue to take out via the ITPK insurance. Collectum can provide you with more information about this.

For further information about the ITP plan, see PTK's website, [www.ptk.se](http://www.ptk.se) or Collectum's website [www.collectum.se](http://www.collectum.se).

**You should also be aware that there are a considerable number of hidden commissions and other remunerations that are paid by the insurance companies to the agents/advisors who propose pension solutions outside of the collective agreement areas. Such commissions are often drawn directly from your pension capital.**

## § 6 Car benefits

NN receives a brand new, free car from (fill in .....car make/model) or another car in a corresponding price class. The Company pays all costs for the car. NN is entitled to use the car without restriction for private driving in Sweden and abroad. The car may also be used by family members. NN is entitled to replace the car with a brand new car in the same price class every \_\_\_ years or after driving \_\_\_\_\_ kilometres. If the car benefit is no longer required or ceases to apply, NN will be compensated for this benefit with a monthly amount corresponding to the value of the benefit for a brand new car of the relevant car make/model or another car in a corresponding price class.

### Comments:

**All costs include repairs and fuel. According to the proposed agreement, the right to use the car privately also applies to foreign travel. If you are not using the proposed agreement's formulation, you may assume that the entitlement is limited to Sweden. Whether this benefit is of interest or not depends on your income, travel habits, etc.**

**The car benefit is often regulated in the Company's car policy applicable at the time. Your potential to obtain special arrangements for yourself is therefore usually limited. In smaller companies, it is not definite that a CEO will be offered car benefits.**

**Always check the tax consequences of this benefit with the Swedish Tax Agency, [www.skatteverket.se](http://www.skatteverket.se).**

## § 7 Business travel and subsistence

During business trips, remuneration for travel and subsistence allowance is paid in accordance with the travel policy applicable at the Company at the time.

### Comments:

**Information about which amounts are not taxable can be found at [www.skatteverket.se](http://www.skatteverket.se)**

## § 8 Sick pay etc.

Due to his/her employment, NN is entitled to the following sick pay etc.

### Alternative 1

The Company applies the rules regarding sick pay and disability pension pursuant to the applicable collective bargaining agreement at the Company.

### Alternative 2

The Company undertakes to take out a separate health insurance, with the insurance company specified by NN.

### Comments:

Regulations under Alternative 1 are based on the fact that the employer has a collective agreement, i.e. that the employer is bound by general employment terms and conditions and the ITP plan, etc. These regulations apply to all salaried employees at the Company. The Company can also affiliate you as the CEO to these collective agreements.

Ahead of your negotiations with the employer, it can be useful for you to know that the collective agreement entitles you to the following remunerations:

The first sick day is a qualifying day on which sick pay is not paid out.

The Company pays sick pay as from day 2 up to and including day 14 at 80% of salary, by law and in accordance with the general employment terms and conditions in the applicable collective agreement.

As from the 15th calendar day in the illness period, sickness benefit is paid by the Social Insurance Office. From day 15 to day 90, the employer also pays sick pay at 10% on salary below 7.5 price base amounts and at 90% on salary above 7.5 price base amounts, in accordance with the general employment terms and conditions in the applicable collective agreement.

Disability pension is paid by Alecta as from day 91. This is a collectively agreed disability pension, which is paid by Alecta in accordance with the ITP plan.

For further information, please visit PTK's website, [www.ptk.se](http://www.ptk.se).

If the Company does not have a collective bargaining agreement, the Company may instead take out a separate health insurance, which e.g. pays compensation at 90% of the salary. However, you should be aware that the insurance company may

**demand a health check. You are recommended to check this before you submit such a request. You may instead want to try to negotiate some other benefit.**

**Contact the Swedish Tax Agency for relevant information about any tax on benefits, [www.skatteverket.se](http://www.skatteverket.se).**

### **§ 9 Healthcare etc.**

The Company takes out a separate medical care insurance for NN.

#### **Comments:**

**This insurance is taken out in order for you to receive care rapidly in the event of illness and associated problems. Ultimately, medical care insurance is taken out to avoid absence due to slow or delayed healthcare or the absence of preventive care. Such insurance is taken out by the employer on your behalf with an insurance company. There are several insurance solutions in this area. Many employers offer such insurance schemes for all their personnel.**

**Contact the Swedish Tax Agency for relevant information about any tax on benefits, [www.skatteverket.se](http://www.skatteverket.se).**

### **§ 10 Moving costs**

The employer is responsible for the moving costs that arise in conjunction to NN's move to the place of employment and, where applicable, also for the moving costs that arise in the event the Company should come to conduct operations in another location. Moving costs refer to the cost of transporting belongings as well as NN's and his/her family's travel costs to the place of employment.

