Foresters Financial

Forester Life Limited

With Profit Fund

Principles and Practices of Financial Management

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1. Introduction

This document has been produced in accordance with chapter 20.3 of the Financial Conduct Authority's Conduct of Business sourcebook. It describes the Company's principles and practices relating to Forester Life's With Profit Fund (the "Fund").

Principles are enduring statements of the overarching standards we adopt in managing our With Profit Fund which describe the business model we use in meeting our duties to with-profits planholders and in responding to longer-term changes in the business and economic environment.

Practices describe our approach to managing the With Profit Fund and to responding to changes in the business and economic environment in the shorter-term, which contain sufficient detail to enable a knowledgeable observer to understand the material risks and rewards from maintaining a with-profits plan with us.

2. Background

The ultimate holding company of Forester Life Limited is the Independent Order of Foresters, a Canadian registered fraternal benefits society that operates in the United States, Canada and the United Kingdom. The group operates under the trading name, Foresters Financial.

Foresters Financial is an international financial services provider with a unique history that began in 1874 when we set out to provide access to life insurance for average working families. More than 140 years later, we provide personal insurance, savings and investing, and pension planning solutions that help families achieve long-term financial health and security.

Today, more than three million customers and members in the United Kingdom, Canada and the United States benefit from the foundation of experience, expertise and reliability we have built over two centuries. During this time, we have remained steadfast in our commitment to help improve family well-being, and each year we invest millions to support causes that enrich the lives of families and communities.

Foresters Financial was registered in the UK as an insurance society branch operation of its Canadian parent in 1929, providing protection and savings products, as well as charitable support to deserving causes and additional membership benefits mostly covering illness and disability.

Following the introduction of the Financial Services Act 1986, it was decided to restructure the branch as the process of selling life products and obligatory Forester membership did not sit comfortably with the Act's regulatory requirements.

The method of restructuring was to separate the UK Branch from the regulated insurance business by setting up a new corporate entity, Forester Life Limited (the "Company"). This company was incorporated in England and Wales in December 1994 and authorised by the Department of Trade and Industry (the government department responsible at the time for the regulation of insurance companies) to carry on insurance business on 14 September 1995.

Under a Schedule 2C scheme, approved by the High Court on 20 September 1995, the existing long-term insurance business of the UK Branch was transferred into the new company with effect from 1 October 1995. Within the transfer, existing

with-profits business was "ring-fenced" into a sub-fund, the With Profit Fund, exclusively for the benefit of the with-profits planholders.

In respect of shareholder commitment to support the With Profit Fund, the Schedule 2C states that:

> "Forester Life shall from time to time transfer to the Segregated Fund [the With Profit Fund] from the surplus assets within the remainder of its long term funds such additional assets as the Appointed Actuary [now interpreted as the With-Profits Actuary] of Forester Life may certify to be necessary in order to meet Forester Life's liabilities to the holders of Transferred With Profit Policies or the reasonable expectations of those policyholders."

To date, there have been no such transfers into the Fund.

Additionally, the Instrument of Transfer of Engagements under which all of the engagements of the Tunbridge Wells Equitable Friendly Society Limited were transferred to Forester Life Limited on 2 April 2013 states the following:

> 7.4. If either the Tunbridge Wells Fund or any of the Forester Life Long Term Business Funds is unable to meet its liabilities (in either case a "Recipient Fund"), the other funds ("Providing Funds") may provide capital support by way of a contingent loan to the Recipient Fund (unless the provision of such capital support is not beneficial to the Providing Funds) on such terms as the Forester Life Board considers appropriate, fair and reasonable (taking into account the requirements of INSPRU [now interpreted as the FCA Handbook and the PRA Rulebook], the views of the Tunbridge Wells Fund Advisory Panel and the advice of the Actuarial Function Holder of Forester Life, the Tunbridge Wells Fund WPA [With-Profits Actuary] and the Forester Life WPA for the affected Forester Life Long Term Business Funds.

To date, there have been no such loans into or out of the With Profit Fund.

The With Profit Fund has been closed to new business since the transfer, although premiums on in-force business continue to be paid into it. Furthermore, any new, additional or replacement plan issued because of the exercising of an option will also not be part of the Fund. It is the Company's policy not to allow any alteration to the terms of a contract.

