

TERMS OF BUSINESS

OF

MESSRS. W. & A.S. BRUCE, SOLICITORS

DUNFERMLINE, KIRKCALDY, BURNTISLAND and DUNDEE

We, the firm of Messrs W. & A.S. Bruce (hereinafter referred to as “the Solicitor”) members of and regulated by the Law Society of Scotland and you the client and your executors and representatives (hereinafter referred to as “the Client”) agree that the following terms of business shall apply in respect of the work/instructions which the Client provides to the Solicitor:-

1. The Solicitor will give the instructions due care and attention. The Solicitor can only act on information and instructions provided directly to him by the Client. The Client should not assume that the Solicitor has knowledge of any factual matters. Instructions can be verbal or in writing although the Client may be requested to confirm verbal instructions in writing. E mail instructions will be actioned only if agreed with the Solicitor. No responsibility can be accepted for any delay in acting on E mail instructions due to difficulties with this form of communication, unless the E mail has been acknowledged by the solicitor. If there is any change in the Client’s instructions the Client must notify the Solicitor immediately. The client must specify in writing the capacity in which they are instructing the Solicitor (e.g. an officer of a Company, partner of a firm etc.) failing which the Solicitor shall be entitled to assume that they are acting for the client as an individual. In the event that instructions are provided to the Solicitor by a director of a company the company instructing and the instructing director will be personally liable for the solicitor’s charges unless written confirmation is obtained from the Solicitor that there shall be no liability on that director as an individual. Where work is being instructed on behalf of spouses the Solicitor shall be entitled to accept instructions from one spouse on behalf of both spouses unless instructions to the Solicitor are provided in writing to the contrary.
2. The Client’s business will be handled by the Solicitor to whom the Client’s instructions should be addressed. **The Solicitor can be contacted during the consulting hours Monday-Friday 10.00a.m. - 1.00p.m. and 2.00p.m. - 4.00p.m. (Excepting Local and Public Holidays) or at other times by mutual arrangement.** If there is any difficulty in making contact the Client should leave a message with the Receptionist or secretary of the Solicitor for action.
3. The Solicitor will handle the instructions competently.
4. The Solicitor will carry out the instructions within a reasonable time.
5. The Solicitor will report progress and any material developments which require consideration and discussion.
6. The Solicitor will keep the business of the Client and related documents confidential. Information provided to the Solicitor will only be disclosed to parties authorised by the Client or as required by the Law Society of Scotland or any other authorised body. The Solicitor is under a statutory duty to report any matter where there are circumstances which may indicate money laundering, criminal activity, abuse of legal aid or where the client fails to verify identity, address or the source of funding to the The Serious Organised Crime Agency or such other body or organization as required by the relevant regulations or legislation.
7. The Solicitor’s duties to the Client are always subject to his other duties to the Court, the public and fellow members of the legal profession.
8. The Solicitor will defend the Client’s interests. The Solicitor is unable to guarantee success in any Court proceedings, litigation or tribunals.
9. The Solicitor will be independent and will give the Client honest and unbiased advice on what is best for the Client. The Solicitor shall be entitled to refuse to act for a client or to decline to act.
10. If any matter arises which is outwith the knowledge of the Solicitor or requires specialist advice, outside advice shall be obtained or the Client referred to another Solicitor.

