



ELITE CONSULTING NAMIBIA

Employee Benefits Consultants

ELITE CONSULTING NAMIBIA (PTY) LTD

COMPANY PROFILE

INDEX

| | |
|-----------|-----------------------|
| Section 1 | Overview |
| Section 2 | Company Profile |
| Section 3 | Services |
| Section 4 | Approach |
| Section 5 | Important Information |
| Section 6 | Conclusion |

SECTION 1: OVERVIEW

Elite Consulting Namibia (Pty) Ltd is an authorised financial services provider, which specialises in employee benefit consulting. Elite Consulting focuses purely on rendering consulting services to boards of trustees and participating employers of retirement funds.

Philosophy

Elite Consulting's delivery of professional strategic consulting services to retirement fund trustees and their members is built on the philosophy of being independent of the other service providers to the fund (such as administrators, actuaries, asset managers, insurers and auditors). This independence allows Elite Consulting's consultants to objectively advise the trustees on all matters affecting the fund, including the performance of the fund's other providers.

Expertise

Being a focussed consulting business, Elite Consulting prides itself on the level of expertise and experience employed within the company. Although the company was established in 2006, Elite Consulting's consulting team is one the most experienced in Namibia, with a verifiable track record of competence.

Value add

We believe that trustees and management committees should be able to measure the value that we add and therefore subscribe to a rigorous review process, part of which quantifies the value that the consulting team has brought to the fund.

Process

Our approach to consulting and the process that we follow to bring tailor made solutions to our clients is unique. We not only provide best practice advice, but we also provide implementation solutions and take responsibility for the implementation of the advice.

The process followed to determine both best advice and its application to our clients, although disciplined and unique, is not the only attribute that the Management Committee should be looking for in appointing independent consultants. Continuity and the sharing of scheme specific knowledge play a big part in the ongoing management of any retirement funding arrangement. Our processes institutionalise this important aspect of the ongoing consulting to retirement fund arrangements.

Values

Elite Consulting's values are based on integrity, disclosure and ethical behaviour. The success of our business to date has been determined by our customers' trust and faith in our expertise and integrity. We therefore will not tolerate behaviour that could compromise this position. Our positioning as independent consultants lends itself to this value system.

SECTION 2: COMPANY PROFILE

Background and shareholding....

Elite Consulting Namibia (Pty) Ltd was established in 2006 by a team of specialist retirement fund consultants with vast industry experience. The decision to establish the company was based on the recognized need for independent advice. The company is therefore also majority owned by management. This is a key philosophy of the company which ensures total commitment to the company's core business activities, values and its customers.

Our business activities are focussed on Namibian clients as well as South African corporate companies who operate in Namibia. We have a technical business partner based in South Africa, being Lykos Financial Solutions (Pty) Ltd.

Being a Namibian business, we appreciate its history and economic imbalances of the past as well as current efforts to rectify these imbalances in the country. Elite Consulting is therefore committed to empowerment and the advancement of previously disadvantaged staff.

Directors

Trevor Colmer

Managing Director

Trevor has 29 years retirement fund consulting experience in Namibia (and South Africa), working at United Pension Fund Administrators of Namibia from 1997 until 1999 and at Alexander Forbes Financial Services Namibia (and South Africa) from 1999 until 2006. Trevor was a founding member of Elite Consulting Namibia in 2006 with a team of specialist retirement fund consultants.

Morné Olivier

Director

Morné graduated from the University of Pretoria in 1994 with a BCom Honours, specializing in Econometrics. He is a Certified Financial Planner (Pensions) and has 31 years' retirement fund and investment consulting experience in South Africa and Namibia. He was the Managing Director of Alexander Forbes Financial Services Namibia from 2000 until 2002, when he moved to South Africa. He remained a Director on the Namibian Board until the end of 2003. He started Seshego Benefit Consulting with a team of specialist retirement fund consultants in 2005 and recently sold his stake in Seshego to focus on the investment consulting services provided by Elite Consulting Namibia. He has been a Director of Elite Consulting since the company's inception in 2006.

Sara NM Katiti

Director

Sara is the Managing Director and founding member of Afri Holdings (Pty) Ltd. Before establishing Afri Holdings, Sara was the Chief Executive Officer of

TransNamib Holdings from February 2013 till April 2016.

