

**Shepherds
Friendly**

Your modern mutual

Stocks and Shares ISA

Welcome to tax-efficient saving towards your future goals

Important Information Guide



Get in touch Freephone: 0808 149 3445 Email: info@shepherdsfriendly.co.uk www.shepherdsfriendly.co.uk



This document includes Plan Details and Terms & Conditions of your plan, along with information on how we manage your money. Please read this thoroughly and keep it in a safe place in case you need to refer to it in the future.

You'll also find details of your agreement with us under the terms of the plan, as well as additional information about us.

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Plan Details

Shepherds Friendly stocks and shares ISA

The Shepherds Friendly Society Ltd is required by the Financial Conduct Authority (FCA), the independent financial services regulator, to provide you with this important information to help you decide whether our stocks and shares ISA (Individual Savings Account) is right for you.

You should read this document carefully to make sure you fully understand the plan and your commitments. **Please keep this guide in a safe place for future reference.**

The aims of our stocks and shares ISA

To provide:

- an increase to the value of the money you have invested over the medium to long-term by the addition of regular and final bonuses.
- the proceeds of the investment free of Income and Capital Gains Tax under current ISA rules.
- you with an accessible tax efficient investment from which you can make withdrawals.

Your investment in the plan

- You can invest a single lump sum and/or monthly premiums into an ISA within HM Revenue and Customs limits.
- Although the plan has no fixed term it should be considered as a medium (5 years plus) to long-term investment.
- Your circumstances may change forcing you to withdraw the investment early, which may mean that you get back less than you expected.
- If you want to stop or withdraw from the ISA you must inform us.

Risks associated with the plan

- Past performance cannot be taken as a guarantee of future returns.
- Bonus rates vary from year to year depending on the performance of our investments and in some years we may not pay out any at all.
- HM Revenue and Customs may change the tax status of an ISA in the future.
- Inflation and making regular withdrawals may affect the purchasing value of your investment in the future.
- In poor investment conditions we may apply a Market Value Reduction (MVR).

Common questions about the plan

What is the stocks and shares ISA?

An Individual Savings Account (ISA) is a tax-efficient way in which you can save without having to pay any Income or Capital Gains tax. The ISA is a stocks and shares ISA.

Who can have a stocks and shares ISA?

Anyone over the age of 18 can open a stocks and shares ISA provided you are resident in the UK. This means that either you have always lived in the UK, you perform duties which by virtue of the Income Tax Act 2003 are treated as being performed in the UK, or you are married to, or in a civil partnership with, a person who carries out these duties. You can have one stocks and shares ISA, one cash ISA, one Innovative Finance ISA and one Lifetime ISA in each tax year, as long as you remain within the allowance for that year.

Please note: Stocks and shares ISAs carry a higher risk than a bank or building society cash ISA.

Stocks and shares ISAs can only be held in the name of one person - you cannot have a joint stocks and shares ISA. You cannot save on behalf of a company, club, charity etc.

How much can I invest?

You can invest up to your full ISA allowance in a stocks and shares ISA. You can have a cash ISA, Innovative Finance ISA, Lifetime ISA and Investment ISA with different ISA providers if you wish but you must ensure you remain within the ISA allowance across all the ISAs that you hold.

OR

You can invest part of your annual allowance into a cash ISA with another provider but then you could only invest the balance of the overall tax year limit into a stocks and shares ISA.

OR

You can transfer an existing cash or stocks and shares ISA to a Shepherds Friendly ISA.

How do I invest?

You can invest regular monthly premiums and/or lump-sum investments in to your stocks and shares ISA as long as the amount does not exceed the limit for the particular tax year.

The minimum monthly premium is £30 a month, which can be increased at any time by a minimum of £10 a month. You will need to make regular monthly premium payments by Direct Debit.

The minimum initial lump-sum you can invest is £500, additional lump-sum investments of at least £100 can be made at any time.

How do I transfer an existing ISA to the Shepherds Friendly stocks and shares ISA?

To transfer an existing ISA to us from another company you must complete a transfer form. We will then contact the existing company and write to you when we have received the money. The transfer may take up to 30 days

Warning - You should not withdraw the money yourself as the transfer must be performed by an ISA registered company in order to maintain the tax benefit.

