

TERMS OF BUSINESS

We are required by the Law Society of Scotland to provide you with certain information. The information is as detailed below:-

The Law Society of Scotland: Like all Scottish solicitors, we are members of the Law Society of Scotland and subject to its professional rules at all times.

Person Acting: The person principally carrying out work on your behalf will be as stated in the covering letter. From time to time, work may be carried out by one of the Firm's Assistants. If you have any difficulty making contact, you should leave a message with the relevant secretary who will pass on the message for action.

Quality Service: In all our dealings with our clients we aim to provide a high quality service, to find out what our clients want, advise and guide them, and achieve our agreed aims.. We try to work quickly and efficiently, and we hope you find us friendly and approachable. At the end of the transaction we trust you will find our fee represents good value for money.

Contacting Us: Our office is open, and our telephones are answered from 9am to 5pm, Monday to Friday. If the person you wish to speak to is unable to take your call, or if we are closed for a local or statutory holiday, you can leave a message on our answering machine/voicemail service. Our fax line is open at all times and we can also be contacted on our email address: enquiries@ses-solicitors.co.uk. We are also available to meet with you out with normal hours by prior appointment.

Initial Meeting: We will be happy to have an initial telephone discussion or meeting with you to decide whether we can be of assistance to you.

Instructions and Scope of Services: As your Agents, we can only act on information and instructions given to us. Instructions may be given to us in writing or verbally. We are entitled to assume that information and instructions given to us are accurate. We may well ask you to confirm in writing the terms of verbal instructions given to us. If there is any change in your instructions you must notify us immediately. If you wish anyone other than yourself to give us instructions or information, we will require confirmation of this in writing. When you instruct us on a new matter, we will send you a letter ("Letter of Engagement") confirming your instructions and setting out the services which we will provide. Unless we agree otherwise in writing, we shall assume that where we act for more than one person e.g. couples or business partners, but only one of them tells us what to do, that person has the authority of the other(s) to do so. Where we do act for more than one person, each person for whom we do work is equally responsible for the instructions given to us and for payment of our fees and outlays in connection with that matter. If you do not understand what this means, please ask us to explain.

Tax Advice: Our firm does not give advice on taxation matters. It is the responsibility of clients to take their own independent advice from a chartered accountant or other appropriately qualified adviser in relation to advice on the taxation aspects and implications of transactions with which our firm is involved and our firm is not liable in the event that a transaction triggers taxation consequences foreseen or unforeseen.

Time Limits: In relation to time limits, which may be encountered in transactions whereby action is to be taken in order to meet a particular deadline or time limit our firm, and any partner or employee of our firm, shall be obliged to act in accordance with professional practice rules following receipt of instructions from clients. It is the responsibility of our clients to instruct our firm to take action with respect to any deadline or time limit and whilst reminders of time limits or deadlines may, on occasion, be given by our firm to clients, that does not oblige our firm to give such reminders to clients nor infer any expectation on behalf of clients to receive such reminders. Without prejudice to the foregoing our firm is not responsible for timeously lodging licensing, planning or other such applications.

Private Limited Companies and Trusts: If we are given instructions by a private limited company or a Trust then, unless otherwise agreed with you in advance, it is a condition of our accepting these instructions that the directors or Trustees are jointly and severally liable as individuals along with the company or trust for payment of our fees and costs and any interest thereon.

Electronic Communication: We may correspond, convey documentation and generally communicate with clients and others electronically unless we are expressly instructed otherwise. Any electronic transmission whether by email, text message, internet or otherwise has inherent risks as such communications can be lost, delayed, wrongly delivered, intercepted or corrupted. We shall use reasonable endeavours to ensure that electronic communications we send are free from viruses and clients must undertake to do likewise with any electronic communications sent to us. However, because electronic transmission of information cannot be guaranteed to be secure or error free we shall accept no responsibility or liability for any error, omission, claim or loss arising from or in connection with the electronic communication of information or any reliance on such information unless we have acted in bad faith or wilful neglect. Any instructions given to us by email or fax should not be assumed to have been received by our firm and clients must make verbal contact with a solicitor in our firm to ensure that instructions sent by these methods have been received and have been acted upon.