11. The Solicitor will be honest and act with integrity.
12. By accepting these Terms of Business or proceeding with the transaction, the Client appoints the Solicitor to act and agrees to prorogate jurisdiction in respect of matters relating to the Solicitor's fees to the Sheriff of Tayside, Central and Fife or such other Sheriffdom mutually agreed.
13. The Client before completion of any transaction instructed shall provide the Solicitor with evidence of identity and verification of current address to comply with regulations to prevent money laundering. Furthermore, satisfactory evidence will be provided to verify that funds are provided from a legitimate source, failing which the Solicitor will be entitled to withdraw from acting and recover payment for all work carried out on behalf of the Client. The Client shall produce to the Solicitor acceptable photographic identification (e.g. a driving licence or passport) with a note of the clients National Insurance Number together with evidence of their current address (e.g. Council Tax Demand, Rent Book, gas, telephone or electricity account). In the cases of a limited company the Certificate of Incorporation and any other documents required by the Solicitor shall be produced to the Solicitor. In cases where funds are being provided by a third party for the benefit of the Client it is a requirement of the legislation that the Solicitor is required to verify the identity and address of the third party and establish that the funds provided are from a legitimate source and in such cases the client will be responsible for securing such documentation or information required by the Solicitor and accept that any delay or difficulty or loss which may arise due to any failures by the third party to provide the necessary documentation or information shall not be the responsibility of the Solicitor.
14. **CHARGES and REMUNERATION** (see also paragraphs 15, 16, 17, 18 & 19).
 - (i) Unless negotiated and agreed in writing and in advance directly with the Solicitor, fees are charged on the basis of time spent on the work, together with an element for responsibility which can vary according to a number of matters, such as urgency, importance of the work to the Client, amount or value of money or property involved, complexity, difficulty or novelty of the matters, length, number or importance of documents or papers.
 - (ii) Any estimate given will be for a probable fee based on the Solicitor's experience of the general amount of work involved in a typical transaction of the type involved. If the work turns out to be more complex than normal, then the Solicitor's estimate may require to be amended. The Client will be kept advised of any such changes. Fees are payable, unless by prior arrangement, from funds belonging to the Client that are available to the Solicitor or within 14 days of rendering of the Solicitor's account, as applicable. The Solicitor will have a lien over title deeds and other papers held on behalf of the Client until payment in full to the Solicitor of all fees and outlays.
 - (iii) Fees which are not agreed in advance are subject to independent assessment by the Auditor of Court. This process is known as "Taxation". The Client is entitled, where no charges have been agreed, to request the Solicitor's file to be taxed if the Client is not happy about the fee charged. In such a case the file is passed to the Auditor who will fix what he considers to be a fair and reasonable fee in all the circumstances, based on these terms of business including those factors outlined above. The Auditor can fix a fee higher or lower than the fee charged. If it is lower, then the Solicitor will pay the cost of taxation. If, however, the Auditor assesses a higher fee or confirms the fee as charged, then the Client will be responsible for that fee as well as the Auditor's costs. Should the client request a detailed Account such shall be prepared at the Client's expense.
 - (iv) Along with the Solicitor's fee, the Solicitor will issue a statement detailing financial dealings on the Client's behalf. This will include outlays which may have been incurred. Where outlays have been incurred, the Solicitor will require repayment of them within seven days of receipt by the Client of a payment request.
 - (v) The Solicitor may require the Client to settle accounts and repay outlays during the course of transaction. In such a case an interim statement will be issued. Large outlays will require to be paid to the Solicitor before they are due to be paid out by the Solicitor.
 - (vi) Except by prior arrangement in writing, or if Legal Aid or Legal Advice and Assistance is granted, the fees to be charged by the Solicitor will be charged at the rate of £180 per hour. Where an unqualified assistant or paralegal is carrying out work on behalf of the client the charge shall be £90 per hour.
 - (vii) The Solicitor will invest funds held on behalf of the Client in current Account unless sums held are in excess of £500.00 and are likely to be held over two weeks and in such cases will be lodged on Short Term Bank Deposit and interest will be accounted for to the Client.

(viii) A Bank Transfer [CHAPS] payment instructed by the Client or required by contract or a Mortgage Lender shall entitle the Solicitor to recover from the Client a charge of £35 plus VAT, at the standard rate, for each Bank Transfer to cover the Bank charges and Solicitor's costs.

(ix) The Solicitor shall be entitled to receive commission or interest payments from Banks based on aggregate cash balances held across all Client Accounts and any such commission payments or interest shall be remuneration of the Solicitor and the Client shall not be entitled to a breakdown or details of any such payments received by the Solicitor. The Solicitor shall account to the Client for any net interest received on individual client investment accounts, where such funds have been invested on behalf of the Client. The gross rate of interest, prior to deduction of tax, to be paid to the Client for funds invested by the Solicitor on behalf of the Client, shall be 1.5% below the base rate of the Bank of Scotland or such other rate as shall be notified to the Client from time to time. Furthermore the Client will accept that the Solicitor is entitled to employ individuals or companies to market and promote the Solicitor's services and the Solicitor shall be entitled to pay administration, consultancy or commission charges to such individuals or companies in respect of marketing and promotion services provided to the Solicitor and the Solicitor shall not be obliged to provide details of any such payments or consultancy fees or details of agreements with such individuals or companies having regard to confidentiality which such agreements may provide. Where commissions or volume commissions are paid to the Solicitor for volume business introduced to third party service providers (e.g. Searching Companies, Surveyors etc.) the Solicitor shall be entitled to such payments without any requirement to account to an individual Client and such payments will be treated as remuneration to the Solicitor with a view to the reduction of administration, postage and practice administration costs.

