

ANNUAL REPORT
2015

A vertical photograph of a bridge's support column and cables. The column is dark red at the base and transitions to yellow and orange towards the top. Numerous cables fan out from the top of the column, creating a complex web against a clear blue sky.



Mannheimer Swartling is the leading business law firm in the Nordic region. Our clients include prominent Swedish and international companies and organisations. The scope and scale of the firm's work is broad, both in terms of the type of assignment and location. The firm operates from offices in Sweden, Germany, Russia, China, USA and Belgium, as well as in close co-operation with other leading international law firms.

INTRODUCTION

History that sparks innovation

Last year marked 25 years since Mannheimer Swartling was established in its present form. The celebration of this milestone was typical for the firm – looking ahead at the future together with clients, employees and colleagues in the industry.

Our open-door policy in relation to one another and to the outside world has become recognised as a hallmark of the firm. This tradition of exchanging knowledge and ongoing dialogue with employees and clients has resulted in an environment that promotes quality, innovation and development. These are some of our main success factors, and the basis for the firm developing into the leading business law firm in the Nordic region.

On the surface, Mannheimer Swartling may appear to be a completely different firm today than the one that formed 25 years ago following the merger between Mannheimer & Zetterlöf and Carl Swartling Advokatbyrå. But the essence remains the same – our business model is based on team spirit, we take a long-term approach to our relationship with clients, and we always do our utmost to deliver superior quality.

This combination allows us to support our clients and to help them retain a long-term focus even when solving short-term crises.

Our clients expect us to be highly responsive, to understand the challenges that they face, and to deliver high-quality advice. One of our strongest driving forces is to meet and exceed these expectations. This will continue to be our goal over the years to come – every day and in every matter.

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Focus on change for the next quarter century

Last year marked a milestone for us. In addition to celebrating our 25th anniversary, our clients faced new issues in a variety of areas as a result of last year's dramatic events – the refugee crisis, the slowdown of growth in China, sanctions against Russia, negative interest rates, and the Climate Conference in Paris to name a few – that underscored our ability to be proactive.

The year 2015 may be remembered in Sweden as the year that the word “sustainability” became increasingly mainstream in every aspect of the news – business, politics, culture, the weather, even sports. This trend affirmed that our strategic focus on sustainability issues over the past five years is yet another example of our ability to anticipate the future needs of our clients.

The past year offered many opportunities to demonstrate the strength of the firm's business model, thereby confirming the position of Mannheimer Swartling as the leading business law firm in the Nordic region. We were engaged to handle some of the year's most high-profile transactions and disputes in a wide range of industry sectors, while at the same time experiencing growth in the number of cases involving our individual specialist groups. One of the largest deals of the year involved a Swedish-Canadian consortium that acquired Fortum's electricity distribution business in Sweden for around EUR 6.6 billion. Another was the purchase by Japanese Canon of the Swedish company Axis for approximately SEK 23.6 billion. The City of Stockholm sought our expertise during the permit application process and for the reconstruction of Slussen and regulation of Lake Mälaren. Moreover, China's Ministry of Commerce (MOFCOM) once again appointed Mannheimer Swartling to its panel of international legal advisors, the firm secured its appointment to the panel in competition with over twenty predominant English or US law firms and is the only firm from the Nordic region appointed to the panel.

ANNIVERSARY

The foundation of our business is to offer our clients the best possible legal advice and service, both in prosperity and adversity, and in a world of constantly changing conditions and requirements. To succeed, we must be attentive to our clients and adapt our

services to their current needs. We must retain the ability to combine the firm's collective knowledge and innovative capacity to develop services for the future. And we must continue to attract the best legal talent through an attractive business model and a dynamic corporate culture based on team spirit and True Partnership.

These basic principles have been the hallmark of the firm since Mannheimer & Zetterlöf and Carl Swartling Advokatbyrå merged 25 years ago to form Mannheimer Swartling. We strongly believe that the result is an environment that offers opportunities and encourages innovation, enabling both our clients and our employees to thrive.

During the year, we celebrated our anniversary by inviting all of our employees, a large number of clients, and representatives from other leading firms worldwide to discuss the future. We brought together experts from business and politics to exchange ideas on sustainable development, the potential for business in the Öresund region, Gothenburg and Stockholm, and to discuss the role of the lawyer, the law and legal work in Sweden.

SUSTAINABILITY – LONG-TERM VALUE CREATION

Our continued success relies on our ability to advance the dialogue with both clients and the outside world so that we can anticipate and meet the future needs of our clients. The dramatic world events of the past year have raised new questions and challenges. Our ambition is to always be there for our clients and to be able to offer the highest quality advice, regardless of circumstance, time or place. We must also be proactive, with the ability to offer innovative advice and creative solutions.

Given today's geopolitical situation and the growing importance of sustainability issues in corporate strategy, the firm's focus on sustainability has become even more relevant. In 2015, we consolidated our collective experience and knowledge on matters relating to the environment, human rights, labour conditions, and anti-corruption into an overarching Corporate Sustainability and Risk Management practice group. The practice group is uniquely designed to offer our clients an integrated and strategic range of services to help them navigate the new and rapidly-changing expectations relating to corporate social responsibility.

KNOWLEDGE DEVELOPMENT AND KNOWLEDGE SHARING

Within the framework of the training programme arranged by Bolagsjuristernas Förening (Association



of Corporate Lawyers), we organised a seminar series on the theme of sustainability. Eight seminars were held in Stockholm, Gothenburg and Malmö to address topics such as how sustainability affects the practice of business law and how the concept of sustainability is integrated into business law.

Together with the Raoul Wallenberg Institute, we arranged a week-long seminar for the ninth consecutive year on human rights, also with a focus on sustainability and other topics. The purpose of the course is to support lawyers around the world who work to protect human rights by designing a “toolbox” that will facilitate and develop the participants’ human rights work. Over 70 lawyers from 25 countries have participated in the course since its inception in 2007. We invited participants from countries such as Cambodia, Vietnam, Honduras, Malawi, Mongolia, Turkey and Thailand to this year’s programme.

SUSTAINABILITY REPORT ACCORDING TO GRI

A few years ago Mannheimer Swartling became the first business law firm in Sweden to issue a sustainability report according to the Global Reporting Initiative (GRI) guidelines. Over the past year we produced our second sustainability report. The sustainability report forms parts of our efforts to develop our strategic sustainability work, and to promote transparent engagement with all of our stakeholders. We are pleased to note that the activities and objectives identified as relevant for the period were fully implemented. Our reporting has provided us with valuable insights that have helped us move closer to our long-term strategic goals.

Some of our foremost challenges remain, namely to continuously find the best talent and to increase the number of female partners at the firm. While welcoming seven new partners in 2015 attested to the company’s overall strength, our failure to increase the overall proportion of female partners is

disappointing. We are nonetheless convinced that we are moving in the right direction in the long term as we continuously work with various measures to increase the proportion of female partners.

LEADING FIRM – THAT WANTS TO BE EVEN BETTER

During the year, Mannheimer Swartling was the proud recipient of an array of Swedish and international awards. We were voted the Best Law Firm in Sweden by our clients and industry peers in ranking surveys by TNS Sifo Prospera, Chambers Europe, and IFLR. For the thirteenth consecutive year, Mannheimer Swartling was also voted Sweden’s Most Attractive Law Firm by the country’s law students.

“In addition to identifying new practice groups, we constantly review the operation to further improve the quality of our services.”

In addition to identifying new practice groups, we constantly review the operation to further improve the quality of our services. I look forward to working with our employees and my partners to lead this work into a new quarter-century.

I would also like to take this opportunity to thank our clients for entrusting us with their legal affairs. We look forward to continuing to meet their needs in the future.

Stockholm in March 2016

Jan Dernestam, Managing Partner

The aim is to always provide the best possible advice

Mannheimer Swartling's business is in constant development. Its driving force is the desire to anticipate and meet the changing needs of the firm's clients in a rapidly changing world. Consequently, the firm continually develops and integrates new skills in close dialogue with clients. For example, in 2015 the firm launched a new Corporate Sustainability and Risk Management practice group to provide integrated expert advice on questions of corporate social responsibility.