If you wish to transfer the ISA away from Shepherds Friendly to another company, please ask them to request the transfer.

How will my investment grow?

We will invest your money in our With-Profit Fund, which holds a mix of assets including stocks and shares, property, gilts, bonds and cash. The market values of these assets move up and down over time but such movements are outside our control. These movements may affect how much we add to investments as bonuses.

The aim of the fund is to provide each customer with steady investment growth over the full savings period of their investment. To do this we keep back some of the investment returns we make in good years so that we can pass them on in years when performance is not so good. We add the returns as a yearly bonus.

When you decide to close your plan we may pay an extra bonus, depending on how the fund has performed.

You can find out more information about how our fund works in our document called "A guide to how we manage our With-Profit business" which can be found in the About Us section on our website.

What might the benefits be after 5 and 10 years?

Example of £1,000 invested

If the investment grew at 2% a year the value after 5 years would be £990 and after 10 years would be £1,010.

If the investment grew at 5% a year the value after 5 years would be £1,150 and after 10 years would be £1,360.

If the investment grew at 8% a year the value after 5 years would be £1,320 and after 10 years would be £1,820.

Example of a £50 a month regular premium ISA

If the investment grew at 2% a year the value after 5 years would be £3,030 and after 10 years would be £6,150.

If the investment grew at 5% a year the value after 5 years would be £3,270 and after 10 years would be £7,160.

If the investment grew at 8% a year the value after 5 years would be £3,530 and after 10 years would be £8,370.

Will my investments work out exactly as in the example?

The example we've provided is meant to be an illustration of what your investment may be worth.

What you will actually get back depends upon how our investments perform.

You could get back more or less than this. Do not forget that inflation could reduce what you could buy in the future.

What happens if I die?

Should you die whilst your ISA is still invested then a death benefit will be paid to your estate. The amount payable will be 100% of your initial investment plus all bonuses which have been added and any final bonus which may be paid, subject to a minimum payment of 101% of your initial investment. The amount of any withdrawals you have taken will be deducted from this total.

If married or in a civil partnership an ISA can be transferred to your spouse or civil partner. This allowance is the value of an ISA at the date of your death, and is in addition to your spouse or civil partner's own ISA allowance.

How will I be kept informed about my ISA?

Each year you will receive a bonus statement showing the amount and value of any bonus payments, withdrawals and the total value of your ISA. You can also register online for Your Account, which allows you to view your plan details, add to your fund and update your Direct Debit securely online.

How do I cash in or withdraw money from my ISA?

You have access to your ISA at any time. The minimum amount you can withdraw at any one time is £100. There are no fixed penalties applied to a withdrawal but we may apply a Market Value Reduction (please see section 'What is a Market Value Reduction' (MVR)).

Please note that if you withdraw some money from an ISA invested in the current tax year you will still only be allowed to invest up to the maximum limit regardless of the amount withdrawn.

If you have more than one ISA with us you must tell us which ISA you wish the withdrawal to come from.

How will charges affect my investment and what are the deductions?

Charges are deducted from your investment to cover our expenses and the cost of administering and managing your investments - this is currently 3% as an initial plan charge and an annual management charge of 1.5%.

Example of £1,000 Invested

The figures below assume the investment will grow at 5% a year

Effect of deductions table			
At end of year	Total paid to date	Effect of deductions	What you might get back
1	£1,000	£46	£1,000
2	£1,000	£63	£1,030
3	£1,000	£82	£1,070
4	£1,000	£102	£1,110
5	£1,000	£124	£1,150
The later years			
10	£1,000	£261	£1,360

The last line of the table above shows that over the term illustrated the effect of the deductions could amount to £261.

Putting it another way, this would have the same effect as bringing the investment growth from 5% a year down to 3.2% a year.

Example of a £50 a month regular premium ISA

The figures below assume the investment will grow at 5% a year

Effect of deductions table			
At end of year	Total paid to date	Effect of deductions	What you might get back
1	£600	£6	£609
2	£1,200	£21	£1,240
3	£1,800	£45	£1,890
4	£2,400	£81	£2,570
5	£3,000	£128	£3,270
The later years			
10	£6,000	£580	£7,160

The last line of the table above shows that over the term illustrated the effect of the deductions could amount to £580.

