STERLING

Terms and Conditions Individual Savings Account and Investment Account

For accounts opened after 28 April 2011

These terms and conditions cover the Sterling Individual Savings Account and Sterling Investment Account and form a legally binding agreement between you and us. In addition to the general terms and conditions please see the sections on pages 12 or 13, which are specific to your chosen Account. Please read these terms and conditions alongside the Key Features that apply to your chosen Account.

Contents

Individual Savings Account and Investment Account Terms and Conditions

Definitions

Some words and phrases in these terms and conditions have special meanings. These special meanings are shown below and appear in bold type throughout the terms and conditions.

Account	The Sterling Individual Savings Account or the Sterling Investment Account, as applicable, held under these terms and conditions.
AWE	Average Weekly Earnings – The UK Government's preferred measure of UK average earnings as published by the Office of National Statistics, or any official published measure or index that we adopt in its place.
BACS	The electronic Banks Automated Clearing System run by banking institutions.
business day	Any day that is not a Saturday, Sunday or public holiday, on which UK clearing banks and the London Stock Exchange are open for business.
CHAPS	The Clearing House Automatic Payments System, an electronic bank-to-bank same-day payments system run by CHAPS Clearing Company Limited.
funds	**Investments** available under the **Account**.
FSA	Financial Services Authority or any successors in title.
head office	Sterling ISA Managers Limited, Sterling Centre, PO Box 461, Bishops Cleeve, Cheltenham, Gloucestershire GL52 8ZN.
ISA	Sterling stocks and shares Individual Savings Account.
investment	Units or shares in **Sterling panel funds** or **wider market funds** and medium-term notes (MTN) issued as security by a financial institution for **MTN Protected profits funds**.
Investment Account	Sterling Investment Account.
investment value	The value of an **investment** calculated by using its bid price or selling price.
Key features	A document that sets out the main points of **your Account**.
Minimum Return Life Cover Plan	A plan, provided by Zurich Assurance Ltd, that aims to protect payments into an **Account** in the event of death within ten years of opening an **Account**.
MTN Protected profits fund	Those protected profits funds investing in medium-term notes (MTN), specifically the Multimanager Protected Profits fund, the Threadneedle Protected Profits fund and the Tracker Protected Profits fund.
ISA Regulations	The Individual Savings Account Regulations 1998 as amended from time to time, or any other regulations that may from time to time apply to **your ISA Account**.
re-registration	The transfer by **you** of existing units in a unit trust or shares in an open-ended investment company to **us**. The transfer will be achieved by your execution of a stock transfer form.
RPI	Retail Prices Index – a government-produced index which tracks the prices of a specified set of consumer goods and services, providing a measure of inflation.
Sterling charges summary	A document that details the current charges for the **ISA** and the **Investment Account**.
Sterling panel funds	**Investments** to which **we** apply **our** governance process and which are listed in the **Sterling panel funds guide** as Sterling panel **funds**. **We** may add or remove funds from time to time in line with paragraphs 85 to 90 below.
Sterling panel funds guide	A document that gives the objectives, risks, and distribution dates of the **Sterling panel funds**. **You** can obtain the Sterling panel funds guide by contacting **us** at **our** head office or by speaking to **your** adviser.
subscription	The payment or cash transfer you make into **your Account**. To maximise **your ISA** subscription **we** may agree to take the initial charge from **your** payment in which case **your** subscription will be the amount after the deduction of the initial charge.
we, us, our, ourselves	Sterling ISA Managers Limited, part of the Zurich Financial Services Group is authorised and regulated by the **FSA** and approved by HM Revenue and Customs to act as an ISA manager under the **Regulations**.
website	www.sterling-assurance.co.uk
wider market funds	**Investments** to which **we** do not apply **our** governance process and which are not included as **Sterling panel funds**. These **funds** are listed in the **Sterling charges summary** and **you** can find out more by reading the relevant prospectus that **you** can obtain from **your** adviser. **We** may add or remove funds from time to time in line with paragraphs 85 to 90 below.
written instructions, in writing	Clear written instructions by post. Please note that **we** currently do not accept instructions orally, by fax, email or any other method except as set out here, but reserve the right to do so in the future.
you, your	The owner(s) of the **Account.**
Zurich Assurance Ltd	Zurich Assurance Ltd is part of the Zurich Financial Services Group and is authorised and regulated by the FSA for its life assurance, pension and investment products.
Zurich Group	Zurich Financial Services Limited, a company registered in Switzerland, company number 023.020.5108 and its direct and indirect subsidiary companies, including branches of such subsidiary companies from time to time.

General terms and conditions

Our agreement with you

1. **We** agree to act as the **Account** manager and will manage the **Account** in accordance with these terms and conditions and the rules of the **FSA** on a non-discretionary basis. Non-discretionary means **we** will not make any decisions concerning **your investments** on **your** behalf, unless **we** inform **you** first, nor will **we** undertake any review of **your investments**.
2. **You** must give **us** all the information **we** reasonably request from **you** to carry out **our** duties for the purposes of **your Account** and notify **us** if any of that information changes. **You** must be resident in the United Kingdom to open an **Account**. **You** may not open an **Account** if you are a resident outside the United Kingdom or a citizen of the United States of America. For a jointly owned **Account** this applies to each **Account** holder.
3. **We** may delegate any of **our** functions or responsibilities under these terms and conditions to another person or persons without **your** consent and **we** can give them any information about **you** that they may reasonably require for this purpose. **We** will satisfy **ourselves** of the competence of the other person or persons to carry out those functions or responsibilities. **We** will remain at all times responsible for **our** functions under this **Account** and **your** first point of contact for any questions or concerns. **Your** rights and benefits under this policy will not be affected if **we** choose to delegate any functions.
4. **We** act on an execution-only basis. This means **we** do not provide any advice in relation to **investments** or **your Account**. The fact that a particular **investment** is available does not imply that it is necessarily suitable for **you**, and **you** should seek **your** own advice from an adviser. **Our** staff are not authorised to provide any such advice.
5. **We** will buy and sell **investments** on **your** behalf as soon as reasonably practicable, usually within two **business days** from the date **we** receive **your** valid **written instructions** and, if applicable, payment at **our head office**. **We** rely on information from third parties in order to make valuations, and where we have access to this information, **Investments** will be valued on each **business day**. Where an **investment** is not valued on a **business day** it will be valued on the next **business day** on which **we** have access to the information **we** need to make the valuation. The fund managers normally calculate the prices for the **funds** each **business day**. However, the time at which they are valued can vary between different **funds**, although the majority value at 12 noon. **We** can give **you** details of this on request.
6. In exceptional circumstances and acting reasonably **we** may postpone buying, selling or valuing an **investment** to the earliest **business day we** consider to be appropriate and reasonable. If **we** reasonably decide that buying **your** requested **investment** or **investments** is not possible, **we** will return **your** payment to **you.**
7. **We** may act as agent and match buying and selling **investments** being made on **your** behalf from time to time. In such cases **we** will be entitled to retain any profit that may arise from the difference in buying and selling prices on each **investment**. **We** will not carry out any business for **you** in which **we** have any other material interest without disclosing that interest to **you** and getting **your** consent.
8. **We** will not commit **you** to any financial obligation to add to the **investments** either by borrowing or by committing **you** to a contract whose performance may not be possible without an additional payment. **We** do not have authority to commit any of the **investments** of **your Account** to any obligation to underwrite any issue or offer for sale of securities.
9. The additional risks set out in this paragraph 9 apply only to **wider market funds** which **you** can choose not to participate in. If **you** decide to invest in **wider market funds you** should note that **we** have appointed Pershing Securities Limited (PSL) to provide dealing, clearing and settlement services to enable **you** to access **wider market funds** for investment into **your Account**. **You** agree that **we** will direct PSL in connection with all deals and **investments you** ask **us** to make in **wider market funds** for **your Account**. PSL will register all **investments** in **wider market funds** in the same name as those of all of **our** customers and will not identify individual **investments** by separate documents of title.