15. **TRUST AND EXECUTRY WORK.** The Solicitor's fee for Executry, Trust and management of financial affairs or related works will be assessed by the Auditor of Court, Dunfermline, Dundee or Kirkcaldy who will fix a reasonable charge based on the hourly rate of the Solicitor and his staff and having regard to the work carried out. The Auditor of Court's fee for certification of a reasonable fee will be paid by the Client. This will apply unless a fixed fee has been agreed in writing.
16. **COURT WORK.** Where a Client who is not eligible for or is refused Legal Aid instructs the firm in connection with pursuing or defending civil court proceedings or defending criminal court proceedings the Client will pay an initial payment of £350.00 to the Solicitor to account of their fees and outlays. The Client will then complete a standing order mandate and thereafter will instruct their bank/building society to implement the mandate for further payment to account of the fees and outlays due to the Solicitor. Should the initial payment to account of fees and outlays not be paid when requested or the standing order mandate not be implemented the Solicitor reserves the right to decline instructions from the Client or to cease acting on behalf of the Client.
17. **LEGAL ADVICE & ASSISTANCE IN CIVIL AND CRIMINAL MATTERS.** The Client has been advised by the Solicitor that Legal Advice & Assistance may be available to them through the Legal Aid Legislation subject to their financial status. Where the Solicitor is satisfied that the Client is eligible for Advice & Assistance but the Client has declined to accept the Advice & Assistance the Client will be responsible for payment of legal fees and outlays in accordance with the above paragraphs 14, 15 and 16.

Where the Client has been granted Legal Advice & Assistance subject to a contribution, the Solicitor shall be entitled to payment of the contribution before they commence acting. If the Solicitor agrees to accept payment of the contribution by instalments the Solicitor will not commence acting until the first instalment has been paid. Should the Client fail to pay the contribution in full the Solicitor reserves the right to cease acting on behalf of the Client without prejudice to any right to recover the balance of the contribution.

Where the Advice & Assistance expenditure limit has been reached and an application for increase in the limit has been refused by the Scottish Legal Aid Board, the Client acknowledges that should instructions be provided to the Solicitor to carry out further work having been informed of the refusal, the Client is liable to make payment for the further work in accordance with paragraphs 14, 15 and 16.

18. **CIVIL LEGAL AID.** If the Client requires work to be done in connection with a civil court matter and such work is to be done under the Scottish Legal Aid Board's special urgency provisions and it has been calculated by the Solicitor that the Client will be likely to have to pay a Legal Aid contribution, the Client must pay such contribution as assessed by the Solicitor, to the Solicitor before commencement of the work.

If Legal Aid is granted the Client accepts that it is their responsibility to inform the Scottish Legal Aid Board of any change in their financial circumstances or change in address. Should Legal Aid be withdrawn the Client

accepts that the Solicitor is entitled to withdraw from acting on behalf of the Client should the Client not make an acceptable arrangement with the Solicitor for payment of further fees and outlays to be incurred.

The Client will as soon as possible complete, sign and return to the Solicitor any financial information forms or other documents, which the Solicitor may require to lodge with the Legal Aid Application. The Client acknowledges that failure to do so may prevent Legal Aid being granted.

Any work done under the special urgency provisions or prior to the grant of a Legal Aid Certificate may, if not covered by a Legal Advice & Assistance Certificate, be charged for by the Solicitor in accordance with paragraphs 14, 15 and 16.

19. **RECOVERY OF PRINCIPAL SUMS AND EXPENSES IN CIVIL LITIGATION.** The Client understands that the Solicitor cannot guarantee recovery of any principal sum or expenses awarded by a Court or other Tribunal in the Client's favour. The Client understands that if he is awarded expenses against his opponent in any Court action these expenses may not be as much as the fees which the client is liable to pay to the Solicitor. The balance may be taken by the Solicitor out of any payment received on behalf of the Client. If the opponent has Legal Aid the court may refuse to make him pay expenses even if the Client's case is successful. This paragraph may apply whether the Client receives Legal Aid or is funding the litigation privately. The Client (if not receiving Legal Aid) remains liable to pay the Solicitor's fees whether or not any sum awarded to him is recovered.