Conflict of Interest: We cannot act for two or more parties if they have conflicting interests. Please advise us at the outset if you are aware of potential conflicts which may arise. If we decide that we can still act (i.e. if you are one of the exceptions to the general rule) we will confirm this to you in writing.

Confidentiality: Information passed to us is kept confidential and will not be disclosed to third parties unless authorised by you or required by law.

Money Laundering: The Money Laundering Regulations require us to be satisfied regarding the identity of our clients and the source of any funds passing through our Firm. We are not allowed to carry out any work until we have verified your identity and address and it would be an offence for any member of staff to carry out work for you prior to this. Of course, we want to be able to start working for you just as soon as possible.

To comply with the regulations we will need to ask you for photographic proof of identity, your date of birth and home address. The regulations may require us to make additional searches with a credit agency (but this is not a credit check and will not affect your credit rating). In the unlikely event that we have to make such additional searches any costs associated therewith will be added to your final bill (typically £25). Any documents provided to us will be recorded and copied for audit purposes as part of our anti-money laundering procedures.

If it is not possible for you to get the documentation to us at the outset we can, as an alternative, commence work on your behalf if we undertake a Reference Agency check but we would need to see your passport or other acceptable photo identification from you within seven days. We must reserve the right to stop working for you in these circumstances if the necessary documents are not within our hands within the said seven days.

The Money Laundering Regulations and the Proceeds of Crime Act 2002 oblige us to make formal reports to the Authorities should we at any time have grounds for suspicion that any part of the funds may not come from a legitimate source, and we are bound by those regulations not to advise the client that any such report is being made. These requirements clearly vary the normal rules of solicitor/client confidentiality. In addition, certain Tax Regulations may require notification to HM Revenue and Customs.

Cash Payment: We cannot accept nor make payments in cash of more than £500. The only exceptions to this rule are where we collect rent on behalf of a landlord and the tenant offers the deposit and first month's rent in cash or where we collect a debt on your behalf and a payment is offered in cash.

Bank Transfers: We can only accept funds from or make payments to a bank account in your name with a UK bank. You agree that any cheque/ BACS payment you make to us will be from a UK bank account in your name or joint names. If any funds can only be sent to us from another location there may be delays for us while we obtain the necessary clearance from the authorities before we can use that money.

Data Protection: We are required to comply with the Data Protection Legislation, which imposes strict obligations on any UK organisation which captures and processes Personal Data. Unless you advise us otherwise in writing you consent to us using all the Personal Details which we hold about you in order to advise you and to act on your behalf, and to send you details of other services we may offer you including sending updates, invitations and marketing literature.

Copyright and Third Parties: You will have the full right and licence to use copies of materials we create for you for the particular purpose for which they were prepared. However, all copyright and other intellectual property rights in all documents, reports, written advice or other materials provided by us to you remains with us. If you wish to use copies of these materials for purposes other than those for which they were prepared, this will require our permission. Advice given and documents prepared are for your use only and may not be copied or used by any third party without our express written consent.

How long will it take: The nature of legal work, particularly court or executry work often makes it difficult to estimate precisely how long something will take to complete. When we discuss your requirements at the outset we will also discuss time scales. We do attempt to meet these - even to beat them - and always to deal with everything as quickly and efficiently as possible. Please remember that quite often the speed at which work can be completed is affected by the co-operation (or lack of it) we receive from other people out with our control.

Cost: The basis on which we shall charge you fees for a particular matter will be a lump sum, or will depend on the time spent carrying out the work or on some particular scale of charges appropriate to the type of work. In assessing the fees we take into account a number of factors, including: the value of the transaction, the complexity and difficulty or novelty of the matter, the skill, knowledge and responsibility involved, the length, number or importance of the documents or papers, the urgency of the matter and the place where we are required to carry out the work. We are happy to tell you at any time what the fees are to date and will do so by having our accountant or the Auditor of Court prepare an assessment of fees incurred. In executry cases, our fees will be assessed and certified by the Auditor of Court, acting as an expert. In such circumstances the Auditor's charge will be met by being deducted from the Estate. VAT is payable by you on all fees.