Putting it another way, this would have the same effect as bringing the investment growth from 5% a year down to 3.5% a year.

What if I want to change my mind about opening a stocks and shares ISA?

From the date you open your plan you have 30 days in which to cancel your stocks and shares ISA and your money will be returned. If you cancel within the 30 days you will be treated as though you had not used your stocks and shares ISA allowance and would be able to subscribe to another stocks and shares ISA in the current tax year.

How we manage **your money** in our With-Profits Plans

This section will provide you with an overview of how we manage your money when you save in any of our plans that are invested in our With-Profits Fund. These are:

- **Stocks and shares ISA**
- **Stocks and shares Junior ISA**
- **Bonus Plan**
- **Young Saver Plan**
- **Junior Moneymaker**

For a more detailed report of how we manage your money, you can download a copy of the full Principles and Practices of Financial Management (PPFM) on our website.

What is the Shepherds Friendly With-Profits Fund?

When you choose to save in any of the plans above, your money is pooled with that of other plan holders in one single fund. This is known as our With-Profits Fund and is invested by our investment managers in a mix of assets, with the intention of maximising the fund's returns over the medium to long-term.

These assets include:

- **UK and overseas stocks and shares (equities)**
- **Property**
- **Gilts**
- **Government and company bonds**
- **Cash deposits**

Assets of good quality are chosen and the mix may change over time depending on our investment managers' views on potential future returns and our Board's approach to risk.

How might my plan grow through the addition of bonuses?

We aim to increase the guaranteed amount we will pay out on your plan by adding bonuses. There are two types of bonus:

Annual Bonus

This is normally added to your plan each year. However, the level of annual bonuses can vary and there is no guarantee that a bonus will be added every year. Once we have added an annual bonus this cannot be taken away, unless you alter the terms of your plan.

Final Bonus

A final bonus may be added to your plan when your plan matures or if you decide to surrender it. The level of final bonus can go up or down and there is no guarantee that any final bonus will be added.

The level of bonuses you might receive is based on factors such as:

- **How much you have invested**
- **When you made the investment**
- **The fund's performance over time**
- **The costs related to running our business**
- **Various profits and losses**

How might smoothing affect my investment?

We apply a process known as smoothing to try to minimise and even out the effects of stock market fluctuations during the period of your investment with us. This means we may keep some of the fund growth back when investment conditions have been good, so that we can add this back during periods when investment conditions are poorer.

The benefits of smoothing include:

- **Protection of your investment from short-term market volatility**
- **Some protection of your plan's overall value**
- **Benefit from periods when financial markets are performing well and a reduction of the effects when markets may be under performing**

What if I choose to surrender my plan?

If you decide to surrender or transfer your plan early, we aim to pay out, on average, the asset share of your plan.

What guarantees do I have with my plan?

Our With-Profits plans contain guarantees that on maturity or death, the amount you will receive will be no less than the initial guaranteed basic benefit, plus any annual bonus awarded to the date of your claim. No guarantees apply if you choose to surrender the plan.

What is a Market Value Reduction (MVR) and how might it affect my final plan pay out?

In order to protect you and our other With-Profits Fund savers, in periods of poor investment conditions, we may apply a Market Value Reduction (MVR) when a plan is cashed in. This may mean a reduction in the value of your plan as a result of stressed market conditions, which have caused worse than expected investment returns at the point in time when you may wish to cash in your plan.

We may take this decision in order to protect other plan holders in the fund who have not decided to cash in their plan at that point in time.

What are the risks associated with the With-Profits Fund?

As a significant proportion of the fund is invested in stocks and shares, there are inevitably risks associated with the performance of financial markets. Unlike a cash-based savings account, where there is normally a set and guaranteed rate of interest on your savings, it is important that you view saving in one of our plans as a medium to long-term investment, which has the potential to offer better returns.

How can I find out more information?

You can find more details about our With-Profits Fund by:

- **Reading and downloading our full Principles and Practices of Financial Management (PPFM) document on our website**
- **Calling our Member Services Team on 0800 526 249**

Terms and Conditions of the Shepherds Friendly stocks and shares ISA

This section sets out the Terms and Conditions of the Shepherds Friendly Stocks and Shares ISA. It details the terms of the contract between yourself and the Society and explains how your plan will be managed.