20. **PAYMENT OF FUNDS TO SOLICITOR and RELEASE OF FUNDS to CLIENTS**

In property or commercial transactions or in matters requiring the Solicitor to issue funds or payment to a third party the funds will be provided by the client to the Solicitor by CHAPS bank transfer one working day prior to the date the funds are required by the Solicitor to ensure that cleared funds are available to the the Solicitor. The Solicitor shall, if requested, provide details of the client account for the transfer of funds. In the event that any payment to the Solicitor is made by BACS transfer or by cheque the BACS transfer or cheque payment shall be paid to the Solicitor no later than 7 working days prior to the date the funds are required by the Solicitor. In the event that cleared funds are not held by the Solicitor, the Solicitor shall not be obliged to make payment to any third party until such time as the funds are received and cleared in the Solicitor's client account. Settlement of house purchase transactions are normally settled by way of Solicitor's cheque and although payment is guaranteed under Law Society rules the funds relating to the purchase are required to clear into the Solicitors client account in the usual way and the Solicitor will not hold cleared funds and is unable to release the funds until such time as the funds are cleared to the Solicitor's client account. The client accepts and acknowledges that they will receive within four workings days the proceeds of any sale or remortgage transaction by way of Solicitor's cheque. If the solicitor holds cleared funds the Solicitor, if requested by the client prior to 2pm on the date the funds clear shall transfer the funds to the client by CHAPS subject to the client providing their Bank details and the client agrees to settle any Bank transfer charges in this regard (see paragraph 14 (VIII)). In the event that funds are payable to spouses or parties with a joint interest (e.g. joint owners of property) any sums or payment due to such clients will be settled in joint names of the joint owners unless acceptable and satisfactory written instructions are obtained from all clients instructing that the payment is to be payable to one party alone or to a third party. In such cases the funds are the property of the client and the Solicitor is prohibited from making payment to one party without the written consent of the other individuals who have joint title. In commercial transactions the sale price of any property will again be settled by Solicitors cheque unless written instructions are provided to the Solicitor, prior to conclusion of missives, that payment is to be settled by cleared funds. The Solicitor shall not be obliged to complete any property transaction unless the solicitor holds in cleared funds the full purchase price, stamp duty land tax and the Solicitors charges including registration dues for the registration of the clients title and/or security and all other out of pocket expenses incurred by the Solicitor. The Solicitor shall not be obliged to accept any cash payment from or on behalf of a client having regard to the Money Laundering Regulations to which the Solicitor is subject.

21. **CONFLICT OF INTEREST.** The Solicitor is not entitled to act in a conflict of interest situation. The Solicitor may act for existing clients of this firm and is entitled to act in terms of the Solicitors (Scotland) Practice Rules 1991. However in these circumstances we would not act on behalf of both parties if any conflict of interest or dispute between them was foreseeable. If such a conflict did arise then the Solicitor would ask both parties to seek separate legal advice. This shall be done in the best interests of both parties so as to ensure complete impartiality.

22. CLIENT FILES AND DOCUMENTS.

Any files created by the Solicitor on behalf of the client shall be the property of the Client and shall be retained by the Solicitor in accordance with any guide lines issued by the Law Society of Scotland. The Solicitors drafts and working papers shall be the property of the Solicitor. The Solicitor shall be entitled at any time convert the file of the Client to a digital or paperless format unless written instructions to the contrary are provided prior to such conversion. Court records or files for general business shall be retained by the Solicitor for a period of Five years from the date of any instruction. Files for transactions comprising a sale or a remortgage of heritable property shall be retained by the Solicitor for a period of Two years only from completion and for files relating to the purchase of heritable property these shall be retained for a period of Ten years. Files for Wills, Trusts and Executry business shall be retained for a period of Twenty years. The Solicitor shall be entitled to destroy a file after expiry of the stated periods.

