

STERLING FUND PANEL AND DEATH BENEFITS LIFE COVER

Additional Terms

These additional terms form part of the Scottish Widows Platform Client Terms & Conditions, and are only applicable for Sterling Fund Panel and Death Benefits Life Cover accounts previously held under the Sterling Individual Savings Account and Sterling Investment Account products. If there is any inconsistency or conflict between the Scottish Widows Platform Client Terms & Conditions and these additional terms, these additional terms shall prevail.

Definitions

In these additional terms, the following words and expressions have the meaning set out below:

EISL means Embark Investment Services Limited.

Investment Account means the Sterling Investment Account previously held with SIML but now held and managed by Scottish Widows Platform in the Scottish Widows GIA.

Death Benefits Life Cover means, where applicable, either the Minimum Return Life Cover Plan or the Premium Return on Death Cover.

Minimum Return Life Cover Plan means 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.

Premium Return on Death Cover means the cover in connection with the Investment Accounts opened on or before 28 April 2011.

SIML means Sterling ISA Managers Limited.

In the event of Death

Please note the activities outlined below, in paragraphs 1 to 7, including the calculation and payment of cover are administered by EISL.

- 1 If you are a trust, corporate body, pension trustee or charity, or if the Investment Account has been transferred into trust, then paragraphs 2 to 6 do not apply.
- 2 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.
- 3 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, in Dundee.

We will hold the proceeds as cash subject to our Terms and Conditions and pay them to your legal representatives subject to receiving all documents and information that we reasonably request from your legal representatives to ensure that the money is paid correctly. We will send details of what we need to your legal representatives when we receive notification of death. All payments made by EISL under this benefit are due and payable to the client from EISL.

4 The amount payable on death will depend on when your Account started:

- a) For Accounts starting before 15 January 2007 where no further lump sum or increase to regular monthly subscriptions is made after 31 January 2010, or where death occurs less than ten years following the first lump sum or increase to regular monthly subscriptions made after 31 January 2010, the amount payable on death will be the greater of:
- i. payments made to your Account reduced by any withdrawals taken, funds re-registered and income payments we have made, and
 - ii. the value of your Account at the date investments are sold, in accordance with paragraph 3.
- b) For Accounts starting before 15 January 2007 where death occurs more than ten years following the first lump sum or increase to regular monthly subscriptions made after 31 January 2010, the amount payable on death will be:

- i. the value of your Account at the date investments are sold (see paragraph 3) that is allocated to lump sum and increases to regular monthly subscriptions made to your Account after 31 January 2010 plus the greater of:
- ii. the remaining value of your Account at the date investments are sold in accordance with paragraph 3, and
- iii. the value of the payments made to your Account, excluding any lump sum or increases to regular monthly subscriptions made after 31 January 2010, reduced by any withdrawals taken, funds re-registered and income payments we have made that are allocated to those payments.

By 'increases to regular monthly subscriptions' we mean the amount above the regular monthly subscription you paid in January 2010.

To enable us to calculate the values in 4b, we divide your Account into two parts, as covered in paragraph 5.

- c) Where your Account started before 1 January 2003, payments are reduced by any withdrawals taken or funds re-registered but not by any income we have paid.
- d) For Accounts starting on or after 15 January 2007 the amount payable on death before the tenth anniversary of the initial payment will be the greater of:
- i. payments made to your Account reduced by any withdrawals taken, funds re-registered and income payments we have made, and
 - ii. the value of your Account at the date investments are sold, in accordance with paragraph 3.

The amount payable on death after the tenth anniversary of the initial subscription will be the value of your Account at the date investments are sold in accordance with paragraph 3.

We will deduct from the amount payable any outstanding charges accrued up to the date investments are sold.

5 To calculate the minimum return on death for Accounts started before 15 January 2007 we divide the Account into two parts. The first part has a minimum return on death for as long as you keep the Account. The second part has a minimum return on death for ten years from the date the first additional subscription is paid into the Account after 31 January 2010. An 'additional subscription' is a lump sum or an increase to your regular monthly subscriptions.

We calculate the proportion allocated to each part when a subscription is made. It is based on the increase in the value of the Account resulting from the subscription.

For example, a lump sum subscription is paid to an Account after 31 January 2010. The subscription increases the Account value from £7,000 to £10,000 on the day it is paid. The Account is divided 70% to the first part (with a minimum return on death for as long as the Account is held) and 30% to the second part (with a minimum return on death for ten years).

Regular monthly subscriptions are similarly divided between each part of the Account.

Building on the earlier example, regular monthly subscriptions are also increased from £150 to £250 at the same time. The first regular monthly subscription of £250 increases the value of the Account by £240 after charges and is divided between each part of the Account:

$$\frac{\pounds 150}{\pounds 250} \times \pounds 240 = \pounds 144 \text{ to the first part}$$

The remaining £96 to the second part

The total value of the Account is now £10,240. The value allocated to the first part is £7,144 (69.766%) and to the second part £3,096 (30.234%).

We do the calculations to three decimal places and the division applies until the next subscription is made, when we make a new calculation.

The minimum return on death is the subscriptions less withdrawals, re-registered funds and income payments (where the Account was started after 1 January 2003). We allocate withdrawals, re-registered funds and income payments to the subscriptions based on the division of the Account at the time of the withdrawal or income payment.

For example, if the Account is divided 80% and 20% at the time a withdrawal is made, we allocate 80% of the withdrawal to the subscriptions in the first part and 20% to the subscriptions in the second part.

6 Merged ISAs

If you had multiple Sterling ISAs you may have a single reference for those accounts after 24 January 2022. However, when calculating the amount payable on death, we will continue to consider them separately. To do this, we will allocate a portion of the combined account to each of the original ISAs.

Any further payments made to your combined account will be allocated to whichever former Sterling ISA had the last 10 year end date.

- 7 For accounts that started before 29th April 2011 you acknowledge that the Premium Return on Death Cover is not a contract of insurance for legal or regulatory purposes. Investment Accounts opened after 28 April 2011, 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 that person enclosing payment with a breakdown of how the payment was calculated by Zurich Assurance Ltd.
- 8 These terms and conditions will be binding on your legal personal representative.

Sterling Fund Panel

Sterling Panel funds is a list of Investments to which we apply our governance process and which are listed in the Sterling panel funds guide. We may add or remove funds from time to time. The Sterling panel funds guide is a document that gives the objectives, risks, and distribution dates of the Sterling panel funds. You can obtain the Sterling panel funds guide online or by speaking to your Financial Adviser.

- 9 From time to time we may, acting reasonably, decide that certain Sterling panel funds will no longer be listed within the Sterling panel funds guide, this does not limit us being able to offer them to you as wider market funds.
- 10 If we decide that a fund is no longer to be listed in the Sterling panel funds guide, we will communicate with you to inform you of the changes. We will only communicate with you if you hold investments in the relevant fund, or you are making regular subscriptions to the fund.
- 11 You or your Financial Adviser will need to provide us with instructions in relation to your holdings in a fund or any on-going subscriptions in a fund should we decide that a fund is no longer to be listed on the Sterling fund panel. We will not take any action on any holdings in a fund or ongoing subscription without your or your Financial Advisers instruction.
- 12 We will follow the process outlined in the Scottish Widows Platform Terms and Conditions if the Fund Manager informs us of a Corporate Action on a fund.



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