A percentage of the amount or value of the money or property involved may be added in order to compensate for the risk or indemnity element in carrying out the work. An appropriate percentage may be 0.5% of the first £100,000 with lower percentages of higher amounts. The value of the money or property involved may be the dominant factor particularly in a conveyancing transaction or an executry. The sum charged will aim to be reasonably proportionate to the value of property involved.

Where the value of the transaction is the dominant factor, the value will be taken to be either the amount stated in the Writ or calculated as follows:-

- a) Where, before an executed Writ has been delivered, the parties to it have made a contract for the development of the subjects and the value of that contract is not reflected in the price or consideration shown in the Writ, the "value" shall be the total of the price or consideration shown in the Writ plus the value of the development contract. Where before an executed Writ has been delivered, the purchaser has, through us, made a contract with a third party for the development of the subjects, the value shall be the total of the price or consideration shown in the Writ plus the value of the contract.
- b) If the consideration is termly or periodic payment the value shall be the capitalised value i.e. in leases or similar contracts, the total sum exigible under the whole contract or during the first ten years, whichever is the lesser. Where the right of a landlord to recover possession is restricted by Statute, the period of the lease shall be taken to be ten years.
- c) Where no price or consideration is stated, the value of the subject matter will be calculated according to the best evidence available. (e.g. Stamp Duty value, Stamp Duty value in any transaction within the last three years, last price at which property valued in the last three years, survey report, etc.)
- d) Where in a purchase from a Local or National Government Body or Agency the price is discounted, the gross value before discount shall be the value.

Our Fees: Our fees and charges will be calculated on the basis set out in our Letter of Engagement or as otherwise agreed with you.

Our hourly rate will be reviewed to take account of our costs each year on and with effect from 1 January. If you require an up to date version of our Terms and Conditions of Business, please let us know.

Unless a specific basis for charging has been agreed, our fees are charged on the basis of units where one unit is equivalent to 6 minutes of time. Meetings, telephone calls, travel time, perusals, etc are charged per time engaged. Letters, faxes and e-mails are charged at 1.25 units per 125 words. Contractual documents are charged at 5 units per 250 words. Other documents are charged at 3 units per 250 words. Perusing of documents will be charged at one half of the drawing fee.

Our standard rate, as varied from time to time, can be increased to include the elements mention under **Cost**. With effect from 1 January 2010, the value of a unit will be £19.50 in respect of partner's or associate's time. In respect of time for a qualified assistant solicitor, the value of a unit will be £15.00 and for a trainee solicitor £9.00. Formal letters, i.e. those of an administrative nature and fewer than 125 words will be charged at £7.50 each. Lengthy telephone calls will be charged as time expended, with short telephone calls charged at £7.50 each.

Accounts: We will normally issue our account either at the end of a matter but may require you to make a payment to account of fees and outlays at regular intervals. Payment is due within twenty eight days of the date of account. If not paid within this time we reserve the right to charge interest on the amount overdue (whether fees, vat , or outlays) at 4% over the Royal Bank of Scotland Base Rate. If you do not pay our account on time, we reserve the right to stop working for you and to charge you for the full amount of work we have done for you.

Legal Aid: Where legal aid or legal advice and assistance is available to cover the work we are doing for you, we shall assess your eligibility for the appropriate cover and we will explain the nature of the cover available to you and assist you in completing all of the necessary forms. In the event that you are in receipt of legal aid or legal advice and assistance, any money or property recovered or preserved for you may have to be paid to the Scottish Legal Aid Board.

Expenses in Court Actions: If we act on your behalf in connection with a court action in which you are partly or wholly successful, it may be possible to recover expenses from your opponent. In practice only a proportion of your expenses are likely to be recoverable. You are liable for our fees and for outlays incurred on your behalf whether or not you are successful in an action but allowance will be given for all expenses recovered from your opponent.

Deduction of Fees and Outlays at Source: Where we receive sums which belong to you we shall be entitled to deduct from those sums all outstanding fees and outlays before sending you the balance.

