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ADMINISTRATION AGREEMENT

CONCLUDED BETWEEN "THE PARTIES" IN TERMS OF
SECTION 13B OF THE PENSION FUNDS ACT, (ACT 24 OF 1956)

DYNAM-IQUE SA CONSULTANTS AND ACTUARIES (PTY) LTD
(HEREINAFTER REFERRED TO AS "THE ADMINISTRATOR")

AND

DYNAM-IQUE SA UMBRELLA PENSION FUND
(HEREINAFTER REFERRED TO AS "THE FUND")

AND

AVSTAR AVIATION (PTY) LTD.
(HEREINAFTER REFERRED TO AS "THE EMPLOYER")

EXCL

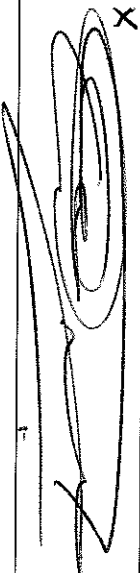
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ACCEPTANCE OF THE CONTRACT BY THE PARTIES

For the purposes of this Agreement, the following information shall apply;

COMMENCEMENT DATE	1 December 2006
The PARTIES as reflected below	
ADMINISTRATOR	Dynam-ique SA Consultants and Actuaries (Pty) Ltd 3 rd Floor North Wing, Oakhurst Office Park, 11 St Andrews Road, Parktown, Johannesburg
FUND (Name and registered address of the fund)	Dynam-ique SA Umbrella Pension Fund 3 rd Floor North Wing, Oakhurst Office Park, 11 St Andrews Road, Parktown, Johannesburg
EMPLOYER (Name and registered address of the employer)	Avstar Aviation (Pty) Ltd.

Signed by the representatives of the Parties who warrant that they have read the Agreement attached hereto and have their respective authority to enter into this Agreement.

<u>For the Administrator</u>	
Name:	Designation:
Date:	
<u>For the Fund</u>	
Name:	Designation:
Date:	
<u>For the Employer</u>	
Name: W. TANNER	Designation: MANAGING DIRECTOR
Date: 22/12/2006.	X 

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PREAMBLE

- (i) This Agreement is constituted in accordance with the provisions of Section 13B of the Pension Funds Act, 1956 (Act No. 24 of 1956) and the Conditions as published in the Government Gazette of 24 November 1995, and
- (ii) the Parties have agreed to an arrangement whereby the Standard Services of the Administrator shall be secured for the administration of the Fund, subject to the terms and conditions of this Agreement, read in conjunction with any Administration Manual, Policy and the Rules of the Fund. Where conflict arises between the aforementioned documents, the Rules will prevail.

1. COMMENCEMENT

This Agreement shall commence on the date reflected in the Acceptance of the Agreement by the Parties.

2. INTERPRETATION

In this Agreement, where the context so requires:

- 2.1 words and expressions importing the singular shall include the plural and vice versa;
- 2.2 words and expressions importing one gender shall include the other genders;
- 2.3 words and expressions importing persons shall include partnerships, trusts and bodies corporate and vice versa;
- 2.4 headings are inserted for ease of reference only and shall not affect the interpretation of any of the provisions to which they relate.
- 2.5 where the Employer participates in the Fund, and the Fund is an umbrella fund, established for the benefit of more than one Employer between which there is no principal/subsidiary relationship, in this Agreement where the context so permits, the terms "Employer" and "Board" shall be synonymous.
- 2.6 for the purposes of this agreement any reference to Standard Services and Non-standard Services will be deemed to include administration, consulting and actuarial services as listed in the agreement

3. DEFINITIONS

The following words and expressions shall bear the meanings assigned to them below:

'Act' means the Pension Funds Act, 1956 (Act No. 24 of 1956), as amended or substituted from time to time.

'Administrator' means Dynam-ique Fund Administrators, an operating division of Dynam-ique Consultants and Actuaries, duly approved by the Registrar of the Financial Services Board in terms of section 13B of the Act.

'Administration Manual' means any process manual or procedural instruction issued or updated by the Administrator, from time to time, and made available to the Fund or Employer.

'Adviser' means the financial adviser or consultant appointed by the Board or, where applicable, the Employer, to facilitate communication between the Parties in respect of Fund related matters.