In addition, NN receives an installation allowance of SEK \_\_\_\_\_ for those additional costs that arise as a result of the move.

**Comments: The value of this benefit varies. Consider whether this is important for you and always check the relevant rules regarding the taxing of benefits with the Swedish Tax Agency, [www.skatteverket.se](http://www.skatteverket.se)**

### **§ 11 Notice of termination and severance pay**

The employment can be terminated by the employer and NN with a mutual notice period of three months. Salary is to be paid during the notice period.

If the employer terminates the employment NN is - in addition to the salary above - entitled to a severance pay of at least twelve (12) months' salary, calculated from the monthly salary at the time when notice is given

The severance pay falls due for payment on the day after the expiry of the notice period, unless the parties agree on a later due date.

NN is also entitled to severance pay as above in the event he/she terminates the employment due to the terms and conditions of employment being significantly altered or if the Company is guilty of a gross breach of contract. This also includes situations where the Company substantially changes its area of focus, where the Company changes its place of business, or where the operations within the company are wholly or partially transferred to another employer in accordance with Section 6b of the Employment Protection Act.

Notice of termination or cancellation of employment must be conducted in writing.

#### **Comments:**

**As the Employment Protection Act does not apply to CEOs and other managers in leading management positions, there is no employment security. You should therefore ensure that – in addition to the notice period – you agree that you will be entitled to severance pay in the event the Company terminates your employment.**

**Having a longer notice period is not good in the event you or the employer should want to terminate the employment. The employment continues as long as the notice period is running. You can therefore not take up a new position until the notice period has expired, unless you and your employer agree to cut short this period. As it is relatively common for the employer not to agree to a shortening of the notice period, it is better to negotiate a short notice period, in our example three months, and to combine this with severance pay. For a CEO, severance pay of between 12 and 24 months' salary is most common. The size of the Company and other compensation can affect this level. Regulations regarding early retirement may occasionally be relevant. If retirement is imminent, such a process can be easier to get through. The size of the severance pay may then be affected. Regulations regarding early retirement require an investigation and a review of your overall pension protection and insurance cover. Contracts must consequently be adapted and tailored based on the specific situation. In this sample agreement, we therefore refrain from formulating any contractual text regarding early retirement.**

#### **§ 12 Disputes**

**Alternative 1:** Disputes arising from this agreement shall be settled by a Swedish court and Swedish law must be applied.

**Alternative 2:** Disputes arising from this agreement shall be settled by arbitration in accordance with the Arbitration Act and Swedish law must be applied. All costs for the arbitration proceedings must be borne by the Company, regardless of the outcome of the dispute.

**Comments:****Alternative 1**

This alternative reflects the main rule, i.e. what applies if the parties have not regulated the issue at all. If the issue of dispute resolution is not regulated in the CEO agreement, the agreement must be assessed by a Swedish court and in accordance with Swedish law. However, this presumes that the work is primarily being carried out in Sweden and that the work is being carried out for a Swedish employer, in this case a Swedish limited liability company.

**Alternative 2**

Employers often want any disputes to be resolved through arbitration as this is normally a faster procedure and more shielded from the general public. In principle, you should not accept this, as the costs for arbitration proceedings often greatly exceed the costs in the event of a judicial review. It is not uncommon for the costs to amount to several hundred thousand kronor. In such cases, you cannot therefore count on Jusek granting you legal assistance. If you are still considering accepting an arbitration clause, it is important for the clause to include an obligation for the employer to be liable for all costs for the arbitration proceedings, irrespective of the outcome of the dispute. Such a formulation can be found under Alternative 2.

Seek assistance from Jusek in the event of discussions concerning arbitration proceedings.

**§ 13 Amendments and supplements**

Amendments and supplements in respect of this agreement must be approved in writing by both parties, in order to be valid.

**Comments:** This sets out a requirement that amendments and supplements to this agreement must be in writing. The provision has been added in the interests of both parties to avoid disputes.

