

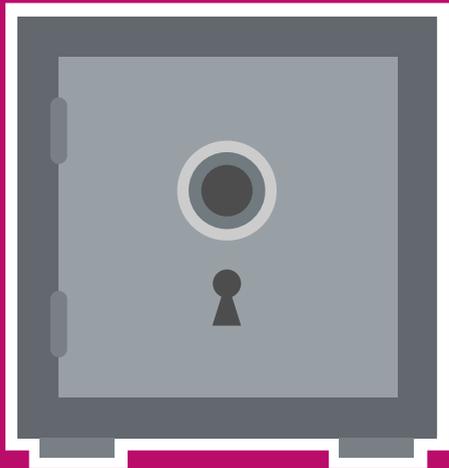
The Savings Plan's Important Information

Important info you need to read

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

The Important Information explains 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 Important Information of the Tax Exempt Savings Plan

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 of 91% of premiums paid provided all premiums have been paid.
- 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

- You could get back less at maturity than you have paid in.
- 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.

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.

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

You've read about how the Tax Exempt Savings Plan is a great way to save regularly for the future. Why not apply now while it's fresh in your mind?

You'll find an application form attached. Simply fill in your details and return it to us by post using the freepost address below. There's no need for a stamp.

Alternatively you can apply online at www.forestersfriendlysociety.co.uk

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

The Direct Debit Guarantee (please retain this Guarantee for your records)



- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits.
- If there are any changes to the amount, date or frequency of your Direct Debit Foresters Friendly Society will notify you 10 working days in advance of your account being debited or as otherwise agreed. If you request Foresters Friendly Society to collect a payment, confirmation of the amount and date will be given to you at the time of the request.
- If an error is made in the payment of your Direct Debit by Foresters Friendly Society or your bank or building society you are entitled to a full and immediate refund of the amount paid from your bank or building society.
 - If you receive a refund you are not entitled to, you must pay it back when Foresters Friendly Society asks you to.
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written notification may be required. Please also notify us.