- 'Agreement'** means this administration agreement concluded between the Fund and Employer, as is applicable, and the Administrator.
- 'Anniversary'** means the annual review of costs and benefits for the Fund.
- 'Board'** means the Fund's board of management, as required in terms of the Act and constituted in terms of the Fund Rules, and 'Trustees' shall have a corresponding meaning.
- 'Employer'** means the Employer named in the Acceptance of the Agreement by the Parties.
- 'Fund'** means the Fund named in the Acceptance of the Agreement by the Parties.
- 'Insurer'** Means an Insurer registered in terms of the Long-term Insurance Act (Act 52 of 1998), who has issued a Policy to the Fund.
- 'Monitoring Person'** means the monitoring person of the Fund, appointed by the Board in terms of the Act.
- 'Non-standard Services'** means all functions, services, including consulting and actuarial services, and duties which the Administrator agrees, in writing, to provide for the Fund, which fall outside the scope of the Standard Services.
- 'the Parties'** means the Employer, the Board and the Administrator.
- 'Policy'** means one or more policies, including any endorsements thereto, issued by an Insurer to the Fund for the purpose of insuring some or all of the benefits offered by the Fund to members in terms of the Rules.
- 'Principal Officer'** means the principal officer of the Fund, appointed by the Board in terms of the Rules of the Fund.
- 'Rules'** means the registered rules by which the Fund is constituted including, any registered amendments thereto.
- 'Systems'** means any proprietary computer systems utilised by the Administrator and any system to which access is made available by the Administrator, for use by the Fund and/or the Employer, to facilitate the administration of the Fund.
- 'Standard Services'** means all functions, services, including consulting and actuarial services, and duties which the Administrator agrees to provide for the Fund, as provided for in this Agreement, the Rules, Policy and the Manual.

4. PROCEDURES

- 4.1 By signing this Agreement, the Board and the Employer acknowledge their awareness and understanding of the procedures of the Administrator contained in this Agreement,

the Rules, the Policy, the Administration Manual and any practice notes issued by the Administrator from time to time.

- 4.2 The Administrator may, from time to time, give reasonable written notice to the other Parties of new procedures to be implemented, such new procedures shall be reasonable taking into account the business of the Administrator, and the Parties shall be bound by these procedures with immediate effect.

5. RESPONSIBILITIES OF THE ADMINISTRATOR

- 5.1 In order to promote the objectives of the Fund, the Administrator shall perform the Standard Services mentioned below with reference to the general duties, functions and service standards set out in the Administration Manual, and subject to compliance with the prevailing legislation and in accordance with the Rules of the Fund and the conditions of any Policy.

Standard Administration Services include -

- a. Setting up of fund records
- b. Administration Manual and installation pack in respect of new funds
- c. Rules, policies and amendments
- d. Statutory reporting and payments
- e. Monthly returns and contribution updates
- f. Maintenance and storing of member records
- g. Payment of claims in terms of the rules of the fund and in terms of any applicable legislation
- h. Tax calculations and payments
- i. Member and fund reporting in term of the Pension Funds Act
- j. Administration and calculation of insured and funded benefits and premiums
- k. Premium payments to insurers and asset managers
- l. Maintaining accounting records
- m. Producing data required for valuations
- n. Paying pensioners
- o. Annual renewals
- p. Annual fund audits
- q. Housing Loan agreements and set-up
- r. Training of client staff on administration matters

Standard Consulting Services include -

- a. Dedicated consultant to each fund to manage and coordinate all aspects of the service delivery
- b. Member presentations
- c. Facilitation of trustee elections
- d. Trustee training
- e. Attending trustee meetings to guide trustees on meeting
- f. Secretarial service to the trustee meetings, including but not limited to scheduling the meetings, compiling the agenda, sending out trustee meeting packs in advance of the meetings and taking minutes.
- g. Maintenance of fund compliance register and matters
- h. Arrange investment presentations by the different asset managers
- i. Investment reports and guidance on investment
- j. Regular updates on legislation and retirement fund related matters
- k. Members' booklets, newsletters and the fund's annual reports
- l. Regular re-broking of risk benefits
- m. Reviews of fund's benefit structure in line with the industry