PLEASE NOTE: No advice has been provided to you by Shepherds Friendly. If you are in any doubt as to whether this plan is suitable for you, we recommend you get in touch with a financial adviser, who will be able to take you through the options available to you. Should you decide to consult a financial adviser, you should appreciate that there may be a cost involved and you should confirm and agree any cost beforehand.

1. Applying for an ISA

- 1.1 To open an ISA you must complete an application form.
- 1.2 **WARNING:** Do not close an existing ISA if you are transferring it to us or you will lose the tax benefits. We will send you a transfer form to complete which we will send to the manager of your existing ISA to ensure that your tax exemption is not lost.

2. The contract

- 2.1 The contract between you and us is made up of the following documents:
 - 2.1.1 The Plan, including the plan document and endorsements (any changes made to the original Plan);
 - 2.1.2 The application for the Plan;
 - 2.1.3 These standard terms and conditions;
 - 2.1.4 Any letter, fax or email that you send us to tell us about any significant changes to your current circumstances.

3. 'Qualifying Individual': Who can subscribe to the Shepherds Friendly Stocks and Shares ISA?

- 3.1 You must meet the following conditions in order to apply for the ISA:
 - 3.1.1 You must be an individual;
 - 3.1.2 You must be 18 years old or over;
 - 3.1.3 You must not have subscribed to another ISA of the same type in the current tax year;
 - 3.1.4 You must not have exceeded the overall subscription limit to a cash ISA, a stocks and shares ISA, an innovative finance ISA and a Lifetime ISA in the current tax year;
 - 3.1.5 You must be resident in the UK. You will be 'resident' if you have spent a minimum of 183 days in the UK in each of the last 3 calendar years immediately prior to the date of signing the application
OR
 - 3.1.6 You perform duties which by virtue of the Income Tax (Earnings and Pensions) Act 2003 (Crown employees serving overseas) are treated as being performed in the UK
OR

You are married to, or in a civil partnership with, a person who carries out those duties. (If you are unsure about any of the qualifying criteria please contact your tax office).

- 3.2 You must inform us if you no longer meet the residence qualification. The UK does not include the Channel Islands or the Isle of Man.

4. Amount of investment

- 4.1 The ISA allowances/limits are set by Government and are subject to change. Please check the limit for the year in which you invest. You can find the ISA allowance for each tax year on the HM Revenue and Customs website or alternatively you can ring us on 0161 428 1212 and we will be happy to inform you. The limits are for each tax year which starts on the 6th April and ends on 5th April the following year.
- 4.2 You can invest regular monthly premiums and/or lump-sum investments to your ISA.
- 4.3 The minimum monthly premium is £30 a month, which can be increased at any time by a minimum of £10 a month; monthly payments can also be reduced as long as the payment does not go below £30 a month.
- 4.4 The minimum initial lump-sum investment is £500. Additional lump-sum investments of at least £100 can be made at any time. If you are transferring an ISA the minimum initial lump-sum investment is still £500; however, if you are transferring money from another Shepherds Friendly product the minimum lump-sum required is £100.

5. Type of Investment

- 5.1 The ISA is a stocks and shares ISA. The investment is made in our With Profits Fund which holds a mix of assets including stocks and shares, property, gilts, bonds and cash. The market values of these assets move up and down over time but such movements are outside our control. These movements may affect how much we add to investments as bonuses. The aim of the fund is to provide you with steady investment growth over the full savings period of the investment. To do this we keep back some of the investment returns we make in good years so that we can pass them on in years when performance is not so good.
- 5.2 Your investment will take the form of a life policy which will be in your name. The policy will be, and must remain in, your ownership which means that you cannot sell it, use it as security for a loan or transfer your interest in it in any way.
- 5.3 We manage the investment of the plan in line with our Principles and Practices of Financial Management (PPFM). You can look at this document on our website (www.shepherdsfriendly.co.uk) or ask us to send you a copy.
- 5.4 Because the ISA is a life insurance contract:
- 5.4.1 The Plan may be owned or held only as a qualifying investments for an ISA.
- 5.4.2 The Plan shall terminate automatically if it ceases to be owned or held in the ISA.
- 5.4.3 The Plan, or rights conferred by the plan or any share of interest in the plan, or rights respectively, other than the cash proceeds from the termination cannot be transferred to the investor.
- 5.4.4 The Plan, the rights conferred by the plan and any share or interest in the plan or rights respectively, are not capable of assignment or assignation, and the rights may vest in the personal representatives of a deceased investor.