Commission: We shall be entitled to retain any commissions received from a third party in respect of business handled on your behalf and shall disclose this to you and set the amount of commission received against the fee we would otherwise have charged for the work done in arranging the matter which produced the commission. If we require to repay any such commission as a result of you terminating prematurely any investment or policy we may require you to make good that amount.

Sales and Purchases of Property: When you are selling property, we will deduct all outstanding costs together with our fees from the sale proceeds as soon as practicable after the date on which the sale is completed. When you are buying property, fees and costs will be payable by you by agreement, but no later than seven days prior to the date on which you become the owner of the new property. Property and other purchase transactions are usually settled by remitting funds from our Clients Account. To comply with Law Society of Scotland Accounting Rules we must have cleared funds in that account and it is your responsibility to arrange to let us have cleared funds in time for settlement. You may do so by direct bank transfer or by cheque but please note that cheques can take up to 7 working days to clear and you must allow for this. If we do not have cleared funds from you, we will not be able to settle the transaction on the due date in which event you will not be given entry and may be in breach of your contract with the seller.

Stamp Duty Land Tax: With the exception of certain low value transactions, purchasers of property must complete a Land Transaction Return even if no Stamp Duty land Tax is payable. Whilst purchasers may request that we as your Agents be authorised to handle correspondence on their behalf it is the purchasers responsibility to complete the Return and make payment of the Stamp Duty Land Tax. Please note there are penalties for late lodging of the Return and/or payment, presently £100 for delays between 30 days and 3 months and £200 for longer delays. Purchasers ought to be aware that it will not be possible to register title deeds in their favour in the Land Register of Scotland without the Stamp Duty Land Tax procedures having been completed and in practice it will not be possible for us to obtain funds from a mortgage lender without having the signed form in our possession as lenders require us to certify to them that it will be possible to register the Security in their favour as soon as practicable following completion of a purchase. Should you

require us to complete a Stamp Duty Land Tax Return on your behalf there will be an additional charge of £50 plus vat for this service.

Property sales: It is a statutory requirement in terms of the Housing (Scotland) Act 2006 that clients who wish to market their properties for sale must complete a Property Questionnaire in the form provided by the Scottish Parliament and commission a Single Survey and Energy Report all which documentation is to be made available to interested purchasers. Whilst we will assist our clients to commission the Single Survey and Energy Report, in which circumstances we will require to have the fee to be charged by the Surveyor in our hands prior to commissioning any Report, all comments contained in both Reports are solely the comments of the Surveyor and for which we, as a Firm, will have no input nor accept any responsibility. With respect to the Property Questionnaire, whilst we will provide you with the Statutory Form this is for sellers to complete as best they can. We will not assist with the completion of the form but can confirm it is in order for sellers to indicate in their response to individual questions that they do not have the required information or knowledge.

Costs paid on your behalf: Where fees, outlays or expenses are to be paid by us on your behalf, we will endeavour to give you details of these in advance in order that you may place us in funds before the sums are due. If, however, we are unable to do so, we will require to be repaid by you within seven days of your receiving a request for payment of the appropriate sum. Large outlays will require to be paid to us before they are due to be paid out by us.

Instructions to Counsel and Other Professionals: Should we need to instruct other lawyers or other professionals (counsel, surveyors, expert witnesses, accountants, actuaries and so on) we do so, unless otherwise agreed, on your behalf and as your agent. They will be responsible to you for the quality and accuracy of the advice they provide and you will be directly responsible for payment of their fees and expenses. Before making any such appointment on your behalf, we will consult with you and seek your agreement to the appointment.

Independent fee assessment: The Auditor of Court, or a Law Accountant, is always available to provide a completely independent assessment of a fair fee for any piece of legal work carried out for a client. On occasions, to ensure that a file has been correctly charged, we may voluntarily send the file to an Auditor or a Law Accountant, acting as an expert. Unless otherwise agreed with you beforehand, we will in that event be responsible for payment of the Auditor's fee. Should you at any time be dissatisfied with the amount of a fee charged by us, then you are entitled to ask us to have an Auditor or Law Accountant review your file and set an appropriate level of fee for the work done. If the Auditor/ Law Accountant reduces the amount of our original fee we will only charge that reduced amount but should the Auditor confirm that our fee is correct or undercharged, then you will pay the fee as rendered. In any event, you will be liable for the Auditor's or Law Accountants costs.

