

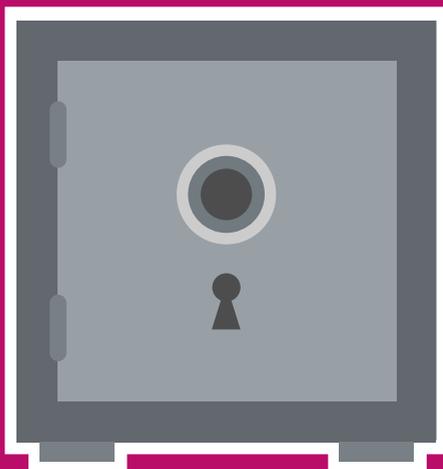
The saving plan's key features

Important info you need to read

Before applying for the Tax Exempt Savings Plan, please read the Key Features, which you'll find on the next few pages.

The Key Features explain how the plan works, its aims, terms and conditions and will help you decide if it's suitable for you. It also includes information on bonuses and how we aim to grow your money.

This section is full of really important information and will hopefully answer any questions you might have.



The Key Features of the Tax Exempt Savings Plan

The Financial Conduct Authority (FCA) is a financial services regulator. It requires us, Foresters Friendly Society, to give you this important information to help you to decide whether our Tax Exempt Savings Plan is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

Its aims

Providing all the contributions are paid throughout the term, a Foresters Friendly Society Tax Exempt Savings Plan (TESP) aims to provide you with:

- A guaranteed tax free cash sum on maturity
- Potential for additional tax free bonuses to be added to the guaranteed cash sum on a yearly basis, with a possible additional bonus being paid at maturity.

Your commitment

- You agree to pay a regular monthly contribution of £25 throughout the term. The TESP is unsuitable as a short term investment.

Risks

- Bonuses will depend on the future investment performance of the Order Insurance Fund, as well as any deductions and how Foresters Friendly Society decide to distribute any profit.
- The addition of bonuses is not guaranteed and therefore it is possible that the TESP might not receive any annual and/or final bonus.
- If you stop making contributions in the first year the plan will lapse with no value. You will not be able to get your contributions back. After the first year, if the plan is cashed in or you stop paying contributions, you may get back less than you have paid in.
- Legislation may change to affect the tax status of this plan.
- Your circumstances may change, forcing you to stop making contributions.
- If you do not maintain contributions for the chosen period you could be liable to tax on any gains made on the investment.
- Our deductions may turn out to be higher than expected.
- The plan benefits can only be paid to you.
- You should be aware that inflation will reduce what you can buy in the future with the cash sum.

Your Questions Answered

What is the Tax Exempt Savings Plan?

The plan is a tax free savings plan. The money that you invest in this plan is invested in a fund which is free of tax on both Income and Capital Gains, although dividends earned on equities within the fund will have been taxed at source and the tax cannot be reclaimed. It pays a guaranteed cash sum at the end of the term.

Who can have a Tax Exempt Savings Plan?

As long as you are aged between 16 and 80 you are able to apply for a TESP. Current legislation states that the total amount that can be contributed in to all Friendly Society Tax Exempt Savings Plan(s) cannot exceed £25 a month.

Where is the money invested?

Any money paid into the TESP is invested in Foresters Friendly Society's with profits Order Insurance Fund. By spreading the money paid into the fund across a number of different types of investments you benefit from the exposure to a range of asset classes which may include equities (company shares), fixed interest bonds (government and company), property and cash. A further advantage of this approach is that if the return on any one particular asset type is poor, your investment may be protected from the full impact of this fall as the other assets forming part of the overall investment may perform better. Thus the fall in value in one asset class (e.g. shares) may be cushioned by the potential better performance in another asset class (e.g. property).

How are bonuses decided?

Depending on how the underlying assets in the fund perform, and the costs incurred, we aim to declare an annual bonus. In addition, when your TESP matures we may add a final bonus depending on the overall investment growth that has been achieved and expenses incurred. This is different from a Bank or Building Society account where your savings can grow as a result of the interest rate on the account. Bonuses are added as the result of the growth performance of the underlying fund. Although in some investment conditions the growth in the TESP might not be as great as that on an interest paying Bank or Building Society account, investing in this way means that there is the potential for growth over and above the level which might be achieved on interest paying accounts.