6. Premiums

- 6.1 Regular premiums must be paid by Direct Debit.
- 6.2 Lump sum payments can be made by credit or debit card.

7. Bonuses

- 7.1 There are two types of bonus -
 - 7.1.1 **Annual Bonus:** this is calculated daily as a percentage of the plans funds invested, for example: if the investment is £1,000 and the declared annual bonus rate is 2%, then £20 would be added to the plan. Once added to your Plan it cannot be taken away.
 - 7.1.2 **Final Bonus:** this is calculated when the Plan comes to an end. It is calculated as a percentage of the annual bonuses already added to the plan, for example: if the total of the bonuses already added is £100 and the declared final bonus rate is 50%, then £50 would be added to the plan. We may pay this bonus to make sure that you receive your fair share of our With-Profits Fund.
- 7.2 Please note that the addition of bonuses, either annually or final, is not guaranteed. Their addition depends upon investment performance of our With Profits Fund. The percentage rate at which annual bonuses are calculated can change from year to year. This also applies to the final bonus which can change more frequently than once a year. If investment returns have been poor during the Plan's life it is possible that you could get back less than you paid in.
- 7.3 We declare the rate of bonus annually. We will calculate the bonus on your account on a daily basis for the previous calendar year, and add it to your account as at 31st December. When the ISA is closed we will add a further payment calculated on a daily basis since the 1st January of the year in which the ISA is closed.
- 7.4 We will send you a statement each year so you can see how your investment is growing.

8. Transfers

- 8.1 You can transfer Stocks and Shares and cash ISAs from other ISA managers, and you can transfer your Shepherds Friendly ISA to another manager at any time. You can only transfer the whole amount of the current year's subscription, but you can transfer all or part of previous years' subscriptions.
- 8.2 We will only send and receive transfers in monetary form. It is not possible to transfer other assets, such as shares, into the ISA.

WARNING: do not close an ISA account and transfer the money yourself, as you will lose the tax exemption.
- 8.3 If you wish to transfer an ISA to us, we will send you a transfer form to sign and we will send this to the existing manager so they can send the money to us.
- 8.4 If you wish to transfer your ISA to another manager, you should ask the new manager for a transfer form. The ISA regulations state that we must transfer the money to them within 30 days.

9. Withdrawals

- 9.1 You may make a withdrawal from your ISA, or close your ISA, at any time. We need to make sure that the money is going to the right person so we prefer to pay the money into the account named on your application form. In this case, we will accept requests in writing, by email, or over the phone. If you want payment by cheque, or payment to a different bank account we will need a written request and evidence that the bank account is yours.

- 9.2 If your withdrawal takes the balance below the minimum of £100, you will need to close the account.
- 9.3 The minimum withdrawal is £100.
- 9.4 Withdrawals do not affect the ISA limits, so if you have subscribed to the maximum limit, you cannot make any further subscriptions, whether or not you reduce the balance of the account.

10. Closure of the ISA by us

- 10.1 We will close your account if you fail to meet all the regulations and it then becomes void. We will write to you to explain why and what to do about it. In the event that we have to void your plan we will charge £25 to cover the extra administration.
- 10.2 If we decide in the future to stop administering ISAs we will write to you, giving three months notice for you to transfer the account to another ISA manager.
- 10.3 The ISA can be closed if it has been opened and a small initial investment has been made, but contributions then stop and agreed charges then bring the balance down to nil.
- 10.4 Withdrawals can be made from a direct instruction from HMRC.

11. If you die

- 11.1 Inside the ISA is a life assurance contract and, in the event of your death, we will pay the benefit to your estate. The amount we pay will be the fair value of your plan, but we will also guarantee that, on death, we will never pay less than 101% of the initial investment. The amount of any withdrawals you have taken will be deducted from this total.
- 11.2 A representative of your estate will need to send us the original Death Certificate and a copy of the Will if you have made one.
- 11.3 The tax exemption ends on death. Any interest or gains in respect of Investments held that arise after the date of death to the closure, are not currently exempt from tax and your estate may be obliged to pay tax on the investments.
- 11.4 If married or in a Civil Partnership an ISA can be transferred to your Spouse or Civil Partner. This allowance is the value of an ISA at the date of your death, and is in addition to your Spouse or Civil Partner's own ISA allowance.

