



SELF-MANAGED
SUPERANNUATION FUND

ADMINISTRATION AGREEMENT

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Preamble

Clime Asset Management Pty Limited trading as Clime Super ("CS") herein offers an administration and compliance service to persons wishing to establish and operate a self-managed superannuation fund ("SMSF") – being a fund with fewer than five members where all members are trustees or directors of a trustee company (the "Fund").

This service enables the Fund to operate in accordance with the Superannuation Industry (Supervision) Act 1993 (the "SIS Act"), its Regulations, the Corporations Act 2001 and, Part IX of the Tax Act; all hereinafter referred to as the Acts. Compliance with the Acts entitles the Fund to a concessional tax rate on contributions, investment earnings, realised capital gains and benefit payments.

Every Fund must either have a constitutional corporation as its trustee or provide old aged pensions. Where old aged pensions are the dominant purpose, ALL members shall fulfil the role as trustee (unless otherwise permitted by the Acts). Where a corporate entity is trustee, ALL members shall be directors, and ALL directors shall be members (unless otherwise permitted by the Acts).

Under this Agreement, the Trustee will choose:

- Where to invest
- With whom to invest
- How much to invest.

The Trustee will have total and absolute investment control within the confines of the Acts.

As Trustee, you will normally have legal title to Fund assets and be signatory on statutory returns, transactions and other relevant documentation. You may appoint an agent to undertake a signatory function if permitted by the Acts. You may also appoint an Investment Advisor to assist you with your Fund's asset allocation and investment mix.

This Agreement is designed to assist Trustees meet all compliance and regulatory requirements imposed on them by the Acts. For example, CS will:

- where necessary, complete and submit an Application to Register for The New Tax System – Superannuation entities;
- assist the Trustee in ensuring that moneys due to the Fund are collected and disbursements from the Fund are paid;
- maintain a record system, including books of account and membership details;
- retain and assist with the recording of trustee minutes;
- process applications for membership and, if necessary, assist with the collection of medical evidence regarding new applications and disability and life claims;
- assist the Trustee to ensure that members are supplied each year with written statements relating to their membership of the Fund;

- calculate amounts of benefits due from the Fund and attend to their payment;
- liaise with actuaries, auditors and solicitors as the case may be and where necessary;
- monitor compliance with the standards under the SIS Act, its Regulations and with other relevant legislation; and
- monitor compliance with the provisions of the trust deed governing the Fund.

In addition, CS will assist the Trustee with ensuring that the following operating standards for superannuation funds are satisfied.

Standards relating to:

- the persons who may contribute to the Fund;
- the amount of contributions that the Fund may accept;
- the circumstances in which the Fund may accept contributions;
- the form in which benefits may be provided;
- the preservation, payment and portability of benefits;
- the level of benefits provided and the level of assets held by the Fund;
- the investment of assets of the Fund;
- the disclosure of information about the Fund to the Regulator,
- the financial position of the Fund;
- the funding and solvency of the Fund; and
- the winding-up of the Fund.

Please note. The Trustee cannot abrogate its legal responsibilities unless otherwise permitted by the Acts.

THE AGREEMENT

Fund Establishment

CS will establish a superannuation fund for those persons who wish to operate a Fund. Anyone who meets either the contribution standards, benefit accrual standards or currently has superannuation benefits is permitted to establish a Fund. To establish a Fund under this administration Agreement, simply complete an Application to Establish a Self-Managed Superannuation Fund and complete and sign the Acceptance Notification section at the back of this Agreement (page 13). Return both, together with payment of our Establishment Fee (see page 12), to our office.

For persons who already have a Fund and who wish to use CS's administration service, simply complete and sign the Acceptance Notification section at the back of this Agreement and return it, together with payment of our Establishment Fee, to our office. CS will commence to arrange for the orderly transfer of your administration.

Regulatory Address

It is a condition of this Agreement that the Fund's address for Regulatory purposes be:
Locked Bag 3001 Edgecliff NSW 2027 (Unless otherwise approved).

Trust Deeds

Every fund operating under CS's administration service and this Agreement shall use a standard CS trust deed. Pre-existing funds choosing to operate under this administration service (the Agreement) will have their deeds replaced, by amendment, with CS's standard trust deed.

The standard CS deed complies with current legislation, is designed for an SMSF, is very flexible and is accompanied with solicitor sign-off. CS will take all reasonable steps to ensure that each deed issued under this Agreement continues to comply with the requirements relating to governing rules contained in the SIS Act. (Future deed amendments may incur an extra charge).