Because of the closure to new business, the number of plans remaining in the Fund is gradually decreasing. The Schedule 2C scheme states that when the number of plans in force falls below 5,000 Forester Life shall be released from its obligation to maintain the Fund as a separate account, if it has obtained the prior written approval of the regulators, currently the Prudential Regulation Authority and the Financial Conduct Authority. In these circumstances, the surplus would be used to determine a scale of guaranteed bonuses that would apply to all remaining plans in each subsequent year. It is expected that the number of plans in force will fall below 5,000 during 2037.

3. Principles of Financial Management

The following principles are not expected to change often. Should there be any changes, the Company will send details, to all with-profits planholders, at least three months in advance of the effective date.

3.1. The amount payable under a with-profits plan

The aim of the method used to determine the amount payable under a with-profits plan is that the entire assets of the Fund are distributed to planholders over the remaining term of the liabilities. Pay-outs are determined using a proportion of asset shares, subject to any guaranteed claim values and to a minimum surrender value basis the Company maintains for plans without guaranteed surrender values.

The proportion may vary over time, by type of claim and by plan type. An unusual feature of Forester Life's portfolio is that a large number of plans have guaranteed surrender values. The effect of guaranteed claim values is that some plans will receive more than 100% of asset share. Consequently, other plans may receive less than 100%. Overall, in the long term, it is intended that the whole fund is paid out to planholders.

Asset shares are calculated monthly, separately for each plan, using a proprietary modelling package. This model contains all historical data relevant to the calculation of asset shares and is updated monthly. Where actual historical experience is unavailable, the Company will use an appropriate approximation.

Changes to the method, assumptions or parameters will be not be made without the prior approval of the Forester Life Board. The Board will receive advice from the With-Profits Actuary. In order to treat planholders fairly, the Company will not change the historical assumptions and methods unless it can be clearly demonstrated that a significant class of planholders has been materially disadvantaged.

3.2. Annual bonus rates

The aim in setting annual bonus rates is to set rates that would be level in stable economic conditions. These rates are normally determined annually. In changing economic circumstances, the Company may review them more frequently, as well as overriding the constraints set out in 4.2 below.

For plans effected before 1985, while historically annual bonus rates for each product varied by age at entry and duration in force, they have been simplified and now vary by product. For plans effected subsequently, the annual bonus rates have always varied only by product. In view of the fact that the Fund is closed to new business, the Company cannot see any circumstances under which a new bonus series would be necessary.

3.3. Final bonus rates

Final bonus rates will be set such that the minimum pay-out on death, maturity and surrender will be as close to 100% of the asset shares as possible, adjusted to ensure that any surplus within the fund is fairly distributed These rates will allow for the fact that for some plans future guaranteed claim values will be in excess of 100% of asset share. Hence, for other plans the minimum pay-out will be less than 100% of asset share. In changing economic circumstances, these guaranteed claim

values may become more, or less, onerous. Consequently, the minimum proportion of the asset share paid on claim may fluctuate.

Claim values are calculated as a percentage of asset shares. Separate percentages may be used for death, maturity and surrender. The percentages may vary by product. The Company will normally determine the percentages annually, although it may review them more frequently. Any change in the percentages will be subject to rounding as well as upper and lower limits.

Asset shares will be calculated monthly, separately for each plan, and hence final bonus rates will be calculated monthly using these asset shares and the percentages determined above.

3.4. Smoothing the value of a with-profits plan

The aim of the smoothing policy is to ensure that claim values are not immediately subject to significant short-term fluctuations in the value of assets.

Smoothing is applied irrespective of type of claim. There is no limit to the cost of smoothing (that is, the extent to which the amount actually payable under a with-profits plan diverges from the non-smoothed asset share, except where due to applicable guarantees), although due to the method used, the cost is expected to be neutral over the long-term. Any divergences between smoothed and unsmoothed claim values will ultimately be reflected in enhanced or reduced final bonus rates.

For plans without guaranteed surrender values, the Company may review the minimum surrender value basis, referred to in section 3.1, periodically. Changes may be made in the basis to reflect not only changes in asset shares, but also the Company's long-term view of investment returns.

3.5. Investment strategy

The aim of the investment strategy is to secure the guaranteed liabilities of the Fund with a high degree of confidence. The investment style is that of active portfolio management, seeking superior investment returns by way of income and capital appreciation.

The Company determines the proportions of the total assets for each different type of asset. The proportion invested in each asset type is subject to minimum and maximum limits.

Within the fixed interest asset class, there are also minimum and maximum proportions of total assets for stocks with different credit ratings. Some stocks with lower credit ratings are also subject to a maximum outstanding term.