   As part of PSL's normal settlement procedures where **investments** are pooled with those of other customers, the **investments** in **your Account** may be used with those of other customers to settle various transactions. If PSL were to become insolvent, **you** might face delays in selling and recovering payment for **your investments.**

   All transactions made by PSL are made and settled in accordance with applicable **FSA** rules and are subject to the rules of any relevant investment exchange. However, PSL will not owe **you** any duty of best execution under the rules of the **FSA** when carrying out the investment instructions **we** give PSL on **your** behalf with respect to **your investment** in **wider market funds**.

   Where **you** ask **us** to buy or sell **investments** on **your** behalf in **wider market funds we** will instruct PSL to buy or sell units or shares in the applicable **wider market fund**. **We** will instruct PSL within two **business days** of the date of receipt of **your** valid **written instructions** and payment, if applicable. PSL will normally act within two **business days** of receiving **our** instructions.

   We pay fees to PSL and receive fees from PSL on such terms as may be agreed between **us** and PSL from time to time. PSL is not liable to **you** for any loss or damage to **your Account** except if PSL is negligent, deliberately or recklessly defaults or breaks **FSA** rules.

   If **we** either materially breach a market or regulatory requirement, become subject to an insolvency event, fail to make payment or delivery to PSL for **your investments** when required, or if PSL reasonably considers that **we** are unlikely to make any such payment or delivery, PSL may cancel, terminate or reverse the relevant transaction. PSL will regard Sterling ISA Managers Limited and not **you** as its client in connection with any and all such deals and **investments**.
10. If these terms and conditions conflict with the **ISA Regulations** or the rules of the **FSA**, then the **ISA Regulations** or the rules of the **FSA** (or both) will prevail.

Opening your Account

11. If **you** are eligible under paragraph 101 or 125 **you** may make an offer to open an **Account**. **You** make an offer to open an **Account** by sending **us** a properly completed application, including a signed declaration and:

    a. a properly completed direct debit in the case of an application for regular monthly payments, or a valid cheque, **BACS** or **CHAPS** payment in the case of a lump sum, and/or

    b. **your** authority for the cash value of **your ISA** with another ISA manager to be transferred directly to **us** by that manager for transfer payments, and/or

c. **your** authority for **funds** to be re-registered to Sterling ISA Managers Ltd, or a third party acting on **our** behalf, where **you** require re-registration of those **funds** (only available for the **Investment Account**).

We have appended **our** Data Protection Statement to these terms and conditions under Appendix A for **your** reference only. This Data Protection Statement tells **you** how **we** will deal with **your** personal information and must be reviewed by **you** as part of the application process.

These terms and conditions will come into force once **we** have accepted **your** properly completed application, including a signed declaration and are in receipt of either a. and/or b. and/or c. above.

12. **We** reserve the right not to accept an application (i.e. **your** offer to open an **Account)**. In particular **we** will not accept partially completed applications, telephone applications or applications sent to **us** by fax or email. **We** reserve the right to refuse subscriptions to an **ISA** that would contravene the **ISA Regulations**, that are made in a foreign currency, payments made in cash or payments made by parties other than **you**.

Minimum subscriptions

13. The current minimum payments to **your Account** are in paragraphs 126 and 127 for the **ISA** and paragraphs 102 and 103 for the **Investment Account**.

14. With **our** agreement **you** may make further lump sum **subscriptions**, increase or decrease **your** regular monthly **subscriptions**.

15. **You** must give **us written instructions** to change regular monthly payment amounts and **we** will carry out any change as soon as reasonably practicable, usually within 10 **business days** after receiving the **written instructions** at **our head office**.

16. **You** may stop or suspend **your** regular monthly **subscriptions** to **your ISA** or **Investment Account** without closing **your Account**, subject to paragraphs 17 and 63. **You** may reinstate regular monthly **subscriptions** with **our** consent and subject to **us** receiving all of the information that **we** reasonably request from **you** and the prevailing **Regulations** at the time. **We** may require **you** to complete a new direct debit instruction and application.

17. **We** reserve the right to close **your Account** if it falls below £2,000 unless **you** are making regular monthly **subscriptions** that are above the minimum limit. If **your Account** falls below £2,000 then **we** will inform **you** of this in **your** statement. If **we** decide to close **your Account**, **we** will write to **you** to tell **you** at least 30 days before **we** close **your Account**. When **we** write to **you**, **we** will tell **you** about the options available to **you**, which **you** should discuss with **your** adviser.

18. **We** reserve the right to amend any of the minimum limits. If **we** do, **we** will notify **you** in accordance with paragraph 98. If **you** are already making regular monthly **subscriptions** and **we** increase the minimum above the value of **your subscription**, **you** can continue to pay the same amount until **you** stop or change **your** regular monthly **subscriptions**.

Investing in your Account

19. **We** will use **your subscription** to buy **your** chosen **investments**. **You** can decide how much of **your subscription** will be invested in any particular **fund**, as long as the amount of **your subscription** to that **fund** is at least the current minimum, which is 1% of **your subscription**. **We** may decide to increase the minimum **subscription** for each **fund** in the future. If **we** do, **we** will notify **you** in accordance with paragraph 98. New **subscriptions** can be invested in different **funds** to those of **your** original **subscription**.

20. **We** will buy **investments** subject to paragraphs 5, 19 and 124:

    a. in the case of lump sums and transfers – as soon as reasonably practicable, usually within two **business days** from the date **we** receive **your** payment at **our head office** with a valid application including a signed declaration, and

    b. in the case of regular monthly payments – as soon as reasonably practicable and normally on the **business day we** receive the direct debit payment.

21. If a direct debit payment is not honoured, or a cheque is not cleared, **we** will cancel the transaction to buy **investments**. **You** may be liable for any reasonable costs **we** reasonably incur from transactions caused by the non-payment. These costs will be met from any cash held in **your Account** but if there is not enough cash held in **your Account** it may be taken from **your** largest **investment** holding.

22. **You** may change **your investments** by a **fund** switch. If you change your investments by a fund switch and do not instruct us otherwise, we will change any future monthly payments or regular withdrawals from the fund(s) you are switching out of, into your new fund selection. **We** will sell **your** existing **investments** as soon as reasonably practicable, usually within two **business days** from the date **we** receive **your written instructions** at **our head office**, and invest the proceeds in the new **fund** the **business day** after selling the **investments**. For **funds** invested in the **Investment Account** any switch counts as a disposal for capital gains tax purposes and may affect **your** tax liability.

23. Currently **we** do not make a charge for **fund** switching. In the future **we** may decide to charge a fee for this service. If **we** do, **we** will give **you** at least 30 days' written notice.

24. **You** may also ask for a change in the **investments you** wish to buy with regular monthly **subscriptions**. **We** will carry out **your written instructions** as soon as reasonably practicable, usually within 10 **business days** after receiving them at **our head office**.

