

Appendix 1: *Discretionary* and *Participation* Business covered by the PPFM

The PPFM covers the following *discretionary* and *participation* business managed by OMLACNAM.

- Group business
 - Absolute Growth Portfolios
 - Core Growth Portfolios
 - Group *With-Profit Annuities* (OptiPlus and OptiSelect)

- Individual business
 - Conventional *Reversionary Bonus* business
 - Flexi *Smoothed Bonus* business
 - Flexi *Performance Profits* business (Balanced, Stable and World Wide Equity Portfolios)
 - Retail Affluent Market New Generation *Smoothed Bonus* business *
 - Retail Mass Market Savings (pre- and post-July 2005) business
 - 2-IN-ONE SAVINGS (Long Term Pocket) business
 - FutureInvest Savings business

For certain classes of smoothed bonus business where investment guarantees are given to policyholders in the normal course of events the cost of such guarantees will be carried by the relevant class of policies. An example of such a guarantee is the guaranteed return of contributions. Shareholders carry the cost of investment guarantees if the BSA becomes unacceptably negative and remains so after appropriate management actions have been taken. For other classes of smoothed bonus business (marked with an asterisk above), the cost of investment guarantees will be carried entirely by shareholders.