Standard Actuarial Services include -

- a. Periodic reporting on asset performance and regulatory compliance
 - b. Monthly schedules on investment performance
 - c. Funding checks and abridged valuations
 - d. Actuarial verification of rule defined member benefits or regulatory entitlements
 - e. Preparation and certification of all standard documents and schedules required by the Pension Funds Act of 1956 (as amended)
- 5.2 The Administrator shall in terms of the powers of the trustees as delegated to them ensure that –
- 5.2.1 adequate internal record keeping mechanisms, accounting systems and records, computer systems and controls are maintained for the size and complexity of the pension fund administration business it conducts in terms of the Act;
 - 5.2.2 adequate measures are in operation to ensure the continued safety of documents of title relating to assets which are held in safe custody and that ownership thereof shall at all times be readily established;
 - 5.2.3 adequate fidelity guarantee insurance and professional indemnity insurance is taken out and maintained by the Administrator;
 - 5.2.4 all investments of the Fund are made in accordance with the provisions of the Act;
 - 5.2.5 it processes all claims, contributions, membership data and Anniversary processing and communicates the Insurer's medical requirements either in respect of the provision of insured benefits or the acceptance of a claim for such benefits.
 - 5.2.6 benefit payments are made by way of electronic fund transfer or such other manner of payment as agreed to by the Administrator;
 - 5.2.7 within six months' of the Fund's financial year-end, the Administrator shall submit to the Registrar of Pension Funds, the financial statements of the fund as required in terms of the Pension Funds Act
 - 5.2.8 documentation received from the Board or via the Employer is processed and claims are signed by duly authorized signatories;
 - 5.2.9 it responds to any enquiries directed to the Administrator by the Board or the Employer;
 - 5.2.10 where necessary, the Board, the Principal Officer and the Monitoring Person are assisted in fulfilling their statutorily imposed functions and duties.
- 5.3 The Administrator, on request, and subject to the payment of a negotiated fee, provide the Board, via the Adviser, if applicable, with professional, objective legal and technical advice with regard to any matter that may affect the Fund.
- 5.4 The Administrator is entitled to take such necessary action, and debit the Fund with the relevant fees, to ensure that the Fund complies with any relevant legislation and/or directives issued by any relevant authority, and shall advise the Fund accordingly.
- 5.5 Over and above the Standard Services offered, the Administrator may provide additional Non-standard Services that may be required on an *ad hoc* basis, and the fees for such additional services will be negotiated and agreed between the Parties.
- Non-standard Services may include –

- a. Pensioner matters
- b. Terminations and Liquidations
- c. Section 14 transfers
- d. Statistical data
- e. Custom designed benefit statements and member rule booklets
- f. Special fund investigations
- g. Supply of information in respect of broker investigations or additional copies of Rules or Policy
- h. Financial reports in terms of AC116
- i. Compilation and submission of Surplus Apportionment Funds in terms of the Second Amendment to the Pension Funds Act, 2001 (The Surplus Act)
- j. Reprocessing of any Fund transaction or Anniversary process due to the fault of Parties other than the Administrator

or any other *ad hoc* service which the Administrator may be requested to provide.

6. RESPONSIBILITIES OF THE BOARD AND FUND

6.1 The Board shall ensure the proper and accurate completion of the Administrator's Standard Transaction Forms or Fund related documentation in order for the various Fund related operations to be accurately performed by the Administrator.

6.2 The Board shall advise the Administrator of:

- 6.2.1 the names and addresses of the members of the Board, the Principal Officer, Monitoring Person and any other authorised signatories for the Fund, using properly completed authorised signatory forms;
- 6.2.2 any proposed rule amendments, and shall ensure that all instructions to amend the Fund Rules are effected on the relevant Standard Transaction Forms;
- 6.2.3 the extent of the fidelity cover taken out by the Fund;
- 6.2.4 the appointment of an actuary, if applicable.

6.3 On request, the Board undertakes to promptly procure and furnish the Administrator with such detail pertaining to the affairs of the Fund and the Employer, as may reasonably be required by the Administrator in the effectual conduct of its duties and functions hereunder.

7. RESPONSIBILITIES OF THE EMPLOYER

7.1 The Employer undertakes to comply with the provisions of this Agreement, the Rules, Policy, the Administration Manual and any prevailing legislation.

7.2 The Employer undertakes to furnish the Administrator with the membership data, in the format prescribed in the Pension Fund Act.

8. NON-COMPLIANCE WITH REQUIREMENTS OR NON-DISCLOSURE

8.1 The Administrator reserves the right, in its sole discretion, to withhold the processing of any suspicious, unclear, incomplete or ambiguous transactions or Board resolutions submitted by the Employer, the Fund, the Adviser, or duly authorised signatory as the case may be, and shall not be held liable or responsible for any losses, damages, expenses and /or charges of whatsoever nature, arising out of or in connection with the withholding of such processing.