25. Unless **you** have chosen the income distribution option under paragraphs 39 to 43, **we** will reinvest in **your Account** any dividends or tax credits received from an **investment** in **your Account** by buying additional units or shares in the applicable **fund**. **We** will purchase these from the fund manager usually within two **business days** from the date that the **fund** distributes income. Details of these dates can be found in the **Sterling panel funds guide** for **Sterling panel funds**, and in the relevant prospectus for **wider market funds**.

    If **you** switch out of a **fund** before that **fund** distributes income, **we** will hold the dividends and invest them within two **business days** of the next payment process date (currently 10 March, 10 June, 10 September and 10 December if they are **business days**, or the next **business day** if they are not). **We** will invest this in **your** largest **investment** holding able to accept new payments on the relevant payment process date.

26. As different **funds** have different charges, the charges **you** are paying may change if **you** switch **funds**. **We** will not notify **you** of any change in charges that arise from **you** switching **funds**.

Ownership and custody of, and rights in, investments held

27. **You** will at all times remain the beneficial owner of the **investments** under **your Account**. However, all **investments** will be held by **us** or an appointed custodian for **your** benefit. Currently **we** have appointed Pershing Keen Nominees Limited to hold **investments** that relate to **wider market funds**.

28. **You** agree that the **investments** in **your Account** will be registered in the same name as those of other **Account** investors.

29. **Your Account** enables **you** to buy shares or units in a range of collective investment schemes, and **we** will hold those shares or units as **your** nominee. These investment schemes are operated and managed by external fund managers, and not by **us**. The fund managers are responsible for all investment decisions in respect of these schemes.

30. All certificates and other documents of title relating to the **investments** will be held by **us**, or **our** appointed custodian. **You** or **your** appointed agent may, on giving **us** reasonable notice, inspect vouchers and entries in **our** books (whether manual or electronic) relating solely to **your Account**. **We** keep these records for six years only. **We** reserve the right not to provide copies of the records to **you** if doing so would allow access to files containing records about other investors.

31. Unless **we** receive **your written instructions**, **we** will not exercise any of the voting rights attaching to the **investments** in **your Account**. If **we** receive at **our head office** a request **in writing**, **we** will arrange for **you** to attend shareholders', securities holders' or unit holders' meetings and exercise voting rights.

32. At **your written instruction**, **we** will arrange for **you** to receive a copy of the interim and annual reports and accounts of any **investments** in **your Account** and any other information issued to shareholders, securities holders or unit holders. On request **we** will supply copies of the prospectus or other information for any of the **investments** in **your Account**.

33. **We** reserve the right to make a charge to cover **our** reasonable administrative costs reasonably incurred in complying with paragraphs 30 to 32.

34. Unless **we** receive instructions from **you** to the contrary **we** may hold **investments** as shares or units in collective investment schemes representing schemes that have replaced an **investment** by way of merger, reconstruction, closure, conversion or otherwise. If **we** do, **we** will write to tell **you** and **you** may change **your investment** by a fund switch as set out at paragraph 22.

35. **We** will act as **your** agent in arranging to buy or sell medium-term notes linked to the **MTN Protected profits funds**. **We** accordingly acknowledge and confirm that **we** do not act as agent on behalf of the issuing institution its affiliates and directors.

Cash held

36. **We** will deposit any cash held in **your Account** in one or more client accounts in **our** name held with an approved bank or other authorised institution **we** nominate that is a UK or EU domiciled bank. Cash may arise from transfers, the sale of **investments**, tax credits, distributions and other rights or interests. **We** keep all client account money separate from the cash that belongs to **us**, and **we** keep any **investments** in **our** nominee account. If the approved bank or other authorised institution were to fail, this money would not be protected under the Financial Services Compensation Scheme.

37. **We** will not pay interest on any cash held in client accounts in **our** name.

38. If **you** instruct **us** to sell all or part of the **investments** but do not instruct **us** to buy new **investments,** or if **you** ask **us** to close **your Account** or ask for a partial withdrawal, then **we** will hold any sale proceeds in cash under paragraph 36 until **we** pay them to **you** under paragraphs 56 and 61 below.

Income distributions

39. If **you** invest in **investments** that provide income or interest distributions or both, **you** may ask **us** to pay them to **you** quarterly. If **you** choose this option, **you** cannot choose the regular withdrawal option. The dates on which **we** will process the payment (the 'payment process dates') are 10 March, 10 June, 10 September and 10 December if they are **business days**. If those dates are not **business days**, **we** will process the payment on the next **business day**. Payment will be made to **your** bank or building society account by direct credit as soon as reasonably practicable.

40. When **we** make a payment to **you**, it will consist of the net distributions credited to **your Account**, subject to paragraph 41. If **you** are invested in **our ISA**, **we** undertake to pay any amounts representing the tax credit as part of the income distribution. **You** agree that **we** will retain the amount of that tax credit when **we** later receive it from HM Revenue & Customs.

41. Any income payments **we** pay **you** will be after any deductions or charges due or payable under these terms and conditions and the **Regulations**. For the **Investment Account**, where HMRC rules require, income tax at the applicable rate may also be deducted.

42. If **your Account** is closed for any reason, the value of **your Account** will be paid to **you** in accordance with paragraph 61. **We** will make any payment of any residual money in **your Account** to you on the next payment process date after it closes. Residual money is income received from **your Investments** after **your Account** is closed.

43. There is a minimum payment amount of £1. If less than £1 becomes payable **we** reserve the right to retain it in accordance with paragraph 77.

Regular withdrawals

44. **You** can set up regular withdrawals at any time by asking **us in writing** and obtaining **our** written agreement. This option is not available if **you** are making regular monthly **subscriptions**, or if **you** have chosen the income distribution option.

45. **We** must receive **your written instructions** at least 10 **business days** before the first withdrawal is to be made. The minimum withdrawal **you** can take is currently £50 per withdrawal. **We** may change this minimum. If **we** do, **we** will notify **you** in accordance with paragraph 98.

46. **You** can take withdrawals proportionately across all **your funds**, or from one or a selection of **funds** that **you** have specified. If **you** don't select a preference, withdrawals will be made proportionately across all **your funds**.

47. **We** set a maximum amount for regular withdrawals. This is currently 7.5% of the value of **your Account** each year. However, if **you** set up regular withdrawals when **you** start **your Account**, **we** will initially allow up to a maximum of, currently, 7.5% of **your** payment to **us**. **We** may change this maximum limit, and if **we** do **we** will notify **you** in accordance with paragraph 98.

48. Regular withdrawals may be taken monthly, quarterly, four-monthly, half-yearly, or yearly, starting in any month. **Investments** in **your Account** will be sold to generate **your** withdrawals on the tenth day of the month, or if this is not a **business day**, on the previous **business day**. The **investment value** referred to in paragraph 49 will be calculated on the tenth day of the month or, if this is not a **business day**, on the previous **business day**.

49. If **you** choose to take withdrawals proportionately across all **funds**, **you** can take them as a percentage of the **investment value,** which will give a payment that fluctuates with the **investment value**, or as a monetary amount that will be based on **your investment** at outset and will result in a set payment. If **you** choose to take withdrawals from a specified **fund** or **funds**, **you** will need to inform **us** of the percentage or amount that **you** wish to withdraw from each **fund**.

50. If **you** ask to take a monetary amount, **you** can ask for it to automatically increase each year by a given percentage (up to a maximum of 10%), or in line with the **RPI** or **AWE** each year, as long as it does not exceed the limits explained in paragraph 47. The rate of increase will apply on the anniversary of **your** first regular withdrawal following the request for the automatic increase.