Mannheimer Swartling is a full-service law firm with approximately 550 employees, over 20 practice groups and ten industry sectors. The firm has eleven offices in six countries: Sweden, Germany, Russia, China, the US and Belgium. In addition, many of the firm's lawyers act internationally in many other markets, at the request of both Swedish and foreign clients.

The firm has approximately 400 lawyers who specialise in a variety of practice groups and industry sectors within business law. They understand the commercial challenges faced by the firm's clients and can offer the necessary legal expertise to find the best solutions to solve them. Mannheimer Swartling is one of the few full-service law firms in Sweden, offering clients advice in all aspects of business law.

BUSINESS MODEL BASED ON TEAM SPIRIT

The basic principle of Mannheimer Swartling's business model, which is deeply ingrained in the firm's corporate culture, is that success should benefit the entire firm

rather than just the individual. Its deeply-ingrained sense of team spirit promotes the sharing of knowledge between colleagues, practice groups and offices. It also ensures that each client is guaranteed access to the collective knowledge of the firm and the best possible advice.

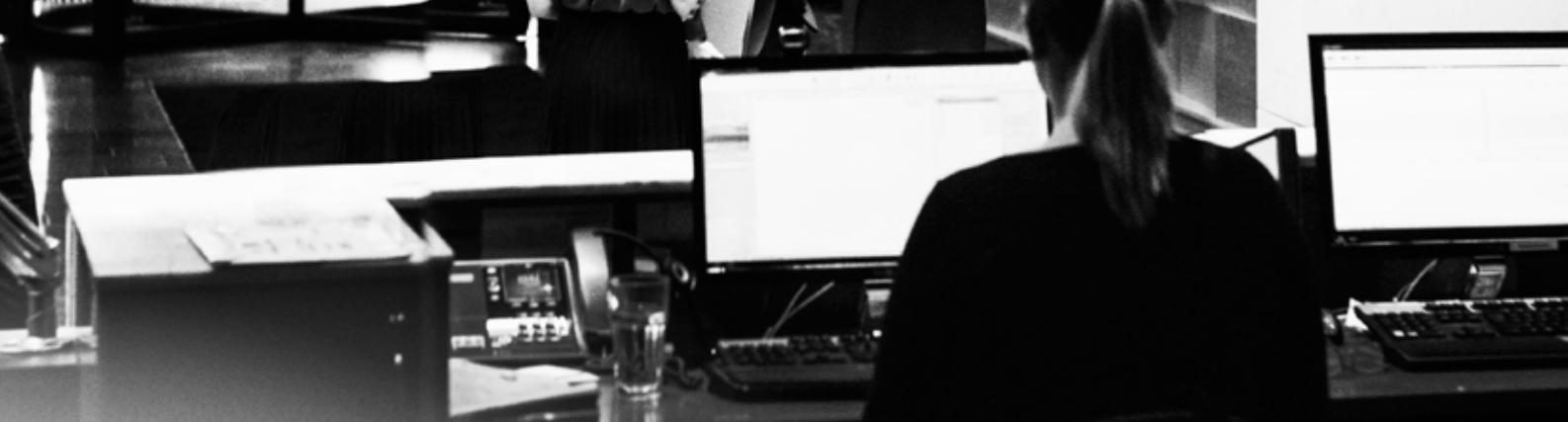
"It is also necessary to be at the forefront of the development of new legal services, since client needs change in pace with our changing world."

The aim is to always provide the highest quality counsel, regardless of circumstances, business sector or timing. Consequently, the firm dedicates considerable efforts to recruiting, retaining, and developing the most passionate legal talent – who are able to co-operate effectively in offering our clients the best possible advice.

The firm's long-term approach to its clients, business and colleagues is an important aspect of its corporate culture. In some cases, co-operation with clients spans several decades and is more about offering an ongoing service than working on individual assignments. Such co-operation involves being a supportive and proactive partner by offering innovative strategic advice and solutions. In this way the firm identifies new needs and develops its service portfolio.

A close relationship with clients is crucial. Moreover, the firm must constantly exceed client expectations and live up to the trust that they place in us. It is also necessary to be at the forefront of new developments in legal services, as client needs change in pace with our changing world.

JEWERS





Strong economy

Global M&A volume soared in 2015, surpassing even the record year of 2007. This trend contributed to the unprecedented demand for the firm's services. Mannheimer Swartling further strengthened its position as the leading business law firm in the Nordic region during the year.

M&A IN PRIVATE EQUITY

Mannheimer Swartling represented Altor and other shareholders in the divestment of vacuum solutions company PIAB Group to EQT. The firm also advised Altor on the acquisition of shares in Transcom WorldWide, a customer service company, from Investment AB Kinnevik.

Mannheimer Swartling represented Ratos and Bonnier in their sale of Nordic Cinema Group to the investment fund Bridgepoint Europe V for approximately SEK 4.7 billion. Nordic Cinema is currently the leading cinema operator in the Nordic and Baltic regions. Bonnier retained a 30 per cent ownership after the transaction.

The firm also represented ProSiebenSat.1 in expanding its eCommerce business by acquiring Etraveli, a leading online travel agent, from Segulah. The acquisition, which occurred through the subsidiary 7Travel, represents ProSiebenSat.1's largest international investment in eCommerce to date and is a good supplement to the 7Travel portfolio.

Mannheimer Swartling advised Nordic Capital in the acquisition of a majority stake in the Greenfood Group, a leading Nordic supplier of convenient healthy food, from Fidelio Capital. Mannheimer Swartling also advised Nordic Capital on the sale of the Brink Group to H2 Equity Partners.

The firm advised Proventus and BRIO when the Swedish investment company divested the renowned Swedish toy company to the Ravensburger Group, one of Europe's leading manufacturers of puzzles, board games and activity products.

JAB Holding was advised by the firm in the acquisition of leading Nordic coffee chain Espresso House from Herkules Private Equity and Baresso Coffee, Denmark's largest coffee chain. JAB is a

privately held investment company focused on investments in consumer products in the premium segment.

The firm represented Investcorp in the acquisition of POC, a global manufacturer of outdoor equipment, from Black Diamond.

Polaris Private Equity, a Danish-Swedish private equity fund, was represented by the firm when Polaris and other shareholders sold Skanska Byggvaror to Byggmax.

Investment fund Accent Equity acquired 65 per cent of the shares in Akademibokhandeln from Kooperativa Förbundet during the year. Accent was advised by Mannheimer Swartling in the transaction.

OTHER M&A

One of the largest deals of the year involved a Swedish-Canadian consortium that acquired Fortum's electricity distribution business in Sweden for about EUR 6.6 billion. The consortium, which was advised by Mannheimer Swartling, consists of the Swedish national pension funds Första AP-fonden and Tredje AP-fonden, Swedish mutual insurance and pension savings company Folksam, and Borealis Infrastructure, an international investor in infrastructure that manages assets for OMERS, one of Canada's largest pension funds.

Mannheimer Swartling advised Volvo Cars in connection with the acquisition of its partner Polestar Holding and Polestar Performance, as well as Volvo's divestment of the Floby factory to Amtek Group, a global manufacturer of automotive components.

The firm advised Munters during its acquisition of the German company Reventa, which specialises in climate control systems for livestock buildings. Mannheimer Swartling also advised Munters when it divested Munters Keruilai Air Treatment Equipments (Guangdong) Co, Ltd in China to Symphony Limited in India, and in the acquisition of HB Group, an international company specialising in climate control systems for the food industry. Munters is a global leader in energy-efficient air treatment solutions.

During the year, life insurance company Skandia divested its activities in individual child insurance, accident insurance for adults and seniors, and pregnancy insurance to Moderna Försäkringar. At the same time, Skandia, which was advised by

Mannheimer Swartling, entered into a distribution agreement with Moderna Försäkringar for these products.