How will it work?

Within this Key Features document you will find typical illustrations showing example figures of how the plan may work for you.

Will my plan work out exactly as in the personal illustration?

- Providing you maintain the agreed levels of contributions, at maturity you will receive at least the guaranteed cash sum based on the term you have chosen.
- Any additional benefits will depend on the bonuses, if any, added to the plan which will vary.

What happens if contributions stop?

- In the first year the plan will lapse with no value.
- If contributions aren't paid, they can be restarted as long as this is done within 13 months of the first missed contribution. All the missed contributions must be paid.
- After one year you can apply for the plan to be made a paid-up plan. This means that the guaranteed cash sum will be reduced as determined by the Foresters Friendly Society Actuary. Money paid out from a plan which has been paid-up may be taxable depending upon when the contributions stopped. Bonuses may continue to be added, but will be calculated according to the reduced cash sum. Once a plan has been made paid-up it cannot be reinstated.
- After one year you can cash-in the plan but you may not get back as much as you have paid in.

What might you get back?

The figures in the next two tables compare potential maturity payouts at three different growth rates for example policy terms which apply no matter how old you are. You will receive a specific illustration when you receive your policy documents.

Typical examples:

Term 10 years. Monthly contribution:	£25
Guaranteed cash sum:	£3,000
If investments grew at 2% a year, you might get back	£3,000
If investments grew at 5% a year, you might get back	£3,050
If investments grew at 8% a year, you might get back	£3,490

Term 15 years. Monthly contribution:	£25
Guaranteed cash sum:	£4,500
If investments grew at 2% a year, you might get back	£4,500
If investments grew at 5% a year, you might get back	£5,330
If investments grew at 8% a year, you might get back	£6,630

- These figures are only examples and are not guaranteed. They are not minimum or maximum amounts. What you could get back depends on the length of your investment, how the investment grows and its tax treatment.
- You could get back more or less than this.
- The guarantee is that, subject to scheduled contributions being paid when due, at maturity you will not get back less than the guaranteed cash sum which will be at least the sum of contributions.
- The yearly growth rates are our reasonable estimate of what the investment returns could be but are subject to the maximum rates specified by the Financial Conduct Authority.

- Do not forget that inflation would reduce what you could buy in the future with the amounts shown.

What happens if the plan is cashed in early?

If you cash-in your plan, you could get back less than you paid in. The figures below and overleaf are based on saving £25 for 10 and 15 years. The last two columns assume that investments will grow at 5.0% a year.

The figures below are based on saving £25 a month for 10 years.

The early years

At end of year	Total paid in to date	Effect of deductions to date	What you might get back
1	£300	£308	£0
2	£600	£290	£341
3	£900	£342	£628
4	£1,200	£399	£928
5	£1,500	£459	£1,240

The later years

At end of year	Total paid in to date	Effect of deductions to date	What you might get back
10	£3,000	£821	£3,050

The figures below are based on saving £25 a month for 15 years.

The early years

At end of year	Total paid in to date	Effect of deductions to date	What you might get back
1	£300	£308	£0
2	£600	£290	£341
3	£900	£342	£628
4	£1,200	£399	£928
5	£1,500	£459	£1,240

The later years

At end of year	Total paid in to date	Effect of deductions to date	What you might get back
10	£3,000	£821	£3,050
15	£4,500	£1,310	£5,330

What charges are made for the Tax Exempt Savings Plan?

We make annual charges against the total fund which are deducted before bonuses are declared. These charges are illustrated under the 'Effect of deductions to date'.

What are the deductions for?

- The deductions include the cost of expenses, charges, any surrender penalties and other adjustments.
- The charges, expenses and other deductions used in this guide are best estimates based on current experience. They could vary in the future.
- The bottom line in the table shows that over the full term of the plan the effect of the total deductions could amount to £821 for a 10 year term and £1,310 for a 15 year term.
- Putting it another way, this would have the same effect as bringing investment growth from 5.0% a year to 0.4% for a 10 year term and from 5.0% a year to 2.2% for a 15 year term.