51. If **you** choose not to automatically increase regular withdrawals when **you** start **your Account**, **you** can do so at a later date by giving **us your written instructions**. If **you** no longer require **your** regular withdrawals to automatically increase, **you** can stop the automatic increase at any time by giving **us your written instructions**. **You** can change the rate of the increase applied to **your** regular withdrawals by giving **us your written instructions** detailing the change required.

52. **We** will pay regular withdrawals direct to **your** bank or building society account by direct credit as soon as reasonably practicable – usually within six **business days** of **your** chosen withdrawal date.

53. **You** may cancel regular withdrawals by telling **us in writing**. **We** may stop **your** regular withdrawals if **your Account** value falls below **our** current minimum of £2,000. **We** will write and tell **you** if regular withdrawals are stopped. **We** may change the minimum **Account** value. If **we** do, **we** will notify **you** in accordance with paragraph 98.

54. If **you** have chosen regular withdrawals from a specified **fund** or **funds** and the value of the **fund** or **funds** isn't enough to continue with the regular withdrawal, **we** will stop withdrawals from the **fund** affected. If this happens **we** will not take the withdrawal from another **fund** until **we** have received **your written instructions**.

Partial withdrawal

55. **You** can take a partial withdrawal from **your Account** in the form of a cash lump sum, but **you** must leave at least £2,000 in **your Account** unless **you** are making regular monthly **subscriptions**. If this minimum changes, **we** will notify **you** in accordance with paragraph 98.

56. **We** will sell **your** investments as soon as reasonably practicable, usually within two **business days** from the date **we** receive **your written instructions** at **our head office**. **We** will pay the proceeds to **you** as soon as reasonably practicable, usually within four **business days** following the sale of **your investments**.

57. **We** will either make these sales proportionately from each **fund** in **your Account**, or as **you** specify under paragraph 58.

58. **You** may specify **in writing** the amount or percentage to be taken from each **fund** in **your Account**.

59. The minimum partial withdrawal amount is £50. **We** may change this amount. If **we** do, **we** will notify **you** in accordance with paragraph 98.

60. **We** will pay the cash proceeds of any partial withdrawal by cheque or by any other method **we** agree with **you**, as soon as reasonably practicable, usually within the following four **business days**, less any deductions and charges due under these terms and conditions.

Closing your Account

61. **You** can close **your Account** by giving **us your written instructions** to do so. **We** will sell **your** investments as soon as reasonably practicable, usually within two **business days** from the date **we** receive **your written instructions** at **our head office**. **We** can make payment as either:

   a. the cash proceeds of **your investments**, or

   b. for the **ISA**, where appropriate, as a transfer of the cash proceeds to another ISA manager.

   We will pay the cash proceeds by cheque or by any other method **we** agree with **you**, as soon as reasonably practicable, usually within the following four **business days**, less any deductions and charges due under these terms and conditions or the **ISA Regulations**.

62. If any amount due to **your Account** is outstanding at the time **we** pay the cash proceeds under paragraph 61, **we** will collect those amounts as **we** receive them and hold them as cash in accordance with paragraphs 36 to 38. Once **we** have received the last outstanding amount **we** will pay the total cash to **you** or transfer it to another ISA manager, as appropriate, in accordance with paragraph 61.

63. On giving **you** at least 30 days' notice **in writing**, **we** may close **your ISA** if **we** stop being an authorised manager for any reason. **You** will have the option to transfer **your ISA** to another ISA manager or **we** can pay **you** the cash proceeds of **your ISA** in accordance with paragraph 61. **Your ISA** will close on the day specified in the notice and will be subject to deduction of any amounts and charges due under these terms and conditions. If **you** do not tell **us** that **you** would like **your ISA** transferred to another ISA manager, then **we** will send the cash proceeds to **you** by cheque within four **business days** of **your ISA** closing. The amount transferred or paid to **you** will be the value of the investments in **your ISA** at the date of closure.

64. **We** may close **your Account** where regular monthly **subscriptions** have stopped for more than a complete tax year (6 April to 5 April) and its value is below the current minimum level shown at paragraph 17. At **our** discretion **we** may also close **your Account** in accordance with paragraph 17 if its value falls below the minimum limit shown in paragraph 17. **We** will give **you** at least 30 days' written notice of this. **We** will pay the cash proceeds to **you** less any deductions and charges due and payable under these terms and conditions; or where requested for the **ISA**, **we** will transfer the cash proceeds to another ISA manager in accordance with paragraph 61. **We** are also entitled to close **your Account** if **we** find that any information in the declaration on **your** application is factually incorrect.

65. The closing of **your Account** for whatever reason will not affect:

   a. the completion of any incomplete transactions carried out as part of **your Account**

   b. any liabilities or obligations **you** have to **us** or **we** have to **you** before the date the **Account** is closed

   c. any amount that is rightfully and properly due from **you** to **us** or from **us** to **you** and becomes payable on the date the **Account** is closed.

Death

66. If **you** are a trust, corporate body, pension trustee or charity, or if the **Investment Account** has been transferred into trust, then paragraphs 67 to 71 do not apply.

67. Your **Account** will end when we receive notification of either:

    a. **your** death, or

    b. if **you** are a joint investor in the **Investment Account**, the death of the last surviving owner of the **Account**.

68. The investments in **your Account** will be sold as soon as reasonably practicable, usually within two business days from the date **we** receive notification of death at **our head office**. **We** will hold the proceeds as cash subject to paragraphs 36 to 38 and pay them to **your** legal personal representatives subject to receiving all documents and information that **we** reasonably request from your legal personal representative to ensure that the money is paid to the correct person. **We** will send details of what **we** need to **your** legal personal representatives when **we** receive notification of death.

69. The amount payable on death will be the value of **your Account** at the date investments are sold in accordance with paragraph 68.

70. An additional amount may be payable on death from the **Minimum Return Life Cover Plan you** have with **Zurich Assurance Ltd** in consideration for opening and maintaining **your Account**. **We** will liaise with them on **your** behalf to assess whether any benefit is due. If any benefit is due **we** will arrange for **Zurich Assurance Ltd** to make this payment to the correct person on **your** behalf and **we** will write to them enclosing payment with a breakdown of how the payment was calculated by **Zurich Assurance Ltd**.

71. These terms and conditions will be binding on your legal personal representative.

Communication with you

72. **We** will send **you** written confirmation of the following transactions when **you**:

    a. open **your Account**

    b. pay further **subscriptions** (except further regular monthly **subscriptions**)

    c. increase the amount of **your** regular monthly **subscriptions**, or make changes to the amount by which they are regularly increased

    d. switch any of **your investments**

    e. decide to take regular or partial withdrawals, or make changes to existing withdrawals

    f. decide to take distributions.

    We will also send **you**, or **your** legal personal representatives, written confirmation when **your Account** is closed.

73. **We** will send **you** a statement every six months showing the value of **your Account** and a summary of the transactions in **your Account** since the previous statement. The statement will not include any measurement of the **investment** performance of **your Account**. If **you** wish to find out more about the investment performance of **your Account**, then **you** should contact **your** adviser.

Charges

74. **We** will be entitled to make the charges detailed below for **our** services.