HeidelbergCement and KB Gruppen Kongsvinger agreed during the year to merge Abetong and Contiga, their Nordic businesses in precast concrete. HeidelbergCement was advised by Mannheimer Swartling in the transaction.

IPOS

In a strong year for initial public offerings on Nasdaq Stockholm, Scandic Hotels Group, the largest Nordic hotel operator, was admitted to trading in December 2015 with a market value of approximately SEK 6.9 billion. Mannheimer Swartling advised Scandic and its owner EQT in the offering and the listing.

Healthcare provider Capio was admitted to trading on Nasdaq Stockholm in June with a market value of approximately SEK 6.8 billion. Capio and its principal shareholder Ygeia Equity, which is owned by funds controlled by Apax and Nordic Capital, was advised by Mannheimer Swartling in the IPO and the refinancing of Capio.

In June, Coor Service Management – a leading Nordic facility management provider – was also admitted to trading with a market value of about SEK 3.6 billion. The company was refinanced and the industrial services division was divested in connection with the IPO. Coor and Cinven (Coor's main owner) were advised by Mannheimer Swartling.

The firm advised Nordic Capital and its portfolio company Europris, Norway's largest discount variety retailer, in connection with the refinancing when Europris was listed on the Oslo Børs.

PUBLIC BIDS

In a major international deal, Japanese Canon submitted a public bid for the Swedish company Axis, the global leader in network video solutions for the industry. Canon was advised by Mannheimer Swartling in connection with the offering, which was worth a total of SEK 23.6 billion.

During the year, US-based Infinera Corporation announced an offer for the Swedish network company Transmode. The firm advised Infinera in connection with the offer, which consisted of cash and shares equivalent to just over SEK 3 billion.

When British Circassia Pharmaceuticals submitted a bid worth SEK 1.78 billion for the Swedish medical technology company Aerocrine, Aerocrine was advised by Mannheimer Swartling.

The firm also represented the Board of Hemtex, the leading home textile chain in the Nordic region, regarding ICA Group's public takeover offer.

REAL PROPERTY TRANSACTIONS

Kungsleden, acquired properties in Stockholm for SEK 3 billion to create a new city cluster with a total leasable area of 96,000 square metres. The properties are located in Gårdet and Hammarby Sjöstad. Kungsleden also acquired the Electra Building, an office property in Kista Science City, for SEK 750 million from Nordika. As a result of the transaction, Kungsleden expanded its office cluster in Kista to eight properties with a total leasable area of 130,000 square metres. The company also purchased four properties in Högsbo in Gothenburg. Kungsleden was advised by Mannheimer Swartling in the transactions.

The firm represented IBM Sweden in the sale of the company's Swedish headquarters in Kista to real property holding and development companies Areim and Skanska. The property will be developed into a new residential district with approximately 2,000 new homes.

Rikshem acquired residential properties in Haparanda, Umeå and Östersund from Akelius. Rikshem was advised by Mannheimer Swartling in the transaction.

Rikshem and Ikano Bostad were advised by Mannheimer Swartling in a joint venture to acquire the building that housed Telia's headquarters in Farsta from RBS Nordisk Renting. Rikshem and Ikano Bostad plan to develop up to 3,000 homes on the property.

Mannheimer Swartling advised Castellum in the acquisition of 27 properties in Norrköping, Linköping, Örebro and Solna, with an underlying property value of approximately SEK 2.4 billion, from Heimstaden.

CORPORATE COMMERCIAL

The Stockholm Public Transport Authority (Storstockholms Lokaltrafik, or SL), following completion of a public procurement process, awarded MTR an outsourcing contract for the operation of commuter trains in the greater Stockholm region. The contract extends over ten years, with the possibility of a four-year extension. The contract value is calculated to be approximately SEK 30 billion over the total contract period. The procurement process has taken approximately two years and was conducted in close co-operation with market players. SL was advised by Mannheimer Swartling in connection with the procurement.

Following a call for bids, Transitio awarded the contract for delivery of 33 double-decker trains, along with equipment and spare parts for the trains, to Stadler Bussnang. The contract also included an option to purchase up to 110 additional trains. The value of the initial order is approximately SEK 3.5 billion. The trains will be used in the new rail service

for the Stockholm – Mälaren region. Transito was advised by the firm.

The Swedish Western region – Västra Götalandsregionen (VGR) – completed a public procurement process during the year to digitise the pathology process from referral to final report. The agreement extends over ten years with the possibility of a ten-year extension. The contract was awarded to Tieto Sweden Healthcare and Welfare. VGR was advised by the firm.

DISPUTES

The dispute between Systembolaget and The Absolut Company, which began in 2006, was resolved by the Swedish Supreme Court in June 2015 in favour of The Absolut Company, which was represented by Mannheimer Swartling. Systembolaget had appealed an arbitral award from 2012, in which The Absolut Company was awarded damages because Systembolaget was believed to have abused its monopoly position. The judgment addresses an important issue of principle since it is one of only a few European judgments dealing with the relationship between the principles of arbitration and EU competition law.

In August 2015 the City of Stockholm won its case for a permit under the Environmental Code for

"The dispute between Systembolaget and The Absolut Company, which began in 2006, was resolved by the Swedish Supreme Court in June 2015 in favour of The Absolut Company, which was represented by Mannheimer Swartling."

the reconstruction of Slussen and for a new regulation of the water level of Lake Mälaren, allowing construction to commence in the summer of 2016. The City of Stockholm was represented by the firm in the case since 2010.

Bredbandsbolaget, owned by Norwegian Telenor, won an important case in Stockholm City Court on whether Internet operators should be forced to block subscribers from accessing certain sites, such as the Swefilmer streaming service. Telenor and Bredbandsbolaget were represented in the case by Mannheimer Swartling.



We can be found where clients need us

Mannheimer Swartling offers advice in markets that are strategically important to the firm's clients. Outside the Nordic region the firm provides such services both through its own offices and in co-operation with other leading law firms. The firm also provides foreign clients with advice and guidance on the Nordic markets.

One part of Mannheimer Swartling's full-service offering is to monitor events abroad that are of importance to clients and could affect their operations. The firm has therefore opened offices in markets where developments are strategically important to its clients. One such example is EU law, which Mannheimer Swartling monitors from the firm's Brussels office.

Mannheimer Swartling often helps clients to establish a presence abroad. The firm has its own offices in China, Russia, Germany, Belgium and the US, which means it can provide the necessary local knowledge and contacts to assist clients. As an independent law firm, Mannheimer Swartling is not tied to any affiliation of firms. Because of this independence, the firm can always engage or recommend the best law firm for a specific assignment, including in countries where the firm is not represented.

Mannheimer Swartling has a broad international network and close co-operation with other leading law firms around the world. The firm's employees often work in teams with lawyers from these local firms on different projects and cases. The firms also

meet regularly for joint training, as well as to exchange experiences and enhance co-operation. Under the management of Mannheimer Swartling, assignments can be tailored to suit the client's requirements and carried out jointly by the firms involved.

CHINA

In 2007, Mannheimer Swartling opened offices in both Shanghai and Hong Kong. The firm's lawyers in China mainly advise clients from the Nordic region. The China offices primarily focus on the Chinese legal and business environment, including foreign direct investments, establishments and acquisitions, restructuring of existing investments, compliance, dispute resolution and banking and finance. The firm's Hong Kong office has an international arbitration team that is fully integrated with the firm's global dispute resolution group, enabling clients to benefit from the firm's full capacity and expertise.

RUSSIA

In 1990, Mannheimer Swartling became the first European law firm to establish an office in what was at the time the Soviet Union. Our practice initially focused on dispute resolution, but it rapidly expanded to cover most areas of business law. The Russian and Swedish lawyers in the Moscow office, which is fully integrated with the rest of the firm's operations, have access to the firm's collective experience and expertise. Mannheimer Swartling has extensive knowledge of the Russian market and its business climate. Clients chiefly include major companies, banks and investors based in the Nordic countries or in Northern Europe, as well as their Russian subsidiaries. Within the Dispute Resolution practice group, the office also advises some of Russia's major corporate groups.