8.2 Should the Administrator exercise its right in terms of Clauses 8.1 above, the Administrator shall notify the Principal Officer of this fact and the reasons therefore within 14 calendar days of exercising such right.

9. FEES

9.1 The Fund shall pay the Administrator a monthly administration fee as set out in the addendum to this agreement. The Administrator shall calculate administration fees on an annual basis, or at any other time as may be shown in the Rules and Policy. Administration fees shall be based on the annual premium income, number of members and the size and nature of the Fund. If the retirement fund contributions are fixed and inclusive of costs, then the portion allocated to retirement fund investments will change with any change in costs.

9.2 The fees are subject to VAT in terms of the Value Added Tax Act, 1991 (Act No. 89 of 1991) and fees are reflected inclusive of VAT.

9.3 The Administrator reserves the right to re-negotiate the basis of fees charged, should there be significant changes in the membership, administration or benefit structure of the Fund.

9.4 The cost for all Standard Services are included in the monthly administration fee

9.5 Any non-standard Services, are **not** included in the Administrator's fee:

9.6 In regard to Non-standard Services performed by the Administrator, the Fund shall pay to the Administrator a fee which shall be negotiated by the Fund and the Administrator, and if applicable, the Employer. No Non-standard Services shall be performed prior to the Fund and the Administrator agreeing, in writing, to such additional fee. The Fund will then automatically be debited with the additional fee, which may be deducted from the assets of the Fund.

9.7 In addition to the fees referred to above there are certain statutory charges imposed on retirement funds. Examples of this would be Financial Services Board Levies, Retirement Fund Tax, etc. The fund might also incur charges due to statutory requirements. Examples of this would be annual audit fees. These fees are not included in the administration fee of the fund as set out in the addendum to this agreement.

10. ADVISER COMMISSION (IF APPLICABLE)

10.1 An Adviser may be appointed by the Employer or the Fund to provide professional services to the Fund in terms of a mandate between the two parties.

10.3 Subject to the provisions of this Agreement, and any broker contract with the Administrator, the Adviser shall be entitled to commissions upon such contributions as shall be paid to the Administrator in cash or otherwise in respect of the Fund. These commissions shall be agreed in writing between the Fund and the Adviser, but shall not exceed the amount laid down in regulation 28 of the Long-term Insurance Act No.52 of 1998 and the Schedule thereto, as amended from time to time.

10.4 On receipt by the Administrator of a written instruction from the Board to the effect that the Adviser no longer consults to the Fund, the Adviser shall be paid any commission owing, due and payable in respect of such Fund at the date that the Adviser ceases to consult to the Fund. Any such commission shall be pro-rated accordingly at the date of such cessation. Thereafter the Adviser shall not be entitled to any further commission in respect of the Fund.

10.5 On termination of this Agreement for any reason, the Adviser shall be paid any commission owing, due and payable at the time of such termination of this Agreement, on the expiry of the period of notice.

11. AMENDMENTS TO THE AGREEMENT

11.1 This Agreement sets out the entire Agreement between the Parties and supersedes all prior agreements, written or oral, in connection with the subject matter of the Agreement.

11.2 The Parties have not given any warranties or made any representations other than as set out in this Agreement as may be amended, in writing.

11.3 No alteration, cancellation, variation of, or addition to this Agreement, shall be of any force or effect unless reduced to writing in the form of either a new Agreement or an addendum signed by the Parties or their duly authorised representatives.

11.4 This Agreement is however subject to alteration without prior notification to the Fund or Employer, in order to comply with all relevant laws and regulations which may affect the activities in terms of this Agreement or otherwise.

12. CONFIDENTIALITY

The Administrator agrees and undertakes to keep confidential and not to disclose in whole or in part any confidential information disclosed by the Fund or the Employer to the Administrator in the course of the implementation of this Agreement, unless such disclosure is authorised by the Fund and/or the Employer in writing, or required by law, or is necessary for the due performance of its obligations in terms of this Agreement.

13. DISPUTE RESOLUTION

13.1 Any disputes arising from or in connection with this Agreement shall, unless resolved by the Parties themselves, be referred to and decided by an independent arbitrator or arbitrators appointed by the Arbitration Foundation of Southern Africa.