Sterling charges

a. Initial charge
We will make a charge, as shown in the **Key Features**, on any amount paid to **us** in respect of **your Account**. **We** will take this initial charge by selling **investments** in **your Account**, unless **we** have agreed to take the charge from **your** payment before any **investment** is made. **We** will not make this charge in respect of any reinvested distributions, nor if **you** switch between **investments**.

b. Yearly charge
We will take a yearly charge. This is taken in four instalments and is based on the **Accounts you** hold with **us** as at 10 March, 10 June, 10 September and 10 December. The charge is taken on the above dates (or if any of those days is not a **business day**, on the next **business day**) and is calculated separately on:

   i. The total value of all **your Investment Accounts** started before 1 February 2010 (unless the owner is a pension trustee, in which case the charge is on each separate **Investment Account** value)

   ii. The total value of all **your ISAs** started before 1 February 2010

   iii. The value of each **Account** started after 31 January 2010

   For example, if **you** held two **Investment Accounts** and one **ISA** all starting before 1 February 2010, **you** would pay two yearly charges. **We** would apply one yearly charge for the total value of the **Investment Accounts** (spread across both) and **we** would apply one yearly charge separately to **your ISA**.

   Each yearly charge is 0.5% (plus VAT) of **your** total **Account** value as described in paragraph 74b i and ii. The minimum charge is £25 (plus VAT) each year. The maximum charge is described in the **Key Features** and increases in line with **AWE** in December each year. If there is no increase in **AWE**, there will be no change in the maximum charge. **We** will use the **AWE** calculated for each 12 month period ending on 31 July each year. **We** will always round down to the nearest penny that is divisible by four.

   We will tell **you** about any changes to this charge in the statements you receive in April and October each year or **you** can get details of the current maximum charge from **your** adviser, or by contacting **us** directly.

c. Extra yearly charge
Certain **Sterling panel funds** have an extra yearly charge in addition to the charge in paragraph 74b. **You** can find details of these **funds** in the **Sterling charges summary**. The charge is taken in four instalments and is made on the value of each of these **funds** held under the **ISA** or **Investment Accounts you** hold with **us** as at 10 March, 10 June, 10 September and 10 December, and is taken on those days. If any of those days is not a **business day**, **we** will take the charge on the next **business day**.

   All **wider market funds** have an extra yearly charge in addition to the charge in paragraph 74b. The majority have a 0.3% (plus VAT) extra yearly charge, although on some **funds** it may be up to 0.8% (plus VAT).

   You can find details of these charges in the **Sterling charges summary**.

75. **We** will take the charges explained in paragraph 74b and c, and/or any tax or other deduction **we** must pay or repay in connection with **your Account**, and any administration charge **we** might make under paragraphs 30 to 32, from any cash held under paragraphs 36 to 38. Alternatively, or if this is not enough to cover these charges, **we** will sell **investments** in **your Account** to raise the required amount. **We** will make the sale from the largest **investment** (measured by its **investment value**) in **your Account**. If that is not enough, **we** will raise the rest by selling the next largest **investment** and so on until all charges are met. If this takes the value of **your Account** below the minimum stated in paragraph 17, **we** reserve the right, on giving **you** written notice, to sell **your investments** and hold it as cash in **your Account** in accordance with paragraphs 36 to 38. **We** also reserve the right to sell units or shares from **investments** on a different basis to that described in this paragraph, on giving **you** written notice, if **we** decide that this would reduce the costs of the sale. **We** will report any such transaction to **you** in the statements described in paragraph 73.

76. **We** may increase the Sterling charges or introduce new Sterling charges to the extent that any increase or new charge is reasonable in amount and proportionately and reasonably required for any of the following reasons:

    a. To allow **us** to look after **your Account** more effectively, or to reflect changes in technology and industry practice.

    b. To take account of a decision by a court, governmental body, ombudsman, regulator, industry body or similar body; or because of changes to, or to comply with, the law, taxation, official guidance, codes of practice or the way **we** are regulated or the amount of capital **we** need to hold.

    c. To take account of changes to levies or charges imposed by law or under the Financial Services Compensation Scheme or by the **FSA** (unless we are expressly prohibited from passing these onto our customers).

    We will let **you** know **in writing** about any changes to the charges in accordance with paragraph 98.

77. If less than £1 becomes payable to **you**, **we** reserve the right to retain it and treat it as an additional miscellaneous charge. **We** reserve the right to increase this limit in the future. If **we** do, **we** will notify **you** in accordance with paragraph 98.

Fund managers' charge

78. The fund managers' charges together with the fund expenses are shown in the **Sterling charges summary** for **Sterling panel funds** and for **wider market funds**. The amount of charges and any changes to them are decided by the fund manager. These charges may be increased or reduced without prior notice and **we** will notify **you** of any such change for **Sterling panel funds** as soon as **we** reasonably can after the date of the change. **We** only provide access to **wider market funds** and **we** will not notify **you** of changes to the charges on **wider market funds**. A copy of the latest **Sterling charges summary** is available from **your** adviser or directly from **us**.

    Some **funds** invest in a mix of underlying funds and other investments, which the fund manager alters in accordance with the **fund's** investment objectives. As fund charges include the aggregate of the underlying fund charges, the total of the underlying fund charges will vary with changes to the investment mix. **We** will not inform **you** of such changes to the charges that arise from the fund manager's decision to change the investment mix.

    These charges apply in addition to the charges described in paragraphs 74 to 75.

Exercise of due care

79. In these terms and conditions, where **we** can use **our** discretion, make a decision, require information or evidence or use **our** judgement, then **we** will do so acting reasonably, proportionately and fairly and in accordance with law and regulation.

80. **We** will exercise due care and diligence in managing **your Account**. However, the value of **your Account** may increase or decrease depending on the performance of **your** chosen **funds** in the relevant market or any currency fluctuations that are outside **our** control. **We** will not be liable to **you** for any costs, claims, demands, losses, or expenses suffered by, or arising from, a decrease in value of **your Account**.

81. **We** have processes in place that ensure **our** business is conducted lawfully and with integrity, in line with current legislation. **We** make every effort to avoid conflicts of interest. However, where they do arise, **we** make sure they are fully disclosed in line with **our** 'conflicts of interest' policy, which is available on request.

82. **We** will act on **your** instructions, or instructions that **we** reasonably believe have come from **you**. If those instructions are unclear or conflict, **we** will seek clarification before **we** act on them. **We** will not be liable to **you** for any losses arising from any breach of these terms or conditions by **you**, or by **us** acting on such instructions.

Notices

83. Any notice, instruction or other communication given, or to be given, by **us** will be valid if posted to **you** at the address shown in the application for **your Account** or the last address **you** notified to **us**. It will be treated as received by **you** at the address notified to **us** if sent by post. **We** will not be responsible for any consequences arising from any failure by **you** to notify **us** of any change of address.

84. Any instructions or notices required from **you** under these terms and conditions must be made **in writing** and must bear **your** original signature. Instructions by fax or by telephone or email will not be acceptable. **We** will accept **your written instructions** only if they are accompanied by any documents **we** may reasonably require. **We** will not treat any instructions from **you** as received by **us** until **we** actually receive them at **our head office**.

Fund reclassification and discontinuance

85. From time to time **we** may decide that:

    a. certain **Sterling panel funds** will no longer be made available to **you** as **Sterling panel funds** and may instead be made available to **you** as **wider market funds**, or

    b. certain **wider market funds** will no longer be made available to **you** as **wider market funds** and may instead be made available to **you** as **Sterling panel funds**, or

    c. certain **Sterling panel funds** and/or **wider market funds** will no longer be made available to **you** for either new or current **investments**, or both.