12. Cancelling the plan within 30 days

- 12.1 You can cancel your ISA within 30 days of receiving your Plan documents. If you cancel within this period, we will automatically refund any payments you have made.
- 12.2 The refund will be for the amount of your original investment and we will not make any adjustment for investment gains or losses in that time.

13. Cancelling the plan after 30 days

- 13.1 Under ISA rules you will be treated as though you have subscribed to a stocks and shares ISA and will therefore not be able to have another one in the current tax year. You would be allowed to open a cash ISA, an innovative finance ISA or a Lifetime ISA with any unused allowance.
- 13.2 The amount you get back will include any bonuses that are due, although an MVR may be applied: see section 15.

14. Charges

- 14.1 Charges are deducted from the investment growth prior to bonuses being declared; these are currently 3% as an initial plan charge and an annual management charge of 1.5%.

15. Penalties and Market Value Reduction (MVR)

- 15.1 We do not deduct any penalties when a withdrawal is made, or funds are transferred to another ISA manager.
- 15.2 If our investment returns have been low we may use a Market Value Reduction (MVR) to make sure you do not leave the fund with more than your fair share of its assets. This is to protect Plan holders who still have money in the fund, but it may mean that you receive less than you expected.
- 15.3 We would not use a MVR Reduction if the Plan ended because of your death.

16. Your commitments

- 16.1 We will send correspondence to your last known address. It is your responsibility to let us know when you change your address.

17. Taxation

- 17.1 You do not have to pay income tax or capital gains tax on your ISA investment, and you do not have to include it on your tax return.
- 17.2 We have to pay tax on the dividend income from shares in the With Profits Fund, which we cannot reclaim. This does not affect the tax status of your investment. We do not pay any other income tax or capital gains tax on the part of our Fund that relates to your ISA.
- 17.3 This taxation information is based on our understanding of current UK tax legislation and practice. However, both law and practice may change in the future. For further advice on tax please contact your usual tax adviser. If there are any changes to the taxation of ISAs, the effect on you may depend on your individual circumstances at the time.

18. Fraud and Negligence

- 18.1 We are required by legislation to establish the identity of customers we deal with. This means we may have to verify your identity and if so this would involve electronic identity checks, for example checking against the Electoral Roll.

19. Your data and our suppliers

- 19.1 We need your information to give you quotations, and manage your insurance plan, including claims handling. Your information comprises of all the details we hold about you and your transactions and includes information we obtain about you from third parties. We will only collect the information we need so that we can provide you with the service you expect from us. This information may be held on computer or in paper records.
- 19.2 During the course of our dealings with you we may need to use your personal information to:
- 19.2.1 Assess financial and insurance risks and conduct statistical analysis or systems integrity checks;
- 19.2.2 Prevent and detect crime including fraud, anti-money laundering and financial sanctions;
- 19.2.3 To comply with our legal and regulatory obligations;

- 19.2.4 Develop our products, services, systems and relationships with you;
- 19.2.5 Record your preferences in respect of products and services;
- 19.3 In carrying out the actions above we may:
 - 19.3.1 Carry out searches about you using publically available databases;
 - 19.3.2 Disclose some of your information to other insurers, reinsurers, credit reference agencies, fraud prevention agencies, regulators, law enforcement agencies and other companies that provide services to us or you;
 - 19.3.3 Share the information with agencies that carry out certain activities on our behalf (for example marketing agencies or those who help us underwrite your plan);
 - 19.3.4 Use and share your information with our approved suppliers where this is reasonably required to help us administer your claim for example; medical experts and medical agencies, occupational health experts, employment consultants, rehabilitation providers, accountants and auditors, and legal advisors. Where we engage these suppliers we make sure that they apply the same levels of protection, security and confidentiality we apply. However, such information may be accessed by law enforcement agencies and other authorities to prevent and detect crime and comply with legal obligations;
- 19.4 Communications may be recorded or monitored to improve our services and for security and regulatory purposes. Please be aware that both inbound and outbound communication by email may not be secure as messages can be intercepted.
- 19.5 When applying for this plan and when making a claim, you are consenting to our collection of information and use of your data and personal information (including sensitive personal data) as described above.