GERMANY

For over 20 years, the firm's office in Germany has worked with Nordic clients active in Germany and German clients operating in Sweden.

The firm's German practice focuses on the core areas of corporate commercial, M&A, real estate, dispute resolution and employment law. In connection with transactions, the firm offers additional services within the areas of banking and finance, competition law and the environment.

BRUSSELS

Mannheimer Swartling's Brussels office provides expert advice within all areas of EU law, such as competition law, merger control, anti-dumping, free movement, public procurement and state aid. Services are provided in close co-operation with EU and competition law specialists in the firm's other offices. The lawyers in the Brussels office represent clients before the European Commission and the European Courts of Justice, and are in close contact with other EU institutions. Clients' affairs are

therefore handled efficiently and can be directly adapted to changes in legislation and case law. The Brussels office can also assist with contact with politicians and civil servants, both on the EU and Member State level.

UNITED STATES

Mannheimer Swartling's New York lawyers have extensive experience in the complexities found in the US legal system and business climate. The office assists Nordic clients when they do business in the US, as well as in other contexts when they need advice on US law. Through their excellent relationships with US investment banks, accounting firms and law firms, the office can offer Nordic clients assistance within a variety of areas. At the same time, the firm's US clients are offered direct contact with experienced Swedish business lawyers without the need to consider geographic distance or different time zones. Mannheimer Swartling's lawyers in New York are engaged for matters ranging from initial establishments to complex acquisitions and other transactions.

New EU rules will strengthen personal data protection

High fines – up to four percent of global sales – threaten companies that violate the new EU rules on processing of personal data. “This revolutionary change in the rules covers all enterprises in the EU, as well as companies in the rest of the world that sell goods and services to people residing in the EU,” says Erica Wiking Häger, chairperson of Mannheimer Swartling’s Corporate Sustainability and Risk Management practice group.

The Swedish Personal Data Act (PDA) is based on the EU’s Data Protection Directive of 1995. The purpose of the PDA is to protect individuals against violations of personal integrity when their personal

data is processed. In pace with growing globalisation and digitisation – especially the development of social media and other Internet-related services – the use of personal data by companies has increased at an explosive pace.

Against this background, the EU updated the data protection regulatory framework. In December 2015, the EU’s two decision-making bodies, the Council of Ministers and the Parliament, reached agreement on the new data protection rules. The new rules, which will immediately apply as law in all Member States, will provide increased protection for individuals, while imposing significantly tougher requirements on all businesses that handle personal data.

The regulation will become applicable two years after it is formally adopted in the spring of 2016.

“Developments relating to personal data have come so far that it was high time to update the law,” says Wiking Häger, who has worked on various aspects of the rules on processing personal data for over



15 years. "While 2018 may seem far away to some people, the new rules are so revolutionary that companies need to start preparing now. Previously, the worst that could happen to a company was negative media exposure – but now companies may also be subject to extremely heavy fines."

GLOBAL TRANSFER OF PERSONAL DATA – A UNIQUE CHALLENGE

According to Wiking Häger, companies must ensure that personal data sent to countries outside the EU is provided with the same protection as though they had been processed within the EU. This requirement poses a challenge for multinational companies where, for example, HR information is stored in global systems. In the US, the Safe Harbor Privacy principles

"Previously, the worst that could happen to a company was negative media exposure – but now companies may also be subject to extremely heavy fines."

– a collection of voluntary rules on privacy and data protection developed and adopted by the US Department of Commerce – had previously applied. The European Commission had concluded that these rules provide adequate protection and that transferring personal data from the EU/EEA to organisations in the US participating in the Safe Harbor programme was therefore permitted. However, on 6 October 2015 the EU Court of Justice declared the Commission's decision on this matter to be invalid. Consequently, transferring data to the US based on the European Commission's decision on the Safe Harbour framework is now illegal. The EU and the US have now negotiated a new set of rules – the EU-US Privacy Shield, which will provide greater protection for Europeans when their personal data is handled by US companies. For example, the US has promised to adopt clearer rules stipulating when US authorities should have the right to access Europeans' personal data stored by US IT vendors.

"We live in an increasingly digitised world, where information such as where we are and what we do is stored by everything from the cars we drive, to the shopping centres where we shop," says Wiking Häger. "Such information is often stored in the cloud – which may mean that the information is stored in many different places around the world. To avoid violating the rules on third-country transfers, companies must understand the rules and review all of their internal privacy protection procedures."

"More and more multinational companies are also beginning to prepare for the introduction of 'binding corporate rules' (BCR), which are internal company rules for global data transfers within a group."

SOME HIGHLIGHTS OF THE NEW REGULATIONS:

- When a company is hacked the event must be reported to the Swedish Data Protection Authority within 72 hours. The Authority will maintain a public list of all notifications that are made and by whom they are made.
- All companies must conduct a risk and vulnerability analysis before processing personal data. New IT systems must have built-in privacy protection ("privacy by design").
- The "right to be forgotten" has been strengthened. Under certain circumstances, individuals may request to have their data deleted and companies must comply with this request.
- Companies that have privacy protection as their main activity must appoint a Data Protection Officer.
- "Data portability" requirements stipulate that there must be a simple way to copy personal data and move them. For example, individuals will have the right to transfer data from one service provider to another.
- All companies need to identify their risks and formulate a special compliance programme for handling personal data.

ECJ judgment exempting bitcoin from VAT important step in acceptance of pioneering technology

It can be viewed as David fighting Goliath, but it is also a fundamentally important issue in a new technology, known as blockchain, with the potential to revolutionise the way companies and individuals interact in the future.

In October 2015, the European Court of Justice (ECJ) decided that services relating to the digital currency bitcoin, which is based on blockchain, should be exempt from VAT, just as in the case of services relating to other currencies. The case, which has drawn considerable international attention, began with a question to the Swedish Tax Agency (Skatteverket) from Swedish software developer David Hedqvist.

CONTROVERSIAL AND FOR MANY INCOMPREHENSIBLE

In 2009 one or more anonymous programmers launched the digital, borderless currency bitcoin, based on advanced encryption technology. Simply put, bitcoin allows people to exchange payments securely without going through a regulated, central authority. Hedqvist became interested in this technology early on and in 2012 he launched a blog to share knowledge about bitcoin as a hobby alongside his job as a software developer at an accounting firm.

"I thought it could be something big," says David Hedqvist. "But I never dreamed that I would personally contribute to the European Court of Justice setting a precedent about the treatment of bitcoin in Europe."

But that was exactly what happened.

WANTED TO TEST TRADING WITH DIGITAL CURRENCY

Hedqvist thought he could facilitate trading in bitcoins by starting a service offering the exchange of traditional currencies for units of bitcoin. He contacted the Swedish Tax Agency to find out whether bitcoin would be regarded as other currencies and whether this would mean that his services were exempt from VAT. The Tax Agency recommended that he request a preliminary decision from the Swedish Revenue Law Commission, which announced in October 2013 that the services would be exempt from VAT. The Tax Agency appealed the decision to the Supreme Administrative Court (Högsta förvaltningsdomstolen), which in turn forwarded the matter to the ECJ.

"Until then, I had managed without outside legal help," says Hedqvist. "But I realised that this decision would be crucial for all EU countries and that several of them would surely dedicate considerable resources to try to influence the outcome. Since I did not have any money to pay for legal representation I sent out a question to the bitcoin community and some companies responded and came up with the money."

In June 2015 oral proceedings in the case were held before the ECJ in Strasbourg, where Hedqvist was represented by Fredrik Berndt from Mannheimer Swartling's Corporate Taxation practice group. The EU and Competition Law practice group assisted with the preparations. According to Berndt, the firm accepted the assignment in part because the issue involved important principles.