86. If **we** decide that a **fund** is no longer available to **you** in accordance with 85c, **we** will write to **you** to ask for **your** instructions. **We** will only write to **you** if **you** hold **investments** in the relevant **fund** and **our** decision requires **you** to select a new **fund**, or **you** are making regular **subscriptions** and **our** decision requires **you** to select a new **fund** for **your** continuing regular **subscriptions**. If **we** do not hear from **you** within a reasonable time, or if it is not practical for **us** to write to **you** in advance, **we** will switch your current **investment** to, or buy new **investments** with **your** continuing regular **subscriptions** in, another **fund** selected by **us**. This is currently the Threadneedle Defensive fund. **You** will then be able to switch to another **fund** at a later date and **we** will not make a charge for these switches. For **funds** invested in the **Investment Account** the switches will be disposals for capital gains tax purposes and may affect **your** tax liability.

87. After any switches made as a result of paragraph 85c under paragraph 86, **you** can switch into any **Sterling panel fund,** or **funds,** or **wider market fund** or **funds** subject to the terms and conditions that then apply to switching. For **funds** invested in the **Investment Account** any switch by **us** under paragraph 86, and any subsequent switch by **you** to another **fund** or **funds** of **your** choice, will count as a disposal for capital gains tax purposes and may affect **your** tax liability.

88. **We** refer to the process described in paragraph 85a and b as 'reclassification'. If **you** have invested in a **fund** that **we** later reclassify as set out in paragraph 85a **we** will write to **you**. **We** will give **you** a date by which **you** will need to tell **us in writing** if **you** wish to switch from the reclassified **fund** to an alternative **fund**. This can be either a **Sterling panel fund** or a **wider market fund** or both. **We** will not make a charge for this switch. For **funds** invested in the **Investment Account** any switch made to another **fund** or **funds** will count as a disposal for capital gains tax purposes and may affect **your** tax liability**.** If **we** do not receive **your written instructions** by the specified date, **your investment** will remain in the reclassified **fund** and **we** will take no further action.

If **you** have invested in a **fund** that **we** later reclassify as set out in paragraph 85b, **your investment** will remain in the reclassified **fund**.

89. 'Reclassification' of a **fund** will result in an alteration to the Sterling charges in respect of **your investment** in the reclassified **fund.** When **we** write to notify **you** about the reclassification **we** will also tell **you** about any alterations to the Sterling charges. **We** will also tell **you** about these changes in the statements described in paragraph 73.

90. From time to time the underlying medium-term notes linked to a **MTN Protected profits fund** may be changed by the issuing institution. If the issuing institution withdraws the underlying security linked to a **MTN Protected profits fund, we** will switch **your investment** in that **fund** to another **fund** selected by **us** currently the Threadneedle Defensive fund without giving **you** notice. **We** will then write to **you** to give **you** the opportunity to switch **your investment** from that **fund** to another **fund** or **funds** of **your** choice from the range of **Sterling panel funds** or **wider market funds**. **We** will hold any corporate investments as cash. **We** will not make a charge for these switches. For **funds** invested in the **Investment Account** any such switch will count as a disposal for capital gains tax purposes and may affect **your** tax liability.

Taxation

91. These terms and conditions are based on **our** understanding of current United Kingdom law and HM Revenue & Customs practice. Taxation law and HM Revenue & Customs practice may change from time to time and such changes cannot be foreseen. If there is any change in law and taxation (or in **our** interpretation or understanding of such matters) or otherwise that makes it impracticable or impossible to carry out these terms and conditions, **we** reserve the right to vary them in accordance with paragraphs 97 to 98. **We** will inform you of any such change at the first practicable opportunity.

The **Account** is designed for customers who are resident in the United Kingdom. **We** do not offer tax advice so, if **you** decide to live outside the United Kingdom, **we** recommend **you** obtain advice on the tax consequences of changing **your** country of residence in relation to **your** Account. **We** will not be held liable for any adverse tax consequences that arise in respect of you or your account as a result of such a change in residence.

European Monetary Union

92. It may be that the euro will replace the pound sterling as a result of the United Kingdom's participation in Economic and Monetary Union within the European Union. If so, the **Account** will continue subject to any necessary changes brought about by using the euro to state the denomination of its benefits, charges and terms.

Third-party rights

93. Only **you** can enforce the terms of **your Account**, unless **you** die during the term of this **Account**, in which case the person managing **your** affairs or who is entitled to benefit from this **Account** can also enforce its terms and conditions. **We** exclude the rights of any other persons under the Contracts (Rights of Third Parties) Act 1999.

Complaints

94. **We** are regulated and bound by the **FSA** rules. **We** are authorised to deal and arrange **investments** in collective investment schemes and shares and to act as an ISA manager. If **you** are dissatisfied with the service **you** receive from **us**, **you** should contact **us** at **our head office**.

95. If **you** are dissatisfied with the way **we** deal with **your** complaint and wish to take the matter further, **you** can refer **your** complaint to the Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR. Making a complaint will not affect **your** right to take legal proceedings. English law governs these terms and conditions.

96. **We** are covered by the Financial Services Compensation Scheme, details of which can be found in the **Key Features**.

Variation of these terms and conditions

97. These terms and conditions, and **your** investment schedule set out the terms and conditions of **your Account**. Changes or additions to the terms and conditions can only be made by **us** and we will confirm these changes **in writing** from **our head office**. **Your** adviser is not authorised by **us** to agree any changes or additions to these terms and conditions.

98. **We** may alter the terms and conditions of **your Account** (including your payments and benefits) to the extent that the change is proportionately and reasonably required for any of the following reasons:

a. To allow **us** to look after **your Account** more efficiently or effectively, or to reflect changes in technology and industry practice.

b. To take account of a decision by a court, governmental body, ombudsman, regulator or similar body, or because of changes to, or to comply with, the law, taxation, official guidance, applicable codes of practice or the way in which **we** are regulated or the amount of capital **we** need to hold.

c. If in **our** reasonable opinion **we** are at material risk of becoming insolvent and this may be avoided by changing the terms and conditions of **your Account** and those of other **Account** holders with similar **Accounts** and the changes are in the interests of **our Account** holders as a whole.

We will let **you** know in writing about any changes to these terms and conditions at least 30 days before the change, where this is reasonably possible. Otherwise **we** will let **you** know as soon as **we** reasonably can.

Your responsibilities

99. **You** are responsible for:

a. providing **us** with accurate and complete information, including all material facts, when reasonably requested by **us**. A material fact is one that a reasonable person would consider to be relevant to **us** when **we** are considering whether to enter into this **Account** with **you**, whether to agree to any changes to the **Account**, and the level of **your subscription**

b. contacting **us** if **your** name or address change. Please contact **us** as soon as possible about this, otherwise **we** may send confidential information about **you** and **your Account** to **your** old address.

c. telling **us** where **you** plan to move to another country outside the UK and change in **your** residency whilst **you** have an **Account** with **us** prior to such change becoming effective.

d. keeping secret and safe any passwords and documents about **your Account**. **You** must also contact **us** straight away if **you** know about or suspect identity theft

e. regularly reviewing **your Account** and its benefits, including **your** choice of **investments**, and whether they remain appropriate for **you**. **You** may need to seek advice from an adviser about this.