Katiti was also in service with NamPower (Pty) Ltd as Financial Coordinator: Kudu Project. NamPower (Pty) Ltd is Namibia's national power utility involved in the generation and transmission of electrical power. The Kudu Project is a \$1billion, 800MW Gas-to-Power project that will convert natural gas to electrical power. She was subsequently promoted to the position of Manager: Strategic Finance and then again to the position of Senior Manager: Strategic Finance within the Finance Department of NamPower (Pty) Limited.

She had previously served in various Accounting positions in the Finance & Information Technology and Treasury Departments at the City of Windhoek.

Sara holds a master's Degree in development finance from the University of Stellenbosch, Graduate School of Business. She also holds a further B Tech (Cost and Management Accounting) Degree and a National Diploma (Accounting) from the Polytechnic of Namibia. She attained academic excellence as the Best Student in the final year of the National Diploma (Accounting). She serves as a Director, Committee member, and Trustee on various Boards of both private and parastatal companies. She previously served as the Deputy Chair of the TransNamib Board of Directors and Chairperson of Audit Committee for the period 2008-2012.

Sara serves as a non-executive director on the board and brings a wealth of experience to the management of the business.

Diekie Gous

Individual Financial Planner

Diekie has 25 years' experience as an Individual Financial Advisor in Namibia, working at Sanlam Namibia from 2000 until 2008. Since then he joined Elite Consulting Namibia, managing the individual financial planning division. He got extensive experience in retirement planning.

Size of the team....

Elite Consulting focuses on strategic retirement fund consulting and therefore Elite Consulting's only recruitments are with the express objective of providing superior consulting advice and solutions to its customers. Any non-core functions are outsourced, which allows us to obtain "best of breed" input from industry specialists. This approach also allows Elite Consulting to obtain multiple views and opinions on industry developments, which we then assimilate and refine into best practice advice.

The company currently has 2 Principal Consultants, 1 Individual Financial Planning Consultant, 2 assistant consultants, 1 data analyst, 1 personal assistant and a driver in its service.

Support functions required to deliver superior advice and delivery to clients are outsourced, and in most cases to sizeable companies. It is important to note that the support functions are outsourced to allow Elite Consulting to focus on the core business of giving "best of breed" advice.

To assess the depth and size of the total number of people involved in delivering the service and advice to clients, the trustees should consider the size and expertise of Elite Consulting's outsource partners as well.

SECTION 3: SERVICES

Elite Consulting specialises in the areas of strategic consulting, risk benefit consulting and investment consulting. Our services also extend to other activities that are key to the effective management of an employee benefits programme.

Strategic Consulting....

This service entails advice on the following:

- ❑ Benefit Design.
- ❑ Industry Developments and its impact on the benefit programme.
- ❑ Financial implications of accounting practices on the fund and employer.
- ❑ Financial implications of benefit structures on the fund and the employer.
- ❑ Implications of Mergers and Acquisitions on benefit structuring, company accounting and benefit funding.
- ❑ Management of bulk transfers between funds and employers in terms of Section 14 of the Pension Funds Act and Section 197 of the Labour Relations Act.
- ❑ Legal support (including legal opinions, adjudicator complaints, distribution of death benefits, etc.) and fund rule drafting and maintenance.
- ❑ HR Practises and their impact on the retirement fund and benefit programme.
- ❑ Fund communication programmes.
- ❑ Liaison with the Authorities.
- ❑ Liquidations.
- ❑ Tax implications.

Risk Benefit Consulting....

This service entails advice on the following:

- ❑ Group scheme renewals.
- ❑ Risk benefit structuring in accordance with benefit promises.
- ❑ Rebrokes and the placement of group schemes.
- ❑ Policy Terms and Conditions.
- ❑ Industry developments and their impact on the risk benefit programme.
- ❑ Self-insurance options, its impact on the fund rules, accounting practices, reinsurance contracts and funding options.
- ❑ Risk sharing, profit sharing and pure reinsurance options.
- ❑ Medicals and Free Cover Limits.
- ❑ The Long-Term Insurance Act.
- ❑ New products offered by insurers.

Investment consulting....

This service entails advice on the following:

- ❑ Fund and liability analysis with the view to set investment objectives.
- ❑ Portfolio structuring.

- ❑ Manager selection.
- ❑ Benchmarks and monitoring.
- ❑ Reporting and communication with trustees
- ❑ Investment strategy documents.
- ❑ Member level investment strategies and portfolios.
- ❑ Member communication.
- ❑ Hedging strategies.