"We wanted to bring the VAT issue before the court because it had never been considered before, and because it involves exciting new technology," he says.

FIGUREHEAD FOR BITCOIN

Several Member States participated in the process. Germany and Estonia – like Sweden – wanted bitcoin-related services to be subject to VAT, while the European Commission sided with Hedqvist. The ECJ judgment came in late October 2015.

"Clearly blockchain has the potential to transform how people, businesses and even things in the future 'internet of things' will have the potential to interact."

Consequently bitcoin-related services are exempt from VAT within the 28 Member States and transactions with the digital currency should be treated similar to transactions involving currency, bank notes and coins. For many people, Hedqvist has become something of a figurehead.

"I am really pleased that the Court accepted our side in the end, and hopefully the decision will encourage other bitcoin entrepreneurs in Europe to turn their ideas into reality," says Hedqvist. "I have given interviews to a wide range of media, both in Sweden and internationally. Public opinion has swung back and forth since I first became interested

in the technology in 2011, but the ecosystem has matured and become increasingly professional, and now that banks and financial institutions are showing increasing enthusiasm for the technology it is really fun.”

“TRUST MACHINE”

A growing number of observers believe that bitcoin will not go down in history primarily as a digital currency, but as the start of a revolution in the validation and execution of equity and currency-related transactions. The Economist’s cover story in the first issue of November 2015 was dedicated to the underlying technology, blockchain, which the magazine refers to as “a trust machine.” The word blockchain refers to information about prior transactions which is placed in different blocks. The process verifies the user and the transaction, sends the information and stores it in a virtual logbook that all users can access. Control is decentralised and based on the participants in the system, rather than a guarantor such as a bank. Total administration time is reduced and the technology is at least as secure as traditional currency, according to observers.

Blockchain technology is currently being tested in various places. Many startups hope to capitalise on the technology, either by using bitcoin blockchains,

or by creating their own blockchains. One such idea is to create inexpensive, general databases that cannot be manipulated to register, for example, ownership of real estate. But it is also being tested in other areas. Nasdaq Stockholm is about to launch a pilot programme for a new clearing system based on blockchain technology, IBM is developing its own version of blockchain and Microsoft has partnered with the Swiss investment bank UBS in this area.

The Spanish bank Santander believes that the technology could save billions of dollars for banks every year. Nordea and SEB are most advanced in Sweden, while major banks such as Morgan Stanley, Bank of America and HSBC are leading the trend internationally.

Clearly blockchain has the potential to transform how people, businesses, and even things in the future ‘internet of things’ – i.e., networks of previously silent everyday items like refrigerators and garden sprinklers – will have the potential to interact. Such programming opportunities not only allow property to be registered and traced, but also influence how such property can be used. For example, car keys could be encoded with a wealth of information that will allow the car to be shared or rented out – and loaded with digital money for refueling, parking and repairs, all according to preset principles.



“Few people realise just how close SAS was to bankruptcy – we sat in a crisis room and followed flight reservations in real time”

In November 2012, SAS was just hours from bankruptcy – certain international flights were cancelled so the fleet would not be outside Scandinavia. “I do not think many people realise how critical the situation was. We had been given one week to save the company and we were down to mere hours before the deadline when we finally hit upon the solution,” says SAS CEO Rickard Gustafson. During the worst crisis in SAS history, Mannheimer Swartling was there as adviser. But the collaborative effort was far from new – one of the partners at Sune Wetters Advokatbyrå (which later became Carl Swartling Advokatbyrå) was engaged back when Scandinavian Airlines System first formed as a Swedish-Danish-Norwegian consortium in 1946.

In prosperity and adversity, in conjunction with financing, aircraft leasing, the controversial sale and leaseback transaction of the Frösundavik headquarters, disputes and shareholder meetings. Decade after decade. The unique co-operation between SAS – now celebrating its 70th anniversary – and Mannheimer Swartling has deepened and evolved over the years to meet the changing needs of the airline.

“We always have a long list of lawyers who want to work with SAS,” says Sven Unger, now a retired partner but who continues to work at the firm as a Senior Adviser and who personally worked with the airline for many years.

Unger worked with SAS as a client back when he started at Mannheimer Swartling in 1976 and continued to serve as an adviser to the company until he retired in 2009.

“There is something special about aviation,” he says. “It evokes strong emotions. Plus, SAS is the best

example of a successful Scandinavian collaboration to date. It is an amazing structure that has survived all this time.”

TURNED THE PYRAMID UPSIDE DOWN

A series of amusing anecdotes about the company’s history pop up in conversations about SAS. For example, in the late 1950s when the airline was the first to fly intercontinental routes over the North Pole, the passengers were equipped with survival equipment and pilots had guns to shoot polar bears. Or the dispute when a passenger sued SAS after buying a ticket second-hand and travelled to the United States without a visa for a music tour, but was stopped on arrival.

But the conversation is mainly about the revolutionary events that have influenced its history. Like in the 1980s, when Jan Carlzon turned the pyramid – SAS – upside down, and transformed it into a Scandinavian crown jewel.

“SAS has always been innovative.” Carlzon believed that “we should be able to offer our passengers the same service that we have been giving to pilots for 30 years” and launched a campaign in which the company shuttled passengers and dropped them off at hotels where they were offered accommodation, revolutionising the industry. In addition, SAS was the first airline to introduce a loyalty programme, EuroBonus, in 1992, according to Unger.

In the late 1980s SAS updated its aircraft fleet, passengers flocked to SAS, and the company sparkled as much as its new machines did. But then came the 1990s with rising fuel prices, market liberalisation and intensifying competition. Then came 11 September 2001 – and the airline industry changed forever.

SAVED AT THE LAST SECOND

In 2011 Rickard Gustafson took over as CEO of SAS. The worst crisis in the history of the airline soon fell into his lap.

“SAS was at the end of the road,” explains Gustafsson. “Liquidity shrank and the bank consortium would only provide new credit facilities if the major trade unions agreed to a tough savings programme that included wage cuts, changes to pensions and increased working hours.



"Spanair had just collapsed and was a frightening example of how fast it can go. During the week that we were given to convince the unions to sign, we sat in a crisis room and monitored flight reservations in real time – if we did not get the money that way we had no money to run the business. The first few days we did not notice any major difference, but as time went on and the deadline loomed the reservations started dwindling.

"Days filled with tough negotiations ticked by with no solution in sight. Many people probably believed that SAS would not be allowed to fail – which was not the case. Finally only a few hours remained, and both the bankruptcy trustee and the court were waiting in the wings, because we had to prepare for bankruptcy. Then at the eleventh hour, the papers were signed and SAS was able to keep flying."

According to Gustafson several factors finally made the employees realise the scope of the crisis. One was that intercontinental flights were cancelled, another was that it became obvious that there was no "white knight" who would come to the rescue.

SUSTAINABILITY HIGH ON THE AGENDA FOR TOMORROW'S SAS

During the crisis Mannheimer Swartling was there as adviser, like so many times before at critical moments in the company's history. The parties recently signed a new long-term agreement.

"We appreciate having a partner with knowledge of our business, who knows our history, understands our challenges, who can quickly get up to speed and

get to the heart of the matter," says Marie Wohlfahrt, General Counsel at SAS. "A partner who is with us in prosperity, yet willing to support us in adversity. That provides security."

Cost-cutting measures at SAS are beginning to yield results and the airline has transformed a loss into a profit. Success factors include the company's investments in direct flights to both Asia and the United States. Gustafson expects future initiatives to also include an increased focus on sustainability.

"Finally only a few hours remained, and both the bankruptcy trustee and the court were waiting in the wings, because we had to prepare for bankruptcy."

"We want to lead the way towards more sustainable aviation," says Gustafson. "Our initiatives in the field include the ongoing renewal of our fleet. We are also reviewing all of our procedures to save fuel, for example, our pilots make "green approaches" and glide towards the runways. But our politicians also need to wake up and apply pressure to do something about the shortage of biofuel so it becomes more available."