This agreement has been drawn up and signed in two copies, with each party receiving one.

Place, date

The employer

The employee

## MISCELLANEOUS

### LOYALTY OBLIGATION, CONFIDENTIALITY AND COMPETITION CLAUSES

In an employment relationship, there is a mutual loyalty obligation. Occasionally the employer will insist that both confidentiality and competition clauses should be included in the employment agreement. In general terms, the following applies.

#### LOYALTY OBLIGATION

Due to the employment situation, you are already obliged to observe discretion and confidentiality regarding the company's affairs. The actual employment relationship means that the employee must place his/her skills at the employer's disposal, and in return receive salary and other employment terms that the employer has undertaken to pay. The employee must observe loyalty in relation to the employer during the period of employment. This means for example that the employee, during his/her period of employment, may not conduct activities that are competing with the company, either as an employee or on a self-employed or any other sole trader basis. The employee must also observe professional secrecy in accordance with any confidentiality clauses and in accordance with the Trade Secrets Act. The professional secrecy obligation relates e.g. to production and development issues, client lists and other business secrets.

As a result of your loyalty obligation, you may never conduct competing activities during your ongoing employment period. If you should wish to undertake an assignment or a secondary activity, you should therefore always consult with your employer first. In this way, you avoid discussions regarding disloyalty, which could potentially result in crises of confidence. Such disputes are common. The employer has a justifiable interest in you not undertaking assignments that have a detrimental impact on your work. In order to avoid future evidential problems, you should always ensure that the employer approves any secondary activities in writing.

#### CONFIDENTIALITY

When it comes to confidentiality, there is an act regarding trade secrets that applies under all circumstances. The regulations in this act are normally sufficient to satisfy the employer's interests regarding confidentiality.

An example of an acceptable confidentiality clause is as follows:

#### “CONFIDENTIALITY

NN undertakes not to disclose information regarding business or operating conditions within the Company that the Company keeps secret and whose disclosure is

**intended to harm the Company in terms of competition. Information is understood to mean such details that have been documented in some form, including drawings, models and other similar technical representations, and individual persons' knowledge about a particular situation, even if this has not been documented in any way."**

## **COMPETITION CLAUSES**

When the employment has ceased, the obligations that the parties have had in relation to each other during the employment generally cease, i.e. also the employee's loyalty obligation. If the employer wishes to protect itself against competition after the employment period, this must take place through an agreement, known as a competition clause. The following information is primarily intended to increase your knowledge about competition clauses. As the material is complex, we advise you to make contact with Jusek's members' advice service before you accept such clauses.

It has become increasingly common for questions regarding competition clauses to arise, which is due to companies' operations increasingly being based on the specific knowledge possessed by the employees. The needs of companies can be summarised such that there are basically **three different objects of protection: 1) The company wishes to retain its clients and prevent former employees from attracting these clients to competitors or competing operations that the employees themselves have started up. 2) The company also wishes to protect company-specific knowledge and trade secrets, and prevent such information from being distributed to competitors. 3) Finally, the company wishes to retain key individuals, particularly if the company has spent not insignificant sums on training and educating them.**

The most common way of satisfying the employer's protection interests is to include a special provision in the employment agreement prohibiting the employee from taking up employment with a competitor or otherwise, directly or indirectly, participating in or conducting competing activities. The prohibition regarding competition is usually associated with provisions regarding the obligation of professional secrecy and sanctions in the event of transgressions, e.g. stipulated damages - in other words damages that are determined in advance without the employer needing to demonstrate any damage. The stipulated damages should bear a reasonable correlation to the employee's salary, but apply as a starting point.

There may occasionally be non-solicitation clauses, which often prohibit the employee – within a certain period of time after the cessation of his/her employment – from attempting directly or indirectly to recruit an employee to his/her new employer or his/her own operation. In such cases, these prohibitions are often combined with fines and/or damages clauses. In principle, Jusek advises against entering into agreements containing competition clauses and non-solicitation clauses.

The employer's wish to protect its business is contrary to the employee's interests in having the greatest possible freedom to utilise his/her knowledge and experience after leaving their employment. There is consequently a conflict of interests between the principle of the employee's freedom of occupation and the employer's interests in protecting its business. In this conflict, the interests of the employee are considered to carry significant weight. As

opposed to that which applies to employees' loyalty obligation during their employment, the employer's interests in protection after the employment are not considered to weigh as heavily. A prohibition on competition must therefore be reasonable in order for it to be binding for the employee. The binding period must be in relation to the length of time the company requires protection.