Limits will not be changed without the prior approval of the Forester Life Board. The Board will receive advice from the With-Profits Actuary, as well as the Investment Manager. In order to treat planholders fairly, the Company will not change the limits unless it believes that the changes will be beneficial to the planholders, without significantly impairing their security.

A proportion of the liabilities in respect of guaranteed benefits are secured by investing in appropriate fixed interest securities. These securities, known as "matched" assets, will have an average duration similar to that of the liabilities. The proportion will depend upon the relationship between the value of the

guaranteed liabilities, assessed using the Company's best estimates of future experience, and the total market value of the assets of the Fund.

The investment strategy is independent of any assets outside of the Fund. The Fund does not have any assets that would not be traded because of their importance to Forester Life.

Any use of derivative instruments is subject to the prior approval of the Forester Life Board and subject to strict controls and supervision.

The investment strategy applies to the whole Fund and across all generations of planholders.

3.6. Business risk

The Fund would only undertake a business risk that involves the with-profits business.

Any risk involving the with-profits business would be borne, in the first instance, by the Fund. Examples of this include the exposure to maintaining with-profit plans and guarantee and smoothing costs. The rewards and losses from these risks will be borne by the with-profits planholders. These topics are dealt with in more detail in sections 3.3, 3.4 and 3.7.

Compensation and redress costs arising from the With Profit business would be borne by Forester Life. These amounts exclude any payment or transfer of liabilities made to correct an error and which has the effect of restoring a planholder, or former planholder, and the Fund to the position they would have been in if the error had not occurred.

3.7. Charges and expenses

The Schedule 2C scheme states that:

> "The expense charges that may be charged to the Fund shall be no more than the appropriate proportion of the total expense charges incurred by Forester Life, as certified by the With-Profits Actuary, and any additional expenses as may be deemed appropriate by the With-Profits Actuary.
>
> The Company may from time to time and at any time charge the Fund such special levies (including, for example, a levy to the Policyholders' Protection Board) and compensation payments due to policyholders in relation to the marketing or administration of with-profit policies as are agreed by the With Profits Actuary."

The aim of the Company's approach to applying charges and apportioning expenses to with-profits planholders is to apply such charges and expenses in an equitable manner, with due consideration to the nature of the item. The need to comply with the Schedule 2C Scheme would be paramount.

In order to treat all its planholders fairly, the Company will not change the basis unless it can be clearly demonstrated that a significant class of planholders has been or will be materially disadvantaged.

3.8. Management of the inherited estate

The inherited estate is being distributed to planholders through the use of asset shares together with enhancements as appropriate and will reduce as the Fund diminishes. It will reduce to zero as the number of plans and the Fund reduces to zero, subject to the termination of the Fund as outlined at the end of Section 2 above.

3.9. Volumes of new business and arrangements on stopping taking new business

The Fund has been closed to new business since 1995. Therefore, the arrangements for reviewing the limits on the quantity and type of new with-profits business and the anticipated actions to be taken on ceasing to write new business do not apply to the Company.

3.10.Equity between the With Profit Fund and shareholders

Under the Schedule 2C scheme, assets may only be transferred out of the Fund in order to meet expenses, special levies and compensation payments relating to with-profits planholders, tax, reinsurance and claim payments to planholders, although compensation payments are now borne by the Company, as described in section 3.6. Assets may also be disposed of on an arm's length commercial terms basis.

Therefore, the with-profits planholders receive 100% of the surpluses within the Fund.

4. Practices of Financial Management

The following practices are expected to change as the Company's circumstances and the business environment change. Should there be any changes, the Company will send details, to all with-profits planholders. Although this notice may be in arrears, it will be within a reasonable time period from the effective date.

4.1. The amount payable under a with-profits plan

For all plans, the method that the Company uses to determine the amount payable under a with-profits plan is the higher of:

a) a proportion of the asset share; and

b) the guaranteed claim value; and

c) for surrenders of plans on which there is no guaranteed surrender value, the value calculated on a minimum surrender value basis maintained by the Company.

The proportion of the asset share is discussed in sections 3.1 and 3.3, above.

The Company sets target ranges for maturity and surrender payments. These target ranges apply to all such payments, except those that cannot reasonably be compared with an asset share. For both types of claim, the lower and upper limits of the range are 70% of unsmoothed asset share and 120% of unsmoothed asset share. These targets will be increased where the proportion of asset share, as referred to in a) above, exceeds 100%. The amount of the payment to be used for

the comparison with the unsmoothed asset share is the proportion of asset share payable on death or maturity (as in a) above), irrespective of the type of claim.