JARU



WHITE HOUSE



Effective dispute resolution through evolution

Faster deals and internationally accepted judgments. These are some of the reasons why arbitration is the most common way to resolve business disputes. But since international arbitration is based on “best practice”, rather than written laws and rules, lawyers working in the field must be experienced and constantly update their knowledge. “The parties, rather than the rules, determine how the dispute should be handled,” says Kristoffer Löf from Mannheimer Swartling’s Dispute Resolution practice group.

The increasingly complex and international business community, combined with increased global trade, have resulted in more numerous and more extensive disputes. One important reason that arbitral institutions are preferable to the courts for dispute resolution is that cases are usually handled significantly faster. In addition, arbitral judgments are enforceable in many countries.

“A matter that could take ten years to resolve in court could be resolved in one or two years by arbitration,” adds Löf. “And while a Swedish court order is worthless in, for instance, the US, Swedish arbitration is accepted and enforceable in more than 150 countries.”

PRAXIS EVOLVES OVER TIME

In many cases the parties choose a location that they consider to be a neutral arbitration venue. When a third country venue (where none of the parties is domiciled) is chosen to resolve the dispute, it is rarely due to any deeper understanding of – or love for – the country’s legal framework, but rather because in addition to being neutral it is also perceived as convenient and has the reputation of being “arbitration friendly”.

“International arbitration has become increasingly borderless,” adds Löf. “There are few written rules for how to conduct arbitration procedures. Unwritten procedures and practices have instead evolved over time, which experienced dispute resolution lawyers apply regardless of where the negotiations take place.

The rules of procedure are almost Darwinian, good solutions are reused and bad ones disappear. Dispute resolution becomes effective through evolution. ‘Best practices’ develop. The result is more efficient and customised procedures than in heavily regulated court proceedings, where ineffective solutions are statutory and it takes time to change or break away from them.”

MIX OF COMMON LAW AND CIVIL LAW

“Best practices” can be defined as solutions advocated by experienced arbitration lawyers – what they are generally expected to be guided by if mandatory regulations in the country where the dispute is decided had not dictated otherwise, or if the parties agree on a different solution. These principles are often consistent with a mix of civil law and common law. The common law tradition developed in England during the Middle Ages and was also applied in the British colonies, while civil law emerged on continental Europe during the same period. Civil law also spread to colonies.

“An incredibly intensive effort is underway to codify and document best practices. Reading to keep up with all of these arguments and trends is absolutely crucial.”

Countries like Russia and Japan also adapted their legal systems to civil law in the nineteenth and twentieth centuries. When parties with backgrounds in different legal systems meet in disputes, it is important that they trust the dispute resolution model and feel it provides fair treatment. Since best practices in international arbitration have borrowed features from a variety of legal systems, parties from all over the world trust the process.

CODIFICATION UNDERWAY

One challenge for lawyers is to keep up with the development of what constitutes best practice in international arbitration. Consequently an extensive international exchange of experience is underway in various fora that deal with arbitration law. A number



of Mannheimer Swartling partners and members of the Dispute Resolution practice group, including Löf, recently published a guide to dispute resolution in Sweden.

"An incredibly intensive effort is underway to codify and document best practices," explains Löf. "Reading to keep up with all of these arguments and trends is absolutely crucial. Because of constant developments, studying the rules is not enough – you have to be part of the international environment. Because of our size, our practice group is exposed to a variety of international arbitration procedures each year and through the constant internal exchange of knowledge, we ensure that we are part of ongoing developments."

He also believes that Swedish dispute resolution lawyers do a good job of holding their own in international competition. Sweden and Stockholm are often chosen – and have traditionally been chosen – as a venue for international arbitration for this very reason. During the Cold War, it was common for disputes between businesses in East and West to be resolved in non-aligned Sweden. A well-established

arbitral institution at the Stockholm Chamber of Commerce and – not least – many respected arbitrators also helped make Sweden a major power in arbitration.

"Many people also choose to come here because of the extremely low level of corruption in Sweden," says Löf. "At the same time, competition has intensified from, for example, London, which has received many Russian disputes in recent years. The English have excelled at marketing themselves, so visibility and highlighting the advantages of Sweden as an arbitration country have become increasingly important."

Mannheimer Swartling has extensive experience of commercial disputes in a large number of industrial sectors and areas of law, as well as government and regulatory disputes. Energy is an important area, along with telecom, IT, the automotive industry, real estate, media and entertainment, as well as shipping and transport. Employees in the Dispute Resolution practice group serve as counsel on arbitration panels all over the world, and they also assist clients in mediation proceedings and other forms of dispute resolution.



Sustainability – in advice, internally and in society

Mannheimer Swartling strives to influence and pursue issues that are important not only for the firm's clients and employees, but also for society at large. The firm actively works to further develop and integrate sustainability issues into its business law advice, internal procedures and community involvement.

The issue of sustainability involves doing business in a world where companies and other stakeholders interact with one another. No company or organisation can survive in isolation, everyone depends on relations with the local community and the world at large. Consequently, everyone is affected by the issues encompassed by the concept of sustainability, to which the firm adds human rights, labour conditions, the environment and anti-corruption.

The issues are growing in significance in several areas and occupy an increasingly central place in the firm's client strategy. In employment law, the focus is often on occupational health and safety. Issues relating to the Personal Data Act involve human rights such as freedom of speech, data protection and privacy. Efforts by companies to combat all forms of corruption, including extortion and bribery, lead to various investigations aimed at detecting bribery, money laundering, or violations of trade sanctions. Sustainability is also gaining importance in the due diligence process associated with transactions.

"The issues are growing in significance in several areas and occupy an increasingly central place in the firm's client strategy."

Sustainability issues further have a major impact on developments in the property industry and range from environmental sustainability to social sustainability and business ethics. The trend has been driven by the conditions that apply to public bodies and investors.

Mannheimer Swartling's sustainability efforts cover three areas: advice to clients, internal sustainability work and involvement within the framework of Mannheimer Swartling in Society.

FULL SERVICE ADVICE ON SUSTAINABILITY-RELATED BUSINESS LAW ISSUES

Mannheimer Swartling's Corporate Sustainability and Risk Management practice group provides full service advice on sustainability-related business law issues. By integrating issues related to human rights, labour conditions, the environment and anti-corruption, the firm helps its clients improve their management-related risks and business opportunities, so that they will be able to create long-term value while operating the business in accordance with their values.

“Dare to talk about the tough issues”

In what circumstances should companies turn down business opportunities or withdraw from certain countries? Sometimes the deal itself may be compatible with the law, but may be problematic from an ethical perspective. Questions such as these were discussed at a seminar on Multinational Companies and Human Rights, organised in co-operation with Ericsson and Mannheimer Swartling, in December 2015. One of the main conclusions was that, although it may be impossible to eliminate all risks in different types of business relationships, companies should always strive to promote human rights in each and every situation.

Today, many companies own, control, or are otherwise dependent upon, the production of goods and services in developing countries or emerging economies. While these countries may certainly offer interesting business opportunities, they can also create the risk of exposure to human rights violations. According to the UN Guiding Principles on Business and Human Rights, states are obliged to protect human rights and companies have a responsibility to respect them. Consequently, their activities should not contribute to human rights violations and companies should act to prevent such violations. In addition, individuals should have the right to bring a case before a court if their rights are not respected.

“We must dare to discuss the countries in which we operate, and talk about the tough issues,” says

Nina Macpherson, General Counsel at Ericsson. “We cannot solve all the problems that some of these countries wrestle with when it comes to corruption, but we can help them move in the right direction.”

DISCUSSION ABOUT EXPERIENCES AND ATTITUDES

Ericsson is not the only company for which the importance of human rights from a business perspective is growing. The seminar also gathered representatives from several other major Swedish companies to discuss how the proper handling of these issues could create business opportunities – not only by helping to identify business risks, but also by attracting dedicated employees, building confidence among investors, opening access to new markets and providing the company with social legitimacy in its operations.