Incidental Investment Business: In matters where we expect to carry out incidental investment business for you, we are required by the Law Society of Scotland to advise you of the following terms of business:- (a) The firm is licensed by the Law Society of Scotland to carry on incidental investment business activities. These activities are limited in scope and our firm will not provide or comment on any investment advice. (b) The firm is not authorised by the Financial Services Authority under the Financial Services and Markets Act 2000. (c) The firm is covered by Professional Indemnity Insurance under the Law Society of Scotland's Master Policy and also the Scottish Solicitors Guarantee Fund. The current limit of indemnity on the Master Policy is £2.00 million. The Guarantee Fund has unlimited liability; and (d) Any complaint which you may have about any service provided by the firm shall be made by you direct to us. In addition, you have a right to complain to Scottish Legal Complaints Commission, The Stamp Office, 10 – 14 Waterloo Place, EDINBURGH EH1 3EG Tel: 0131 528 5111 enquiries@scottishlegalcomplaints.org.uk

Holding Client Money: There may be occasions when we will hold money on your behalf and will invest it in an interest bearing account. We operate a global investment scheme with the Royal Bank of Scotland Plc which enables us to earn a higher rate of interest than would normally be available to clients on a normal deposit account as a result of the pooling of all funds held by our individual clients. If we invest your funds in such an account, your funds are clearly distinguishable and designated in your name. As a result of the higher rate of interest available to clients because of the global investment scheme, this Firm will be paid a share of the interest by the Royal Bank of Scotland Plc. Any monies we hold for you will be invested in an Interest Bearing Account with the Royal Bank of Scotland plc. In view of the current turmoil in the financial markets it is impossible for us to guarantee the security of such deposits. The Financial Services Compensation Scheme

covers deposits in any one institution to a maximum sum of £50,000. Any deposits you hold in your own name, or jointly with any other party, will be aggregated with any sums held by us on your behalf all within the one institution. If you would prefer us to invest your money with another banking institution please let us know. You should ensure that any investment we make with Royal Bank of Scotland on your behalf will not cause you to exceed the current £50,000 limit for compensation. Please contact us to discuss this if you are unsure of your position.

Outstanding Monies: You are entitled to change solicitors at any time but you are responsible for the fees and any other outstanding payments due to us until the time of change. We are entitled to hold any title deeds, files or other papers until payment.

Dissatisfaction: We have an enviable record of providing high quality advice and excellent client care. However, we recognise that on occasion, things can go wrong. To raise a concern, then you should, in the first instance, take the matter up with the solicitor with whom you have been dealing. Alternatively, should you prefer or if you feel your initial approach has not resolved the point, we would invite you to raise the matter with Mr James D S Steel, our Client Relations Partner who will be happy to discuss your concerns with you and will seek to resolve them with you. If you are still dissatisfied you are entitled to take the matter up with the Scottish Legal Complaints Commission, The Stamp Office, 10 – 14 Waterloo Place, EDINBURGH EH1 3EG Tel: 0131 528 5111 enquiries@scottishlegalcomplaints.org.uk

Whole Agreement: These terms and conditions, together with the letter accompanying them and any enclosed schedule of costs, will form the whole agreement between us to carry out the work referred to in that letter. In case of any contradiction between these Terms of Business and the Letter of Engagement, the letter of Engagement takes precedence.

Applicable Law: These terms and conditions are governed by the Law of Scotland and are subject to the non-exclusive jurisdiction of the Scottish Courts. Jurisdiction in respect of any dispute arising between us is prorogated to Cupar Sheriff Court.

Professional Indemnity Insurance: We maintain Professional Indemnity Insurance under the Law Society of Scotland. The level of cover is considered by us to be adequate to cover our liabilities and this is kept under review. Unless another limit is expressly agreed with you in writing, our liability to you in respect of any claim or series of related claims whether arising from breach of contract, negligence or otherwise (other than for personal injury) is limited to £2,000,000.

THIS DOCUMENT IS AVAILABLE IN LARGE PRINT ON REQUEST