Smoothed asset shares are used to determine claim payments while the target range is assessed against unsmoothed asset shares. Smoothed and unsmoothed asset shares can be quite different, especially during times of market turmoil, and this is a key reason for the width of the range. Bearing this in mind and the fact that the range describes the maximum difference, in moderate investment conditions, between smoothed and unsmoothed asset shares rather than a typical difference, we consider the ranges to be appropriate and fair.

The asset share at the end of each month is calculated for each plan as follows:

Asset share brought forward at the beginning of the month

plus premiums received

plus adjusted investment return

minus charge for death claims

minus charge for expenses and commission

minus charge for tax

minus any annual bonuses surrendered or paid out, either in the form of cash or placed on deposit with the Company.

Before 1995, a further deduction was made for the cost of additional benefits, offered by the Independent Order of Foresters, known as "fraternal benefits".

In 1995, a constant adjustment was made to the investment return in each prior year to reflect the surplus in the fund at the end of 1994. No adjustments are made in respect of the period since 1995 as any surplus or deficit will be reflected in the proportion of the asset share payable on claim.

There is no explicit charge for guaranteed surrender values, including surrender values that are not explicitly guaranteed, but calculated from a formula. These are allowed for when setting the percentages of the asset share on claim.

The investment return allocated to asset shares is that earned on the entire Fund, although for years prior to 1995 appropriate indices have been used. No specific plan or class of plan has a separate investment return calculated from a subset of the Fund.

The charge for mortality is based on standard actuarial mortality tables, adjusted to reflect the Company's experience. The annual charge for expenses is the total amount charged to the Fund, divided by the average number of plans in force.

The Schedule 2C scheme states the following in respect of taxation:

> "4.6. Deductions in respect of tax arising after the Effective Date shall be charged to the Segregated Fund [the With Profit Fund] as determined by the Appointed Actuary [now interpreted as the With-Profits Actuary] of Forester Life and as if all appropriate allowances and reliefs that would in such circumstances have been available had been claimed and received."

Overall, the Fund is subject to tax on its investment income and chargeable gains, with relief for expenses of management and charges on income (the "I minus E" basis). Within the asset share calculation, the tax rates used are those applicable to Life Assurance business, with the following exceptions:

a) the rate of tax on unrealised gains, for a particular asset class, is set equal to that on realised gains, and

b) the rate of tax on realised and unrealised gains, for a particular asset class, may differ from the current rate for Life Assurance business, to allow for a deferral of tax payable or reclaimable.

The same parameters are used for all plans of the Fund in the individual calculation of asset shares.

The method of determining asset shares is fully documented. The model contains all historical data relevant to the calculation of asset shares and is updated monthly.

If changes to the methods, parameters or assumptions were required, then the Company would make a recommendation. These changes would then be discussed and approved by the With-Profits Actuary and the Forester Life Funds Advisory Panel before being submitted to the Board of Directors for final approval.

There is no explicit charge for guaranteed surrender values, which are provided for as described in 4.3 below. Other risks will be charged for in a way that does not materially disadvantage a significant class of planholders.

At least once a year, the Company determines whether the Fund has an excess surplus, as defined in the Financial Conduct Authority's Glossary of definitions. The factors likely to be regarded as relevant to address planholders' interests and security when determining excess surplus are as follows:

- The Fund is closed to new business;
- The shareholder commitment to support the Fund under the Schedule 2C scheme, as described in section 2; and
- The ratio of the present value of the guaranteed liabilities to the market value of the assets of the Fund (see section 4.5).

4.2. Annual bonus rates

Annual bonus rates are set for four different groups of products, defined according to when the application for each individual product was received (with a few exceptions). These groups are

- Before 1 August 1965;
- From 1 August 1965 to 27 July 1980;
- From 28 July 1980 to 26 April 1985; and
- 27 April 1985 onwards

The aim is to calculate an annual bonus rate equal to one third of the annual rate of investment return, after tax and rounded to the lower 0.5%, leaving the remainder for final bonuses. For this purpose, the average investment return over the previous three years is considered.

The annual bonus rate may be reduced for groups where the current level of guaranteed benefits (the current sum assured and existing regular bonuses) is a significant proportion of the asset share. This is likely to happen where the asset share is less than 120% of the guaranteed benefits. 120% is derived to ensure that under the most significant equity stress scenario we have to consider for solvency purposes the asset share will still be at least as large as the guaranteed benefits. Similarly, the annual bonus rate may be increased where the asset share is significantly in excess of the guaranteed benefits, generally more than twice as much.