A paper or digital file may be collected by the client from the Solicitor on the Client giving not less than Fourteen days written notice of their requirement to uplift the file and such file shall be released without charge. In the event that an instruction or Mandate is received from a Client or Agents authorised by mandate to send or post a file [in paper or digital format] to the Client or any third party an administration fee of £30 plus VAT [or such other charge normally charged by the Solicitor as applicable at the time of such instruction] will be rendered to cover additional time of the Solicitor, administration and postage costs. No files or papers will be released to the client or mandatory without payment in full of any charges for fees and outlays payable to the Solicitor [see also paragraph 14(ii)].

23. TITLE DEEDAND WILLS

The Solicitor, at their discretion, may hold Wills and Title Deeds on behalf the Client. No charge shall be provided for such service unless written notification is intimated prior to the commencement of such charge. The release of Wills and Title Deeds to the Client or third parties shall be subject to the said administration fee of £30 plus VAT (or such other charge normally charged by the Solicitor at the time of such instructions) with regard to the release of such Wills and Title Deeds. After completion of any title registration application Title deeds subject to a mortgage or security are normally held by a mortgage Lender or their agents in accordance with the terms of any advance or offer of loan. Prior title deeds may be retained by the Solicitor or destroyed at the discretion of the Solicitor.

24. CONDUCT OF INVESTMENT BUSINESS. The Solicitor shall not provide the Client with any investment advice. In the event that the Client wishes any investment advice and on the request of the Client the Solicitor shall, on behalf of the Client, obtain the advice of a Specialist Financial Adviser (e.g. a Stockbroker) and then communicate the advice to the Client but shall provide no comment on such advice. The Client accepts that this activity does not fall within the definition of investment advice/management and shall not be deemed to be the advice of the Solicitor and the Client will be responsible for any charges or costs in this regard. If required by Law Society regulations, the Solicitor will issue an incidental Investment Business Terms of Business Letter which will allow the Solicitor to carry out incidental investment business such as the sale of shares and arrangement of Bonds of Caution.

25. CLIENT'S OBLIGATIONS. The Client shall respond within a reasonable time to any request by the Solicitor for information, documents or instructions which the Solicitor may reasonably require. This is particularly important in conveyancing transactions and court actions where stringent time limits can operate. In the event that the Client fails to provide instructions, information or documents with a reasonable time then the Solicitor shall be entitled to withdraw from acting and seek recovery of any charges to the date of the withdrawal. The Client shall ensure that he communicates regularly with the Solicitor and that he is available to sign Stamp duty land tax returns, security documents, transfer documents and Affidavits required by the Solicitor to effect any instruction. The Solicitor **does** not accept liability for financial loss due to the Client's failure to sign such documents.

26. STAMP DUTY LAND TAX. The client will be responsible for payment of any Stamp Duty Land Tax in any purchase or Lease transaction at the rate in force at the time of completion of the transaction. A client, where obliged by law to complete and submit a Land Transaction Return, will provide same without delay, together with all relevant information requested by the Solicitor, to complete the Return. Failure to submit, complete or correct an erroneous Return may result in a penalty and the Solicitor will not be liable for any penalty where any failure to act or complete accurately the Return documents is attributable to the client.

27. **GENERAL.** The Solicitor holds indemnity insurance in respect of any one claim for negligence/financial loss up to a limit of £2,000,000. The Client accepts that this will be the upper limit for any financial claim against the Solicitor unless prior written agreement has been obtained.

The Solicitor's aim is to provide an efficient service, but if the Client is unhappy about any aspect of the business conducted, then the client should discuss the Client's concerns, in the first instance, with the Solicitor dealing with the Client. However, if that would cause the Client difficulty or embarrassment the Client should speak to the supervising partner or any of the partners, whose names appear on the Solicitors notepaper, or the complaints/conciliation partner, Mr James Smith at our Kirkcaldy office. If the matter cannot be resolved then the Client is always entitled to refer it to the Scottish Legal Complaints Commission, The Stamp Office, 10-14 Waterloo Place, Edinburgh, EH1 3EG.

These terms of business shall be binding for instructions provided prior to their issue or for any reason the Client fails to return these terms of business after issue by the Solicitor and the Client fails to intimate that these terms and conditions are unacceptable and the instruction to the Solicitor is terminated in writing.

I understand and accept these terms of business.

Clients

Date

TERMS OF BUSINESS
(version - 1st November 2010)
MESSRS W & A S BRUCE
SOLICITORS
15/17 CHALMERS STREET
DUNFERMLINE
KY12 8AT
TELEPHONE: 01383 738000