13.2 The Parties agree to be bound by any award resulting from such arbitration.

14. DOMICILIUM

14.1 The Parties choose *domicilium citandi executandi* (address) at which all notices, legal processes and other communications must be delivered for the purposes of and in connection with this Agreement as reflected in the Acceptance of the Contract by the Parties.

14.2 All notices, demands, communications or payments intended for the Parties to this Agreement shall be made or given at such Party's *domicilium* for the time being.

14.3 Each of the Parties shall be entitled to change its *domicilium* from time to time to any address (other than a post office box or *post restante*) in the Republic of South Africa on notice to each of the other Parties.

14.4 Any notice or communication sent by one Party to another Party at its *domicilium* shall be deemed to be received on the same day, if delivered by hand or transmitted by facsimile, or any other agreed upon method of electronic communication, or if sent by postal service, it shall be deemed to be received on the fifth business day after posting.

15. TERMINATION

This Agreement may be terminated on one or more of the following bases:

15.1 by mutual agreement between the Parties to this Agreement

15.2 by the fact that any Party to the Agreement ceases to exist as a legal person;

15.3 by liquidation or discontinuance of the Fund in accordance with the Fund Rules provided that, if following such termination or discontinuance, the Administrator is required to perform any further Standard Services, then the Administrator shall be entitled to the fees in accordance with the provisions of clause 5.5;

15.4 by any Party failing to carry out fully and timeously in accordance with service standards, all the duties and obligations set out hereunder or otherwise agreed to in writing by the Parties, after such Party has been given reasonable written notice within which to fulfil its duties and obligations;

15.5 by any Party to this Agreement giving ninety days' prior written notice to the other Parties, of its intention to cancel this Agreement.

Dynam-ique SA Standard Service Level Agreements

Administration S.L.A.'s

Work Item	SLA
Response to telephone and e-mail queries	24 Hours
Withdrawal Claims	7 working days
Installation of new funds	5 working days
Retirement Claims	7 working days
Death Claims	7 working days
Disability Claims	7 working days
Investment Switches and Elections	2 working days
Allocation of monthly contributions	5 working days
Renewals	10 working days
Member values (quotes)	2 working days
Fund values (quotes)	3 working days
Underwriting queries	3 working days
Compilation of claims experience	5 working days
Rule amendments sent to FSB for registration	10 working days
Rule amendments sent to SARS for approval (after receipt of approval from FSB)	3 working days

Actuarial S.L.A.'s

Work task	S.L.A. days
Individual member calculations	5 working days
Fund or bulk member calculations <ul style="list-style-type: none"> ▪ Provisional feedback ▪ Resolution 	3 working days 15 working days (negotiable)
Investment Reports - Comprehensive	15 working days
Investment Reports - Abridged	10 working days
Monthly investment returns	15 working days

Historic investment returns for up to 3 years	5 working days
Historic investment returns for 3 years plus	10 working days
Defined Contribution Funding Checks	15 working days
Road Accident Fund Claim Valuation	negotiable subject to data requirements
Post retirement funding calculation	20 working days
Section 14 Certificates	10 working days
Customised Benefit Statements	10 working days
Surplus apportionment exercise	negotiable subject to data requirements

Consulting Services S.L.A.'s

Work task	S.L.A. days
Minutes	10 working days
Trustee packs	5 working days (prior)
Risk Rebroke	20 working days
Fidelity Insurance Renewal	10 working days
Matters arising from trustee meetings	5 working days
Ad-hoc client requests	5 working days
Member Booklets - preparation of draft - making clients' changes - proofing typesetting	10 working days 3 working days 3 working days
Section 14's - Preparation of S14 application documentation	5 working days

Adherence to Service Level Agreements is measured from the date on which final, complete and accurate requirements are received to initiate a particular work process.

The performance of Dynam-ique SA is measured against these service levels. The levels should be met consistently.

To assist us in meeting these Service Level Agreements, we request your co-operation when submitting instructions or requesting information by using the following guidelines:

1. Please submit requests in writing by letter, fax, memo or e-mail. If possible, please refrain from requesting information telephonically as this could lead to misinterpretation of your requirements. Please ensure that any information required for meetings or appointments are requested timeously, taking into account the above Service Level Agreements.
2. Please follow all instructions as set out in The Dynam-ique Administration Manual
3. When fund amendments are required a signed board resolution is required. Note that the FSB will not allow backdated rule amendments.
4. When informing us of the change of a company/fund name, please submit a copy of the registered certificate of the name change and supply the reason for this change.