Additional Services....

Administration

While Elite Consulting does not undertake fund administration, we acknowledge that the trustees require assistance in monitoring the fund's administration activities. Elite Consulting therefore will often consider it part of the consulting function to perform the following services:

- ❑ Assessment and recommendation of suitable fund administrators.
- ❑ Monitoring administration service against service level agreements, such as claim payments, premium payments and the production of benefit statements.
- ❑ Monitoring cash flow management on a monthly basis.
- ❑ Monitoring of debtors and creditors management.
- ❑ Monitoring of daily asset / liability matching.
- ❑ Financial Statement review.
- ❑ For umbrella funds where Elite Consulting are involved to give input and monitor service.

Secretarial Services

Elite Consulting can take responsibility for the compilation of agendas, keeping minutes of meetings, receive all fund correspondence and keep a record of the fund's contracts and legal documentation.

Financial Planning

The trustees are responsible to make appropriate advice available to members in the event of a member exiting the fund or when the fund adopts a structured individual investment choice programme. Elite Consulting will assist the trustees in this process by assessing and monitoring the appropriate products in the market.

Actuarial Services

We believe that the fund's actuary should be independent of the fund's consultant in the same way that we believe that the consultants should be independent from other service providers. This independence puts in place an important governance leg, which gives the trustees comfort that the advice they are receiving from their consultants is being checked and commented on by an independent third party. Elite Consulting can therefore recommend actuarial service providers to the fund but will not undertake this service.

Trustee Training

Elite Consulting facilitates trustee training by contracting with specialist trustee trainers.

We believe the best form of training comes in the form of real live experiences and we endeavour to empower trustees to make informed decisions regarding the issues that pertain to their fund by providing comprehensive and independent advice to the various issues that a fund needs to embrace.

SECTION 4: APPROACH

We believe that the approach that we follow to equip our consultants with the appropriate knowledge and support to deliver superior advice and service to our customers is unique and highly effective.

The approach that we take to ultimately provide superior solutions in respect of each of the services described in Section 3, is summarized below:

Strategic Consulting

To be able to provide strategic consulting services, it is imperative that the Elite Consulting consultants remain up to date on all legislative developments in the industry. Most providers in the industry have in-house legal teams doing research on these matters or rely on the industry notes supplied by the Pension Lawyers Association, the Institute for Retirement Funds in South Africa or the Retirement Funds Institute of Namibia.

Being such a key element to our business, Elite Consulting has adopted a process where all Principal Consultants receive the comments, summaries and views from a variety of pension lawyers and legal teams regarding any new legislative development. Once all the diverse views have been collated, Elite Consulting's consulting team meets on a formal basis to review and discuss the matters. From there, Elite Consulting's best advice is developed in respect of the specific issues.

This process then immediately carries over to client specific application. Where other providers would normally draft a note and distribute the 'house view' to their consultants and trust that the resultant application of this advice to each client is consistent and correct, Elite Consulting's approach is far more rigorous and disciplined. The impact of any new development / legislation on each client is discussed and an agreement is reached on the appropriate advice to be given to each client on the matter.

This process of reviewing the situation per client is fundamental to the way that Elite Consulting conducts business. Being a focussed consulting business, we are able to maintain this level of intimate client knowledge across the team.

From a continuity perspective, we believe that we have the most disciplined process in the industry. Consultants meet on a weekly basis to provide feedback to their peers on every consulting development on each client in their portfolio. A record of these activities regarding each fund is kept in a standardized format. This process ensures that the consultant's peers are fully aware of the developments and progress on each client and it allows the consultant's peers to comment and assist in the consulting process.

Support functions such as legal services, communication typesetting and design, updates on accounting practises etc. are outsourced to 'best of breed' specialists.

Risk Benefit Consulting

Elite Consulting has broking contracts with all the major insurers in Namibia. Our approach to risk benefit consulting is similar to our strategic consulting, in that the advice given to clients is based on the collective input of all the consultants.

Our expertise goes beyond the simple placement of group business. It entails a review of all options available to the trustees and employer, including self insurance, risk sharing and profit sharing. Policy terms and conditions are often not understood, even by consultants, and business is often placed or moved based on premium rate considerations only.