20. The law

- 20.1 This Plan is governed by the laws of England and Wales.
- 20.2 All references to section numbers above, are to section numbers within this document.
- 20.3 If there is a change in the law or the way tax applies to us or to you, we will have the right to adjust the plan in a way which ensures that we do not break the law or taxation rules.

Your **agreement** with us

Below you will find a full explanation of our obligations to you with regard to your stocks and shares ISA and your commitments to us as the plan holder.

Our obligations to you

1. We agree to act in your best interests in the provision and subsequent administration of this plan to you.
2. We agree to identify and manage any conflicts of interest which may arise and to mitigate them so that they do not have a detrimental effect on you.
3. If we believe a conflict of interest has arisen, and we cannot, with certainty, prevent it from having a detrimental effect on you, we will advise you of it, so you can decide whether to use our services or not.
4. To ensure you fully understand the product before you buy it we will provide you with the following information and service depending upon product type -
 - A Key Information Document (when the product is savings or investment related).
 - An Important Information Guide.
 - Additional product information.
 - Information about our business.
 - The opportunity to ask a member of staff for further explanation.

This information will be provided in an accurate, clear and understandable way and you have the choice of receiving it in paper form or electronically to your email address.

5. Before we agree to provide the product to you we will establish by a Demands and Needs Questionnaire and, for some products an Appropriateness Test, that your decision to buy it seems a satisfactory way forward for you. If we believe that not to be the case, we may refuse to provide the product.
6. In providing the product we will not be making a personal recommendation that it is suitable for you and therefore we are not giving you financial advice. We are providing you with all the information and assistance you need to arrive at your own informed decision to take the product based on your own understanding.
7. If you decide to purchase a plan with no personal input and no personalised prompting from us, then that would be classed as an "execution only purchase at your own initiative". In this event you may lose some of your consumer protection benefits and we may not be liable for claims against us.
8. When we have accepted your application for the product we will provide you with the following information -
 - The plan Terms and Conditions
 - A confirmation that the plan meets your Demands and Needs
 - A cooling -off period Cancellation Notice
 - Confirmation concerning how premiums will be collected.
9. If your product is an Insurance Based Investment Product we will provide an annual Bonus Statement on its value and the ongoing costs and charges applied.

10. You will always have the right to complain should you be dissatisfied, and we will handle any complaint in line with the requirements and standards set by the Financial Conduct Authority. We will publish our Complaints Procedure on our website or supply a written version upon request. If you remain dissatisfied after our final response you have the right to refer the matter to the Financial Ombudsman Service for an independent review.
11. In conducting Insurance Distribution Activity with you we will have collected personal data about you. We will hold and manage this data in accordance with the requirements and standards set by the General Data Protection Regulation (GDPR) and any other Data Protection Regulation, which may apply in the future. Your data will be held securely and will only be processed for the reasons allowed by the GDPR. We will at all times publish our data protection Privacy Notice on our website or supply a written version upon request.

Your commitments to us

12. When you provide information to us in connection with the application for a plan it must be accurate and truthful in all respects. There is a risk that providing inaccurate or false information could cause the plan to be invalid and you may suffer loss as a result.
13. In the event of a claim, or at maturity of a plan, you must supply us with all information we may request at that time to enable us to assist us in making payment to you. All information provided must be accurate and truthful.
14. You agree that you will read the Key Information Document and the Important Information Guide. If you then require further clarification you agree to read the additional information available from us, or contact us to discuss anything you do not understand. The onus is on you to understand what you are buying based on all the information we provide to you.
15. You will keep us up to date with information about how to contact you. Please always notify us of any change to your address and preferably also your telephone number and email address.
16. We have legal obligations to verify plan holder's identity during their relationship with us. We will advise you how we do this at the time it is being done and you agree to co-operate with us, if, or when, we have to do this.
17. You understand and accept that we do not have a financial advice relationship with you. We are able to provide you with information and guidance, but we cannot make a personal recommendation that a plan is suitable for you. Decisions to buy a plan are taken by you on an informed basis using information we provide.