Annual bonus rates are currently set once a year. There is no limit on any increase or fall in bonus rates, although in normal circumstances we would not expect rates to vary by more than one percentage point at each review. Bonus rates can be reduced to zero.

Interim bonus rates will be at the same rates as the latest declared annual bonus rates.

4.3. Final bonus rates

The Company's approach to setting final bonus rates is to determine, annually, the percentages of asset share payable on claim and then apply these percentages to each monthly calculation of the asset share.

The percentages of the asset share are set such that the fund is expected to run down to zero when the last plan exits the fund. This will be determined using the Company's best estimates of future investment returns, expenses, tax, mortality and other decrements. Future annual bonus rates will be set as those consistent with the assumed investment returns.

The Company's best estimates of future experience will obviously be influenced by recent economic experience, although expected changes in economic conditions will be taken into account.

Plans that surrender may also receive a final bonus in a similar way to other claims.

In a rapidly changing economic environment, the Company may set the percentages of asset share payable on claim more frequently than annually. Asset shares are calculated monthly.

The Company limits the change in the percentages of asset share payable on claim from one period to the next. Currently, this is five percentage points.

4.4. Smoothing the value of a with-profits plan

A smoothing formula is used to smooth the investment return, when calculating asset shares. The smoothed investment return for a month is calculated from two indices, representing the actual and smoothed after-tax investment returns on the Fund's assets. The smoothed investment return index for the current month is calculated by taking a weighted average of

a) the index of actual returns for the month, and

b) the index of smoothed returns for the previous month plus one month's expected rate of long-term growth.

The weights used in the above formula and the expected rate of long-term growth are reviewed regularly and may be changed at the Company's discretion. Any changes will only apply to future smoothed index values.

Investment returns before 1995 are not smoothed.

The smoothing formula is applied to all plans equally and individually, as well as to all types of claim.

The Company expects smoothing to be neutral during periods of relatively stable investment returns. However, in times of rapidly changing asset values this will not be true. Although there is no overall limit to the accumulated cost of, or excess from, smoothing, the Company does not expect the cost or excess to be significant.

The Company does not place limits on the changes in the level of claim payments from one period to another, other than those implicitly imposed by the use of the smoothing formula.

Partial payments under plans, i.e. annual bonus payments taken as cash payments or subsequently surrendered, are included in the calculation of the asset share.

4.5. Investment strategy

The strategy is independent of any assets held by the Company outside the Fund.

All investments are outsourced to Schroders, a global investment manager.

The degree of matching between the Fund's assets and the liabilities to the with-profit planholders depends upon the ratio of the present value of the guaranteed liabilities to the market value of the assets of the Fund. The guaranteed liabilities are defined as the present value of the claim pay-outs (excluding any future annual and final bonuses), expenses and tax less premiums. The present value will use the Company's best estimates of future expense, tax, mortality and other decrements. The discount rate will be the redemption yield on the matched assets (see next paragraph).

A proportion of the guaranteed liabilities are invested in fixed interest securities. This proportion is shown in the following table and the assets, known as the "matched assets", have a duration equal to that of the guaranteed liabilities plus or minus 2 years.

Ratio of guaranteed liabilities to Fund	Up to 80%	85%	90%	95%	100%
Proportion in matched assets	60%	70%	80%	90%	100%

Calculations to determine the surplus and the mean term of the liabilities will normally be carried out annually, although the Company may do so more frequently. If, because of these calculations, the Company finds that the amount of assets to be invested in fixed interest securities needs to be increased or the mean term of these assets needs to be adjusted, it will do so within six months of the effective date of the calculation.

The investment strategy of the Fund is reviewed annually. This would include calculations to determine the surplus and the mean term of the liabilities.

The current minimum and maximum proportions of the Fund that may be invested in different asset classes are shown in the following table. These assets include the matched assets referred to above. There would normally be no investments in assets not shown in the table, for example, direct investment in property.

Asset Class	Minimum	Maximum
Fixed interest	49%	59%
Index-linked securities	0%	20%
Equities	35%	50%
Cash	0%	7%

Fixed interest investments normally comprise, but are not limited to, government and corporate bonds. Both UK and global equities are permitted, as well as exchange-traded equity index futures contracts. Investments can be either direct or indirect through collective investment funds.