Elite Consulting's approach is not only to consider the appropriate benefit structure that suits the specific client need, but Elite Consulting also gives advice on the appropriate funding mechanism, reinsurance contracts, underwriters, policy terms, impact on administration for both the fund and the employer, as well as the tax implications on the members, employer and beneficiaries.

Elite Consulting's disciplined process in respect of the medical free cover limit monitoring and medical requests gives the trustees comfort that all members with benefits in excess of the Free Cover Limit have been addressed.

Elite Consulting provides proactive advice on trends that may have an impact on the risk benefits e.g. HIV / AIDS. Where actuarial modelling is required, this is outsourced to specialist strategic partners.

Investment Consulting....

The fund's investment strategy is arguably the most important aspect of the fund's management. Being one of the core elements of Elite Consulting's consulting service offering, we believe that our approach is again streamlined and lends itself to superior solutions and advice.

Elite Consulting, through our technical partner Seshego Benefit Consultants, has a best advice model in respect of fund investments to match various scenarios that a retirement fund faces. These include matching the expected outcome for members in defined benefit (DB) funds, defined contribution (DC) funds, pensioners and dealing with shorter time horizons, such as bulk transfers, pensioner outsourcing, surplus, etc.

The quantitative liability analyses are performed in-house. While portfolio design, manager selection, advice on the appropriate legal structures for client portfolios, the investment administration and reporting are all parts of the service, the appropriate functions are outsourced to specialists. Elite Consulting co-ordinates the process and also serve on the appropriate investment committees to debate the portfolio design issues and intervene where necessary. We collate the information to arrive at the appropriate solutions for each client. This approach also allows us to maintain our independence from asset managers, life companies and multi-managers. We then review the reports generated by the outsource partners in our weekly collective 'think tank'.

Being contracted providers to Elite Consulting, we are able to address any concerns regarding the approach, accuracy, assumptions or any other aspect of a service provider's work. We are also free to recommend a change in provider if necessary. We are under no obligation to protect an internal team in the event of inaccuracy.

Other Services ...

Administration

Our independence, experience and understanding of the key requirements of fund administration make it possible for us to review and recommend administrators to our clients, if required.

In addition, Elite Consulting can assist the trustees by monitoring the ongoing functions performed by the fund administrators. These include monitoring the administrator's turnaround times against their service level agreements, monitoring cash flow management and monitoring debtors and creditors.

Elite Consulting presents a tailor-made report to each fund which reports on the activities of the administrator. We work with a number of administrators and are able to guide the trustees in what to look for and who is likely to provide an above average service.

Secretarial Services

Most funds expect their consultants to provide secretarial services. However, Elite Consulting's approach in this regard helps the trustees to keep a record of the fund's activities, meetings and agreements in an organized and easy to store manner. The manner in which we do agendas and provide client documentation files facilitates handovers to new trustees in an organized manner. Minutes are also constructed in an unbiased and purely factual manner since there are no vested interests to protect.

Trustee Training and Actuarial Services

We believe that providers that are independent, competent and qualified should perform these services. Elite Consulting works closely together with these providers and are able to assist the trustees with the appointment of these providers.

SECTION 5: IMPORTANT INFORMATION***Namfisa Registration Number:***

LB0117

Company Registration Number:

2006/010

Auditors:

Binneman Visser

Fidelity Insurance:

N\$20 million – Hollard Insurance Company of Namibia Ltd

Physical Address:

Erioloba Offices, Unit 1
9 Hugo Hahn Street
Klein Windhoek
Windhoek
Namibia

Postal Address:

PO Box 3914
Windhoek
Namibia

Contact Details:

Switchboard: +264 (61) 301 267
Fax: +264 (61) 301 295

Contact Persons:

Trevor Colmer
Cell: +264 81 122 8958
E-mail: trevor@elite.com.na

SECTION 6: CONCLUSION

We believe that our experience, expertise, independence and focus on providing solutions to retirement fund trustees in a complex legislative environment, position us well to provide world-class service and advice to our clients.

Our independence does not distance us from the service delivery, but allows us to focus on the delivery of superior consulting advice without the distraction of trying to sell additional services or having to protect the provision of other non-core services.

Our consultants are skilled and count amongst the best of the retirement fund consultants in Namibia and South Africa.

The combination of expertise, independence, track record and a passionate commitment to client service are the ingredients that will benefit your retirement funding arrangements.