100. **Moving abroad**

If **you** move to another country outside the UK when **you** have an **Account** with **us**, **your Account** may no longer be suitable for **your** individual needs. The local laws and regulations of the jurisdiction to which **you** move may impact **our** ability to continue to service **your Account** in accordance with these terms and conditions. **You** must tell **us** of any change in **your** residency whilst you have an **Account** with **us** prior to such change becoming effective.

If **you** subsequently move abroad and change **your** residency to a jurisdiction in which the local laws and regulations prevent **us** from servicing your **Account** in accordance with **your** instructions, **we** will not be liable to **you** for any failure on **our** part to process such instructions. **We** also reserve the right in such circumstances to close **your Account**, if in **our** reasonable opinion, the local laws and regulations of **your** new country of residence materially prevent **us** from servicing **your Account** in accordance with **our** obligations under these terms and conditions.

Investment Account: specific information

Eligibility

101. To open an **Account you** must either:

a. be an individual aged between 18 and 79 inclusive. This applies to the youngest **Account** holder in the case of joint **Accounts**, or

b. be a registered UK company, trustee, pension trustee or charity.

In addition, no **Account** holder must be a resident in, or a citizen of, the United States of America.

Companies and charities can only invest in the Multimanager Protected Profits fund and/or the Tracker Protected Profits fund unless the **Account** started before 15 January 2007 in which case the Threadneedle Protected Profits fund is also available.

Minimum subscriptions

102. The first single payment into **your Account** must be at least £5,000. Any single payments **you** make after that must be at least £1,000.

103. **You** must make a minimum monthly payment of £250, or £50 a month if **you** also make a single payment. Any increase to **your** monthly payment must be at least £25. If **you** stop making payments before **you** reach the minimum of £5,000, **we** reserve the right to close **your Account** and send **you** the proceeds as detailed in paragraph 61.

Investing in your Account

104. **You** can choose to increase **your** regular monthly **subscription** each year:

a. in line with any increase in the **RPI**, or

b. in line with any increase in the **AWE,** or

c. by a fixed percentage increase, from a minimum of 1% up to a maximum of 20% each year.

You can ask **us** to automatically increase **your subscription** at the start of **your Account** or at a later date **in writing** to **us**. **We** will apply **your** chosen rate of increase in January each year. For fully completed applications or requests received after 15 November **we** will apply the increase in January of the following year. For example, for an application received on 14 November 2011, **we** will apply the increase in January 2012 and for an application received on 17 November 2011 **we** will apply the increase in January 2013.

Phased investment facility

105. If **you** have chosen the phased investment facility, **we** will initially allocate the whole of **your** lump sum **subscription** to a 'money market' **fund**. **You** can find details of what a 'money market' fund is, and which **fund we** currently use, in the **Sterling panel funds guide**. This **fund** may change from time to time. Each month, **we** will then switch a fraction of the **funds** bought with this **subscription**, as specified in paragraph 108, to the **fund** or **funds** of **your** choice over a specified switch period. Once **you** have started phased investment, the 'money market' **fund** will stay the same throughout that phased investment period. **You** must specify **your** choice of **funds** on **your** application. **You** cannot change the **funds you** have chosen to switch into during the phased investment period.

106. Switching will take place on the same date each month and **we** will set this. Switching counts as a disposal for capital gains tax purposes and may affect your tax liability.

107. The specified switch period referred to in paragraph 105 can be between 3 and 12 months. **You** must indicate the switch period on **your** application. If **you** do not, **your subscription** will be switched over a six-month period.

108. The fraction of the **subscription** referred to in paragraph 105 will depend on the switch period. For example, if **you** have chosen a switch period of nine months, **we** will switch a ninth of the **investments** bought by **your subscription** for the first eight months. In the final month **we** will switch all **investments** remaining in the 'money market' **fund**.

109. **You** can set up a new phased investment strategy for any additional **subscriptions**.

110. **You** can cancel phased investment by giving **us written instructions**. Any **subscription** remaining in the 'money market' fund will be switched to the **fund** or **funds** that **you** have specified on **your** application as soon as reasonably practicable and usually within two **business days**.

111. Once cancelled, a phased investment strategy cannot be restarted.

Death

112. If **your Account** is held in joint names, the amount in paragraphs 69 and 70, as applicable, will be paid to the legal personal representatives of the last owner to die (provided they give **us** satisfactory evidence of their position, such as a grant of representation).

113. If **you** are a trust, corporate body, pension trustee or charity, or if the **Investment Account** has been transferred into trust, paragraphs 67 to 71 do not apply and the **Account** will continue.

Communication with you

114. Each year **we** will send **you** a tax voucher giving **you** the information **you** need to complete **your** self-assessment tax return. If the **Account** is held in trust, **we** will send all correspondence and notifications to the first-named trustee. However, any action necessary as a result of that correspondence or notification may take place only with the agreement of all the trustees.

Notices

115. If the **Account** is in joint names, **we** will only accept **written instructions** that bear all **your** signatures.

Taxation

116. Certain actions, for example fund switches, regular or partial withdrawals from the **Account** or closure of the **Account** may give rise to a liability to capital gains tax on any gain made. This will depend on **your** individual circumstances so **you** should seek advice from an authorised adviser.

Re-registration

117. If **you** ask, **we** will take reasonable steps to facilitate the **re-registration** of **your** units in a unit trust or shares in an open-ended investment company with **us**. However, **you** are responsible for getting the consent and cooperation of **your** original account manager, where relevant.

118. **We** will not be liable for any charge made by **your** original account manager. **We** reserve the right to charge a reasonable fee for the **re-registration**.

119. **You** cannot **re-register** funds to Sterling ISA Managers Limited, or a third party acting on **our** behalf, if **you** are investing as a registered UK company or charity.

120. **We** can only **re-register funds** listed in the latest **Sterling charges summary**, which are held in an individual or individuals' name(s). **We** cannot **re-register funds** to another account manager.

121. Paragraphs 44 to 54 will not apply to **funds re-registered** to **us** until the **re-registration** process has been completed.

122. **We** currently don't charge for re-registration and there is no initial charge on the value of **your** re-registered funds. However, some **fund** managers may charge a fee to cover their administration costs. Once **your investments** are re-registered with **us** your **Account** will have the same ongoing charges as detailed in the latest **Sterling charges summary.**

ISA: specific information

Our agreement with you

123. **You** authorise **us** to provide HM Revenue & Customs with all relevant details of **your Account** and the **investments**. In addition **you** authorise **us** to act on **your** behalf in respect of **your Account** in making any necessary claims and appeals, and agreeing any liabilities for, and relief from, tax.

124. If, between 9 March and 5 April, **you** send **us** more than the maximum payment, **we** will invest the maximum **subscription** subject to paragraphs 11 and 12 and hold the rest in **our** client money account in accordance with paragraphs 36 to 38. As soon as reasonably practicable after the start of the following tax year, **we** will invest the remaining **subscription** in accordance with paragraph 19 up to the maximum allowable for that tax year and return any excess to **you**. If **you** send **us** more than the maximum payment at any other time, **we** will invest the maximum **subscription** subject to paragraphs 11 and 12, and return the excess to **you**.

Eligibility

125. To open an **Account you** must be aged between 18 and 79 inclusive, and resident or ordinarily resident in the United Kingdom for tax purposes.

Minimum subscriptions

126. The first single payment into your account must be at least £3,000. Any single payments you make after that must be at least £1,000.