The purpose of the seminar was to foster an open dialogue among representatives of global companies on their experience and efforts relating to human rights. Also discussed was the issue of apportioning blame for human rights violations, with examples from Sweden, the UK and the US. The latter two countries were represented by the British law firm Slaughter and May and the US law firm Paul Weiss, respectively.

“Many of our clients are aware of the risk that their business activities may contribute to human rights violations and they therefore actively work to manage that risk,” says Erica Wiking Häger, chairperson of Mannheimer Swartling’s Corporate Sustainability and Risk Management practice group.

INTEGRATION AND TRANSPARENCY ARE KEY

One topic of discussion was how companies can ensure that human rights are respected in their activities in developing countries and throughout the supply chain. Ericsson’s approach, according to Macpherson, is to integrate corporate responsibility across the



"We cannot solve all the problems that some of these countries wrestle with when it comes to corruption, but we can help them move in the right direction."

business and across the organisation. In all countries and settings where Ericsson operates, global policies apply regarding labour conditions, social responsibility and environmental stewardship. Another key concept is transparency.

"More and more companies strive to integrate a human rights analysis in their due diligence processes, in order to reduce risks and increase opportunities," says Macpherson. "We can develop methods to accomplish this on the legal side. Our legal

department has actively worked towards the goal of providing legal support for business decisions and facilitating the entire company's operations."

A growing number of companies are working proactively to ensure that human rights are respected in their operations. Ericsson is working on human rights issues within the framework of Shift's Business Learning Program and was the first information and communications technology company to report under the new reporting framework for the UN Guiding Principles on Business and Human Rights.

"Our progress in sustainability is based on a sincere commitment that derives from management. We have chosen aspects that we feel are relevant for our business and are focusing on them," says Macpherson.

One general conclusion from the seminar is that sustainable business can no longer be simply regarded as an expense, or as the right way to act, but as an important competitive advantage and a business opportunity – and therefore it is important to take a targeted and strategic approach to these issues.

Human rights theme for lawyers from Mongolia to Malawi

Is sustainability a relevant topic for discussion for a lawyer from, for instance, Malawi, where a total of 400 lawyers serve a population of over 16 million people? "Yes, knowledge and networking are crucial for enabling us to influence developments in the protection of human rights," says Shadreck Mhango, a lawyer who attended the seminar week on human rights, held by Mannheimer Swartling and the Raoul Wallenberg Institute.

For the ninth consecutive year, Mannheimer Swartling and the Raoul Wallenberg Institute arranged a one-week seminar, "Developing a Human Rights Tool Box", for lawyers practising international law. The course was held at Mannheimer Swartling's Stockholm office in October and had two sub-themes of fair trial and sustainability under a central theme of human rights.

INITIATIVE FOR HUMAN RIGHTS LAWYERS

The lawyers who attended this year's programme came from countries such as Cambodia, Vietnam, Honduras, Malawi, Mongolia, Turkey and Thailand. The purpose of the course is to support lawyers around the world who work to protect human rights by designing a "toolbox" that will facilitate and improve the participants' human rights efforts. The course also promotes networking so that lawyers around the world can support each other in this initiative.

"Meeting people from different countries who are so engaged in these issues – and who also work in such different contexts – is enormously stimulating," says Kimberley O'Connor who, in addition to working as a lawyer, belongs to the Honduran anti-corruption party and is a member of parliament. "In

my country, for example, there is a lack of respect for human rights and it is easy to feel isolated at work."

Representatives of the Raoul Wallenberg Institute, Mannheimer Swartling, the Centre for Justice, the MacArthur Justice Center at the University of Mississippi School of Law, and International Bridges to Justice from India, as well as several major Swedish companies, gave lectures during the week.

REPORTING AND SOCIAL MEDIA DRIVE PROGRESS

Many companies have supported the UN Guiding Principles for Business and Human Rights that were issued in 2011. In February of 2015 an additional international framework was launched that companies can use to report on what they are doing to live up to these principles.

"There is good legislation in many countries today – the problem is that the laws are not enforced. But there is progress."

The new reporting tool is designed to suit small and large enterprises all over the world. It should also be suitable for use in complying with the human rights portion of the new EU reporting directives. Starting next year, the new EU rules will require all large enterprises in the EU to report on what they do in matters relating to human rights, the environment and corruption.

But according to Emma Ihre, Head of Sustainability at Mannheimer Swartling, the lack of laws is usually not the problem.

"There is good legislation in many countries today – the problem is that laws are not enforced," says Ihre. "But there is progress. Both business and society are at greater risk of being caught if they violate human rights, in part because of the rapid development of social media."



Most popular firm year after year

Year after year, Swedish law students have voted in Universum's FöretagsBarometern (the Swedish Student Survey) and named Mannheimer Swartling the most popular law firm in Sweden. The firm is proud of this award. The size and strength of the firm, along with its exciting deals, are some of the explanations for this popularity. But the most important reasons that young lawyers enjoy working here are close co-operation, camaraderie and team spirit.

Mannheimer Swartling was also named “most popular place to work” at the Legally Yours awards ceremony in November 2015. One major reason for the firm’s excellent reputation is its True Partnership business model. Ultimately, the principle is that employees must co-operate in order for the firm to achieve success. One benefit of the model is that it produces an efficient organisation. Quite simply, people thrive when they do things together and are generous to each other.

An organisation that promotes co-operation has room for different personalities who together form a successful whole functioning unit.

Co-operation and continuous knowledge sharing among colleagues are elements of the strong learning culture that permeates the firm. Another important tool is continuing training, which improves the skills of our employees while maintaining and strengthening our corporate culture. Continuing training is also an important means for continuing to attract the most promising legal talent and to live up to their high expectations – as well as to meet the growing competition in the business law market.

PROFESSIONAL DEVELOPMENT

Mannheimer Swartling offers a six-year Professional Development Programme for its lawyers to sharpen their legal skills and increase their insight into and understanding of the business of the firm’s clients. The practical component of the basic business law course provides a broad basis and sound understanding of how the firm tackles substantive legal issues in various practice groups, as well as a number of other topics that the firm’s lawyers encounter at work. The “Professional technique” part of the course covers areas such as business acumen, professional ethics, negotiation techniques, presentation techniques,

project management and knowledge of the industry sectors in which the firm’s clients operate. In addition to the above, the programme also provides continuous training for lawyers to expand and update their knowledge within their specific practice areas.

TRADITION OF SPREADING KNOWLEDGE

Mannheimer Swartling has a long tradition of spreading knowledge beyond the organisation by actively participating in and driving legal dialogue in a number of ways, including involvement in the academic community. For example, Mannheimer Swartling funds a research fellowship hosted by the Stockholm Centre for Commercial Law at the University of Oxford, as well as a stipend for Chinese law students participating in a master’s programme in arbitration at Stockholm University. Mannheimer Swartling also funds other professorial chairs and provides regular instruction at a number of leading universities.

The firm’s lawyers also participate as organisers and adjudicators in law competitions – including Svenska Juridiska Mästerskapen (the Swedish Law Students Championship) and the international European Law Moot Court competition – in order to stimulate further development in the subject of law. For the seventh consecutive year, Mannheimer Swartling, in co-operation with Stockholm University, hosted a pre-moot in March 2015 in preparation for the Willem C Vis International Commercial Arbitration Moot. Students from universities in ten countries gathered at Mannheimer Swartling’s Stockholm office to compete in a fictitious arbitration.

GUIDE TO CHINESE BUSINESS PUBLISHED

This year the firm launched the second edition of “Quotations from a China Practice”, a book on Chinese business culture written by lawyers Thomas Lagerqvist and Ulf Ohrling. They both have extensive experience in working with leading Nordic companies in the Chinese market and generously share their knowledge of Chinese business culture and the art of doing business in China. Topics in the book range from fundamental concepts for Chinese businesspeople, such as trust, hierarchy, reciprocity and harmony, to China’s view of its role in the world, corruption, and corporate governance.