### **Competition clauses are valid as a starting point.**

Unreasonable competition clauses can, following judicial proceedings, be declared invalid by the court, but it can take several years before a final ruling is made. It is often difficult to predict how such a ruling may turn out. Until a ruling is made, you remain bound, unless you can come to another agreement with the employer.

### **Assessment of reasonableness**

The assessment of the reasonableness of a competition clause is affected in part by the length of time the competition prohibition applies. The prohibition must be limited to the estimated lifetime of the knowledge the employer wishes to protect, but should in principle not exceed 18 months. In the event of a shorter lifetime – when it comes to the interest that is worthy of protection – the binding period should not exceed 9 months. Reasonableness is also affected by the size of the stipulated damages.

It is also necessary for the employee to receive reasonable compensation for this commitment. As you are in practice being subjected to a ban on pursuing your profession during the period the competition clause applies, it is reasonable for you to be compensated with full salary during this period. If this is not possible, you should in any case be compensated with at least 60% of your salary.

It is no rule that CEOs will have competition clauses in their CEO agreements. In such cases, the company protects itself instead through the Trade Secrets Act or through a confidentiality clause, which is fully sufficient.

Bearing in mind that Jusek advises against agreeing competition clauses, there is no proposed agreement for this situation. If this should still be relevant, you are welcome to make contact with Jusek's members' advice service.

## **WORKING ABROAD AND/OR WITH FOREIGN EMPLOYERS**

If you are considering working abroad or with a foreign employer, normally a foreign company with operations in Sweden, you need a different agreement. Jusek recommends that you read PTK's handbook "Working abroad". As a member, you can order the book via Jusek's members' advice service and also receive advice regarding your specific situation.

Feel free to make contact with Jusek if you have any questions prior to the negotiations regarding your CEO agreement. You will obtain assistance from Jusek before you accept a position as CEO and sign the CEO agreement.

Good luck!

## Example of CEO instructions, Appendix 1

1. The CEO's responsibilities for the Company's operations according to the Swedish Companies Act are not limited by these instructions.
2. The CEO is in charge of the Company's day-to-day administration. This includes
  - a. managing the Company's operations
  - b. implementing the decisions of the Board of Directors
  - c. entering into agreements required for the ongoing operations, where the Company's commitments do not exceed SEK x or are otherwise of major significance
  - d. deciding on ongoing personnel matters
  - e. investing the Company's liquid assets and deciding about borrowing in accordance with the Company's finance policy
  - f. fulfilling the employer's negotiation and information obligations according to the Co-determination at Work Act
  - g. fulfilling the employer's obligations in respect of environmental responsibilities
  - h. where required, writing off amounts receivable, although not exceeding SEK x
  - i. deciding on legal measures in the event of disputes in which the Company is a party
  - j. in the manner specified by the owner's directive, assessing whether documents can be distributed to the general public
3. The CEO must take decisions on administrative issues that would otherwise fall to the Board of Directors, in the event it is not possible to wait for a Board decision without this causing serious inconvenience for the Company. If possible, the decision must be preceded by consultation with the Chairman of the Board. The Board must be notified of the action taken as soon as possible.
4. The CEO must ensure that the Company's accounts are completed in accordance with the law and that fund management is organised satisfactorily.
5. The CEO must notify the Chairman of the Board immediately when there is reason for the Board to adopt a stance on a particular issue that has arisen.
6. The CEO must continually notify the Board about situations that are important for the Company.
7. The CEO, in consultation with the Chairman of the Board, must prepare Board business and present such business at Board meetings.
8. In plenty of time before the start of each new financial year, and at the latest annually during the month of November, the CEO must prepare and submit a proposed annual budget to the Board.

9. The CEO is entitled, within the framework of his/her authorisation, to delegate discretionary powers to another salaried employee within the Company and to issue power of attorney. The CEO must exercise the requisite control over how such authorisation is utilised. The CEO is responsible for decisions that are taken with the support of delegation.
10. The CEO may not handle issues relating to agreements between him/herself and the Company. The same applies with regard to agreements and third parties if the CEO has a material interest in the matter that can be contrary to that of the Company.