127. **You** must make minimum monthly payments of £100, or £50 a month if **you** also make a single payment. Any increase to **your** monthly payment must be at least £25. If **you** stop making payments before **you** reach the minimum of £3,000, **we** reserve the right to close **your Account** and send **you** the proceeds as detailed in paragraph 61.

Opening your Sterling ISA

128. The maximum **subscriptions** to a Sterling **ISA** are governed by the **ISA Regulations** and are described in the **Key Features**.

Ownership and custody of, and rights in, investments held

129. **You** agree that **investments** must not be used as security for a loan. **We** agree not to borrow against the security of **your Account**.

Transfer of existing subscriptions

130. Subject to the **ISA Regulations**, **you** may request that **we** transfer **your** current and/or previous tax year's **subscriptions** to another ISA manager able and willing to accept them.

131. The amount transferred will be the amounts attributable to previous tax years' **subscriptions** and the **subscriptions** made in the current tax year up to the date of the transfer. This value may be more or less than the amount of **your subscriptions**. **We** will sell the appropriate amount of **your investments** to meet this payment four **business days** before making the transfer. If **you** do not specify when **you** wish the transfer to be made, **we** will sell **your investments** as soon as reasonably practicable, usually within four **business days** after **we** have received **your written instructions**. **We** will make the transfer as soon as reasonably practicable, usually within the following four **business days** after selling **your investments**. **You** may choose a specific date that **you** wish **us** to make payment. This can be between 6 and 30 days from the date **we** receive **your written instructions**.

HM Revenue & Customs rules currently allow **you** to transfer all or part of a previous tax year's **subscriptions**, but the current tax year's **subscriptions** can only be transferred in full. **Your ISA** cannot be transferred to a cash **ISA**.

Fund eligibility

132. If **you** are invested in a fund that subsequently becomes ineligible under the **ISA Regulations**, **we** will switch **your investment** to another **fund** selected by **us**, currently the Threadneedle Defensive fund. After **we** have switched **your investment, we** will write to **you** to ask for **your** instructions.

Closing your Account

133. **We** will close **your Account** immediately if HM Revenue & Customs informs **us** that **your Account** is void under the **ISA Regulations**. **We** will make any deductions from the value of the **Account** as are required by HM Revenue & Customs and for any charges outstanding. **We** will notify **you in writing**, as soon as reasonably practicable, of any failure to satisfy the **Regulations** that has caused, or will cause, **your Account** to become void. **You** can find out more by contacting HM Revenue & Customs.

Death

134. **Your Account** will stop being exempt from tax from the date of **your** death. As a result, any distributions received after the date of **your** death will not qualify for tax reclaims or relief under the **ISA Regulations**.

135. If **we** have paid a tax credit in respect of any distribution payable after the date of **your** death, **we** will deduct that amount from the cash proceeds referred to in paragraphs 69 and 70, as applicable.

Appendix A

Data Protection Statement

This statement applies to your Sterling ISA, Investment Account and/or Minimum Return Life Cover Plan. It tells you why we ask you questions, what we do with the information you give us and how we protect your privacy. It also explains your rights under the Data Protection Act 1998. 'We, us, our' for the purpose of this statement means Sterling ISA Managers Limited and/or Zurich Assurance Ltd.

Why do you ask me questions?

We offer solutions to help you secure your financial future and that of your dependants. To do this effectively, we need to know details about you and your personal situation. This helps us to recommend and design solutions which are right for you. Sometimes we have to collect and hold information about you which is very private.

We'd like you to be a lifetime customer, which means we need to earn your trust. You can be sure we'll keep your personal information confidential and use it with care. We'll only share it, with your consent, in the ways we've explained in this statement or if the law or our regulator says we have to.

How will you protect my privacy?

We are committed to making sure we protect your privacy. This means we will:

- collect relevant information about you fairly
- only collect information about you that we need
- tell you why we're collecting it and how we'll be using it
- use it only for our business operations and to comply with the law
- make sure that the information we collect and hold about you is accurate
- hold it only for so long as is necessary
- keep it secure
- make sure the companies we work with will also keep your information secure
- not send it abroad without ensuring its security
- make sure that you can exercise your rights under the Data Protection Act.

Who controls my personal information?

Under the Data Protection Act 1998, we have to tell you who's responsible for deciding how your personal information is used.

This statement tells you how we will deal with your personal information. Where we introduce you to a company, that company will tell you how your data will be used. Sterling ISA Managers Limited and Zurich Assurance Ltd are data controllers for administration purposes.

How do you use my information?

We or any third parties we appoint use your information in several ways but to summarise these are:

- to help us maintain appropriate products and services
- to send your information, to carefully selected third parties who may carry out work on our behalf and under our direction. This includes Capita Life and Pensions Regulatory Services Limited. Some of these third parties may include companies outside the European Economic Area
- to deal with administration and claims
- to contact you with details of changes to products you have bought
- for business analysis, research and testing to ensure the integrity of our systems
- to comply with the law or our regulator's requirements, which may include sharing your information with the regulator
- to identify you when you contact us.

Who shares my information?

The information you give us will be added to any other details the Zurich Group holds about you. Members of the Zurich Group and the companies associated with it may share your information with each other to:

- set up and administer your account correctly
- administer claims
- make sure we give you a high standard of service
- understand your needs and preferences
- design new products and services which we think will appeal to you and people like you.

Preventing fraud

To help us prevent fraud and money laundering, your details may be passed to other companies, public bodies including the police, or to an insurers' database. Insurance companies can search databases for any relevant information about you which has been put on the database by other insurers. On rare occasions we may share information about you directly with other insurance companies outside the Zurich group. You can ask for more information about the databases that we access or contribute to.

Keeping in touch

We may ask tracing agencies to help find you if you do not tell us when you move. If we can't contact you, we may pass sufficient details to the Unclaimed Asset Register to help you trace your account if you subsequently search the register. We might also use a credit reference agency. If we do this our search won't affect you getting credit.

Your details may have to be passed to another adviser if for example, your adviser is ill, stops being your adviser or you need advice in an area your usual adviser doesn't work in.

What are my data protection rights?

You have certain rights under the Data Protection Act 1998. These include the right to:

- ask for a copy of the information we hold about you. The charge is currently £10
- stop organisations from sending you marketing material about products and services
- have information that is wrong, put right
- prevent processing where it may cause damage or distress
- object to automatic processing
- claim compensation for damage and distress caused by our failure to comply with the terms of the Act.

How to contact us

If you want more information about how we use your personal information or have any data protection questions or complaints, please contact:

The Data Protection Manager
UK Life Centre, Station Road, Swindon SN1 1EL

Other information

Where we talk about the Zurich Group we mean Zurich Financial Services Limited and its subsidiaries. In line with the Association of British Insurers' (ABI) Code of Practice, the Zurich Group has policies to ensure we keep your confidential personal information securely. You can ask us for a copy of the ABI code.

We may record telephone calls so we can check we've acted on your instructions correctly and to ensure we give good service. We may also monitor calls for security and training purposes.

Information Commissioner's Office

The office of the Information Commissioner is the government appointed office with responsibility for data protection. They can assist with any complaints or questions you may have. They can be contacted on 01625 545740 or online at ico.gov.uk

We'd like everyone to find it easy to deal with us. Please let us know if you need information about our plans and services in a different format.

All our literature is available in large print or braille, or on audiotape or CD.

If you are a textphone user, we can answer any questions you have through a Typetalk operator. Please call us on **18001 0870 909 6010**. Or, if you prefer, we can introduce your adviser to a sign language interpreter.

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