The idea for “Quotations from a China Practice” derives from the realisation that, in many cases, working as an adviser in China involves the ability to handle the major differences between the Western and Chinese cultures. Over the years, the authors



have seen countless examples of lost business and strained relationships due to limited understanding of Chinese culture in general and its business culture in particular. According to Lagerqvist and Ohrling, the book describes the fundamental differences and the best way to handle them.

The second edition was released at a seminar held in Hong Kong on 12 September in conjunction with the opening of Business Sweden's expanded office in Hong Kong and the introduction of a direct SAS flight between Stockholm and Hong Kong.

WHISTLE-BLOWING SYSTEM INTRODUCED AT THE FIRM

In late 2015, Mannheimer Swartling introduced an internal whistle-blowing system. "If we are to have any credibility when we suggest that our clients should have a channel through which employees can anonymously report anything that is in conflict with their policies, we should have one too," says Karin Faxén Ågrup, General Counsel and head of Quality and Risk Management at the firm.

Under the new whistle-blowing system, employees can anonymously report members of management, or persons with key positions at the firm, if that individual is suspected of violating certain specific rules. These include violations of insider trading rules, rules of professional conduct for lawyers, the firm's information security, anti-corruption, and money laundering policies, as well as financial or other serious violations relating to occupational health and safety.

"This is a step in our ambition to be the leading Swedish law firm in this area," says Faxén Ågrup. "Our credibility and long-term success are based on ensuring that our actions reflect our values and ethical guidelines."

If someone uses the whistle-blowing system, the firm's whistle-blowing team will promptly address the report by conducting an anonymous dialogue with the whistle-blower to investigate the matter.

"The system is connected to an external server, which ensures additional security," she continues. "For example, accessing the information requires multiple encryption keys and no one has access to all of them. The goal is for whistle-blowers to feel completely confident that they will remain anonymous."

“Our goal has never been to be the biggest – but being the best”

A business model that allows long-term initiatives. A corporate culture based on team spirit. A consistent focus on quality. These are the factors that have propelled Mannheimer Swartling to the top of the list of business law firms in the Nordic region. To maintain this position in the future, however, requires an even greater focus on specialised, high quality advice. Competition is intensifying due to both digitisation and globalisation, according to the firm's newly appointed Chairman of the Board, Klas Wennström, and Managing Partner Jan Dernestam, in a discussion about the future.

2015 marked 25 years since the firm was founded through the merger of Mannheimer & Zetterlöf and Carl Swartling Advokathyrå. How would you describe its development since then?

Klas Wennström (employed 1995): “On the surface, we do not look the same today as we did 25 years ago – we have far more employees and we have a presence in more markets, both through our own offices in China, Russia, Belgium, Germany and the US, and in collaboration with other law firms. But our basic values and driving forces remain the same.”

Jan Dernestam (employed 1997): “Both firms had business models based on ‘True Partnership’, which is based on the principle that success should benefit the entire firm. This principle became our common ground, enormously important for our development and the essence of our corporate culture. A common aspiration that also continues to define the firm is the aim to deliver the highest quality in everything we do.”

What has this meant in practice?

JD: “We base our business model on the long term and a strategy of always developing the business to meet the changing needs and requirements of the firm's clients. Over time we have invested in developing both our service offering and our internal organisation. These measures may not generate immediate results,



but they are vital for us to maintain our cutting-edge position, in order to attract clients and employees, as well as to strengthen our brand.”

KW: “We were pioneers in the industry with specialised practice groups. We were also the first to hire heads of Human Resources, Training and Knowledge Management – and most recently Sustainability. We were also the first consulting firm in the Nordic region to publish a sustainability report according to the Global Reporting Initiative, and we created a practice group focused on sustainability: Corporate Sustainability and Risk Management. Now we are expanding to focus on areas such as cyber security and complex markets.”

How has the market changed – and what significant business law trends do you see today?

KW: “The competition was not as intense when we started as it is today. The firm came up with a new concept and offered specialised advice, inspired by the US and the UK. The strong and incredibly visionary management of the firm, spearheaded by leaders such as Johan Coyet, the first Managing Partner of the firm, quickly succeeded in establishing a reputation that inspired trust in Mannheimer Swartling.”

JD: “The market climate is much more challenging now. We see growing competition from large, global firms and through digitisation. To respond to these changes, we must constantly strive to develop our areas of specialisation and our ability to handle the most complex transactions and disputes, as well as to attract the best and most promising legal talent and train them so that we can truly add value by being both legal and strategic advisers.”

What other challenges do you see?

JD: “One example is dispute resolution, where Sweden must become better at promoting its strengths. The Arbitration Institute of the Stockholm Chamber of Commerce is traditionally one of the foremost institutes worldwide for East-West-related disputes and has also grown into an international centre for dispute resolution for many other countries. But we must become even better at marketing this expertise

internationally, since competitors such as London, Paris and Hong Kong are extremely skilled at marketing themselves.”

It has been 25 years. What goals have you set for the future?

KW: “We have never had quantitative targets such as profitability or size, which is also a major reason that we have been able to take a long-term approach. Our goal has never been to be the biggest – but being the best.”

“Everything we do must be characterised by the highest quality combined with pragmatic professionalism. We must also continue to nurture and further develop our corporate culture.”

JD: “Our goal is for Mannheimer Swartling to be the best firm to work with – and to work for. We aim to be better than all of the Nordic firms and at least as good as the global competition. Consequently, everything we do must be characterised by the highest quality combined with pragmatic professionalism. We must also continue to nurture and further develop our corporate culture based on knowledge sharing, close co-operation, friendship and team spirit, creating an environment in which both employees and clients thrive and grow. Another important goal is to increase the proportion of female partners.”

Footnote: Mannheimer Swartling was founded through a merger between Mannheimer & Zetterlöf and Carl Swartling Advokatbyrå on 1 July 1990. The first contact between Mannheimer & Zetterlöf and Carl Swartling Advokatbyrå was initiated in 1977. The firms continued to have close contact, exchange financial information and have joint training days until 1990, when the two firms were officially merged. The merger led to the creation of a firm with approximately 90 lawyers.

The Board

Mannheimer Swartling's business is ultimately governed by the partnership agreement entered into by all partners of the firm. The firm's highest governing body is the general meeting of partners, where each partner is entitled to one vote. The Board comprised during the year of six partners, all of whom were elected at the general meeting of partners.



BIÖRN RIESE

Born in 1953, Partner,
Member of the Board
since 1997,
Chairman of the
Board 2002–2015
(retired as Partner 31
December 2015)

PETER LINDEROTH

Born in 1962, Partner,
Member of the Board
since 2015

KLAS WENNSTRÖM

Born in 1965, Partner,
Member of the Board
2005–2009, and in 2015,
Chairman of the Board
since 2016

JAN DERNESTAM

Born in 1969, Partner,
Member of the Board
since 2009, Managing
Partner since 2011

ERICA WIKING HÄGER

Born in 1970, Partner,
Member of the Board
since 2011

CLAS NYBERG

Born in 1958, Partner,
Member of the Board
since 2011

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NORRLANDSGATAN 21
BOX 1711
111 87 STOCKHOLM, SWEDEN

GOTHENBURG
ÖSTRA HAMNGATAN 16
BOX 2235
403 14 GOTHENBURG, SWEDEN

MALMÖ
SÖDERGATAN 22
BOX 4291
203 14 MALMÖ, SWEDEN

HELSINGBORG
SÖDRA STORGATAN 7
BOX 1384
251 13 HELSINGBORG, SWEDEN

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GERMANY

BERLIN
MAUERSTRASSE 83-84
10117 BERLIN, GERMANY

MOSCOW
ROMANOV DVOR
BUSINESS CENTRE
ROMANOV PER. 4
125009 MOSCOW, RUSSIA

SHANGHAI
25/F, PLATINUM
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