For fixed interest investments, the minimum and maximum proportions of the asset class that may be invested in different credit ratings, together with the maximum outstanding term of the securities is as follows:

Credit Rating	Minimum	Maximum	Maximum term
UK Government securities	30%	100%	None
AAA	0%	50%	None
AA	0%	50%	None
A	0%	50%	None
BBB	0%	20%	15 years

Assets that fall outside the limits of the above table will normally be sold within 90 days, where feasible.

In addition to the above, the Fund’s assets will be well spread by asset class, industry sector, issuer and, where relevant, counterparty risk.

Before investing in new or novel investment instruments, a proposal would be discussed and approved by the Forester Life Funds Advisory Panel and the With-Profits Actuary. The proposal would then be submitted to the Board of Directors for final approval.

4.6. Business risk

The Fund would only undertake a business risk that involves the with-profits business.

In respect of residual risks, such as maintaining with-profit plans and guarantee and smoothing costs, these are covered in more detail in sections 4.3, 4.4 and 4.7. In particular, the cost of maintaining with-profit plans depends on the total

maintenance expenses of the Company and the total number of plans in force. The Company actively monitors both expenses and the number of plans in force, to ensure that expenses are controlled.

Residual risks are pooled among all with-profit planholders.

4.7. Charges and expenses

The Company's total maintenance expenses for a year are sub-divided into:

a) expenses proportionate to number of plans in force;

b) expenses proportionate to number of claims;

c) expenses proportionate to funds under management; and

d) other costs.

Categories a) and d) are apportioned to funds in proportion to their average number of plans in force during the year; category b) is apportioned to funds in proportion to the number of claims arising from that fund during the year; and category c) is apportioned in proportion to average weighted funds under management during the year.

Each plan in the Fund is allocated the same proportion of the Fund's total maintenance expenses.

Maintenance expenses exclude renewal commission, but include all investment expenses except those directly related to the sale or purchase of an investment, such as commission and stamp duty. The expense for each plan will be used in the asset share calculation.

The weightings used in the calculation reflect the charges made by the fund managers.

Renewal commission is apportioned between the Fund and pre-1996 non-profit plans in proportion to premiums.

Direct investment expenses, such as commission and stamp duty, are deducted from the proceeds of sales or added to the cost of the investment, as appropriate.

Charges incurred through investment in collective investment schemes would be borne by the Fund, although any charges incurred by investment in a Foresters controlled collective investment scheme would be reduced to eliminate the effect of double-charging.

The Company will not charge expenses to the Fund at an amount other than cost.

Any change in basis would need to be approved by the Forester Life Board. The change would also require the approval of the With-Profits Actuary.

The Company will review the arrangements under which it obtains out-sourced services at least once in every three years. Any agreement would be in force for an initial period of three years and continue thereafter until the expiry of not less than six months' notice of termination, expiring on 31 December. Currently, Forester Holdings (Europe) Limited, a member of the Foresters, provides all support

services necessary for the Company to operate efficiently and economically in carrying out its business.

4.8. Management of the inherited estate

The inherited estate is the excess of the Fund over future claims and expenses less future premiums, based on the current percentages of asset share payable on claim.

The inherited estate is gradually being distributed to planholders in the form of increased claim values. Consequently, the investment strategy for the inherited estate is the same as for the remainder of the Fund.

There are no guidelines in place regarding the maximum or minimum size of the inherited estate. In the long-term, the inherited estate is expected to decrease slightly faster than the Fund, but this position can be different in the short-term.

4.9. Volumes of new business and arrangements on stopping taking new business

The Fund has been closed to new business since 1995.

4.10.Equity between the With Profit Fund and shareholders

The with-profits planholders receive 100% of the surpluses within the Fund.

5. Governance

In order to ensure that the Company complies with, maintains and records the principles and practices set out in this document, it has established a Forester Life Funds Advisory Panel. The Panel can include non-executive UK directors of the Company.

The Panel will, at least once in every 12 months, make a judgement as to the compliance of the Company with the principles and practices and how any competing or conflicting rights and interests of planholders have been addressed.

6. Questions

If you have any questions regarding this document, please write to the following:

Customer Services
Forester Life Limited
Foresters House
Cromwell Avenue
Bromley
BR2 9BF

E-mail: service@Foresters.co.uk

Although the Company will do its best to answer all questions, please note that some information may be commercially sensitive or confidential and hence cannot be disclosed.