What happens if I die?

- In the event of your death before the maturity of your plan, the Society shall refund all contributions to your estate.
- The amount paid on death will normally form part of your estate and may be subject to Inheritance Tax.
- This plan does not protect against the financial consequences of death.

Further information

Cancellation rights

After your application is accepted you will receive a statutory notice of your right to cancel. You will then have 30 days from the commencement date of the plan, or the date the notice is received whichever is later, in which to change your mind. If you choose to change your mind a full refund of all monies will be paid. You can do this by completing and returning the cancellation form to us at Foresters Friendly Society, Foresters House, 29-33 Shirley Road, Southampton SO15 3EW.

Financial advice

We do not offer financial advice. You should contact a Financial Adviser if you have any doubts about this plan's suitability. You may have to pay a fee for this advice.

Contributions

Contributions are paid monthly by Direct Debit.

Tax

The fund is free of tax on both Income and Capital Gains except for tax deducted from dividend income which cannot be reclaimed. If you do not continue to pay the contributions to the end of the term you could be liable to tax. Do remember that tax benefits may vary as a result of statutory change and their value will depend on individual circumstances.

Qualifying policies

A qualifying policy is a life insurance policy which meets HM Revenue and Customs rules. Subject to certain conditions, the proceeds of these policies are paid to an individual free of income and capital gains tax. Such policies are regular contribution policies and have a minimum policy term of ten years.

There is an annual contribution limit for qualifying policies of £3,600 per individual. This limit applies to policies where you are the beneficial owner i.e. the person who the proceeds belong to, usually the policyholder. If you are a beneficiary of a policy written in trust, then you are also the beneficial owner. Policies which only provide a pay-out on death are not included within the annual limit. The Tax Exempt Savings Plan is classed as a qualifying policy. You must ensure that the £3,600 limit per individual is not exceeded in any one year. If, for example you take out a plan for £25 a month, this will total £300 per year which will count towards your £3,600 limit.

Paid-up values

If you stop paying contributions after one year you can make this plan paid-up. The guaranteed cash sum will be reduced. Bonuses may continue to be added, but will be calculated according to this reduced paid-up value.

Law

This contract is governed by English Law. We will communicate with you in English.

Legislation

All or any of the benefits, the contribution or the policy conditions may be adjusted as deemed appropriate:

- If there is any change in law or taxation affecting the policy.
- If any levy is imposed on Foresters Friendly Society under statute or statutory authority.

Three months notice would be given of any such adjustment.

Queries and complaints

For further information or queries on Foresters Friendly Society products or services please contact the Member Services Department, by tel: 0800 783 4162, email: memberservices@forestersfriendlyandsociety.co.uk or at the address at the back of this document. If you wish to complain about any aspect of the service you have received, please contact Foresters Friendly Society. If a complaint is not dealt with to your satisfaction you can then complain to the Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London, E14 9SR. Tel: 0800 023 4567, email: complaint.info@financial-ombudsman.org.uk. Making a complaint will not prejudice your right to take legal proceedings.

Compensation

The Financial Services Compensation Scheme (FSCS) covers this plan. You may qualify for compensation from the Scheme if we are unable to meet our obligations. You can get further information from us or from the FSCS (www.fscs.org.uk).

Client categorisation

We are required under the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) rules to categorise our clients. All of our clients are categorised as 'Retail Clients', which affords our clients the highest level of protection under the FCA and PRA rules.

Apply now for future peace of mind

Send your completed application form to:

Foresters Friendly Society
FREEPOST RLST-SJZE-BACC
29-33 Shirley Road
Southampton
SO15 3EW

Telephone: 0800 783 4162

Visit: www.forestersfriendlysociety.co.uk

Email: memberservices@forestersfriendlysociety.co.uk

Monday - Friday, 9am - 5pm (excluding Bank Holidays)

Information, including a copy of this document, is available in large print, audio and Braille upon request.

Foresters Friendly Society is the trading name of The Ancient Order of Foresters Friendly Society Limited which is an Incorporated Friendly Society (Registration No. 511F) and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Registration No. 110029).