Additional information about us

About our service

We always provide you with all the information you need about our products and the service that comes with them. We do that through this guide, the conversations we have with you and by providing the Key Information Document for the product, which you must read. The products we provide are the Society's own products.

We are not a financial advice company and we do not make personal recommendations about the suitability of the product for you. Provided we are satisfied that the product meets your demands and needs, and it is not inappropriate for you to buy it, the information we give enables you to take your own informed decision to proceed with the purchase.

Our Member Services Team, when they speak with you, ensure that you have all the information you need and are there to answer your questions openly and honestly.

How we remunerate our people

We take great care to ensure our people are remunerated in ways which do not create any conflicts of interest for them or you, and we structure their pay so that there is no inducement for poor sales practices.

We do this by paying our people by salaries with a bonus element for successfully doing their job. These payments are made by Shepherds Friendly Society.

If you wish to know the amount of any bonus related to the specific product you decide to buy, just ask and we will confirm it to you if one has been paid.

How we remunerate our introducers

When we receive your application for a product which has been referred to us by a third party (such as a financial adviser) we may pay them a fee. If we pay such a fee the amount will be advised to you before we process your application. In return for payment of this one-off fee the introducer has agreed with us to continue to monitor that the product remains appropriate for you and to answer any questions you have about its performance and its terms and conditions.

Your financial protection

The products we sell fall within the Financial Services Compensation Scheme and you are covered for 100% of the amount you invest with us should our Society suffer a complete financial failure. This compensation scheme is administered by the Financial Services Compensation Scheme (FSCS) who you can write to at PO Box 300, Mitcheldean, GL17 1DY. Telephone 0800 678 1100. Further information is available on their website - www.fscs.org.uk

Contact us

Opening a stocks and shares ISA with us is quick and easy



Online: www.shepherdsfriendly.co.uk



Freephone: **0808 149 3445**



Email: info@shepherdsfriendly.co.uk

Transfer-in an existing ISA We can handle the complete transfer-in process for you to save you time and hassle. Again, you can begin the process online on our stocks and shares ISA web page or simply get in touch as above.

All references to taxation are to UK taxation and are based on Shepherds Friendly Society's understanding of current legislation and HM Revenue and Customs practice which may change in the future. Investment growth is by means of bonuses, the amount of which cannot be guaranteed throughout the term of the contract. Please ensure that you read the full terms and conditions of this plan which are available from your financial adviser or by contacting us directly.

Please note: No advice has been provided by Shepherds Friendly. If you are in any doubt as to whether a plan is suitable for you, we recommend getting in touch with a financial adviser, who will be happy to take you through what options are available. Should you consult a financial adviser there could be a cost involved and you should confirm this cost beforehand.

Further information you should note

Claims - to make a claim please contact us by phone on 0161 428 1212 and ask for the Claims Department. They will explain the claims process and send out a claim form.

Cancellation Rights - after we accept your application, we will send you a notice of your right to cancel. You will then have 30 days to change your mind and leave the plan.

Complaints - if you want to make a complaint; please contact: Compliance Officer, Shepherds Friendly, Haw Bank House, High Street, Cheadle, Cheshire SK8 1AL. Phone: 0161 428 1212. Email: info@shepherds.co.uk

If we don't deal with your complaint to your satisfaction you can complain to the: Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. Phone: 0845 080 1800 Making a complaint will not affect your right to take legal action.

Financial Services Compensation Scheme (FSCS) - we are covered by the FSCS, which means you may be entitled to compensation under the terms of the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

For long term-plans such as this the scheme covers 100% of the claim with no upper limit. Further information about the scheme is available from the FSCS - Visit: www.fscs.org.uk or call: 0800 678 1100.

Financial Crime - we will take measures to protect members against financial crime. We may need proof of identification on application or claim and if required we may gather this proof by electronic means, for example checking Electoral Registers.

Tax - information that we provide in this leaflet about taxes in the UK is based on our understanding of current laws and HM Revenue and Customs practice which may change in the future.

The Data Protection Act - you have the right to ask to see any personal information which we may hold about you and to have any mistakes in this information corrected. You can do this by writing to the Data Protection Officer at our head office.

Law - the plan is governed by the laws of England and Wales.