Bank Accounts

Under this agreement, every Fund shall open and operate a bank account, usually a cash management account/trust, with a cheque book facility. This account shall be the Fund's Primary Operating Account. You have the discretion to nominate your preferred banking institution. The Trustee may establish additional accounts for investment or other purposes.

The Fund's address for all banking purposes shall be care of CS (unless otherwise approved).

Cheque and deposit books issued under the Primary Operating Account shall be held by CS (unless otherwise approved). The Trustee may appoint an agent on the Primary Operating Account. (The Trustee may, under certain conditions, have custody of their own cheque and deposit books).

Fund transactions of a regulatory nature shall be conducted only through the Fund's Primary Operating Account. Examples include: contributions, rollovers, benefit payments, taxes and levies. Bank statements will be made available to the Trustees.

A minimum balance must be retained in the Primary Operating Account to meet Fund expenses. Examples include: taxes, fees, life insurance, administration charges, investment property outgoings and other costs that arise from time to time. (Usually 5% of Fund assets is retained in the account. For large Fund balances this may be less.)

CS will notify the Trustee if the Primary Operating Account balance is insufficient to meet on-going operating expenses. If insufficient funds are available to meet CS's fees, then CS reserves the right to terminate this agreement immediately.

Cheques will only be drawn upon receipt of adequate evidence of the nature of the payment or upon a written request from the Trustee, their agent or the Regulator.

All cheques will be sent to the Trustee for signature unless alternative written arrangements have been made.

Fee Collection

The Trustee shall complete a monthly debit authority for one twelve of our annual administration fee (see page 12). If the Fund's profile changes such that a new fee scale applies then CS shall have the authority to alter the monthly debit authority to reflect the new fee scale.

Contributions, Transfers and Rollovers

Provided a member meets all relevant tests, the Fund is permitted to receive superannuation contributions, transfers, rollovers and any other payments on the member's behalf.

An employer may make contributions to the Fund, including salary sacrifice contributions, contributions pursuant to an award, and SGC contributions. The Fund may also receive member contributions. All contributions to the Fund are discretionary.

CS undertakes to ensure that member and/or employer contributions are recorded and maintained correctly, taking into account concessional and non-concessional member and/or employer contributions.

The Fund is permitted to receive contributions "in-specie". Some "in-specie" contributions may not be permitted by the Acts. There are limits imposed on funds acquiring assets, including by way of contributions, from members or their relatives.

CS will, based on evidence supplied by the contributor, determine the appropriate taxation treatment of each contribution. CS will notify each member (the Trustee) of their maximum contribution limits. The Trustee/member may otherwise contact CS to obtain this information.

Principally, contributions may be made either (but not limited to):

- by mailing to our office a cheque made payable to the Fund; or
- by establishing a direct credit arrangement between the contributors bank account and the Fund's Primary Operating Account.

All contributions shall be accompanied with a statement detailing the nature of the

contribution and to whom it relates.

Contributions can be deposited directly into the Primary Operating Account by using deposit slips obtained from CS. However, CS must be notified in writing of such (and all) contributions.

If other superannuation benefits are rolled over into the Fund, CS will identify and maintain each benefit class in accordance with that detailed on the Rollover documentation issued to CS.

All contributions, transfers and rollovers shall be deposited into the Primary Operating Account. Thereafter, the Trustee may then redirect the proceeds into any authorised investment(s) or account.

Fund Investments

All Fund investments shall be approved by the Trustee.

The Trustee must as soon as practicable formulate and give effect to an investment strategy.

SMSFs established under CS's fund establishment service will be provided a generic investment strategy, which will be the initial strategy of the Fund. This may need to be endorsed by the Trustee if it is to be adopted by the Fund.

We strongly recommend you carefully consider your Fund's investment strategy. If CS has supplied an investment strategy under this Agreement, it may not be suitable to you. Every fund will have its own, unique approach to investment. Please consider your desired investment approach and, if necessary, amend the strategy initially supplied. This can be done by way of trustee minute. You may wish to consult an Investment Adviser/Financial Planner who may be able to assist you with the development of an investment philosophy suitable to your needs.

CS will be happy to assist with the preparation of trustee minutes that reflect a new investment strategy.

Adherence to your Fund's investment strategy is of the utmost importance under the Acts. Your Fund's investment strategy must be considered when selecting Fund investments.

After the Trustee has formulated an investment strategy, it may commence directing Fund assets to achieve its investment objective.

To purchase investments (or to pay Fund expenses other than payments initiated by CS or CS's administration charge) the Trustee shall notify CS of the nature of the investment and request that CS either draw a Fund cheque or arrange for payment for the investment. All requests shall be in writing, where facsimile transmissions or email are acceptable.

Unless otherwise arranged, CS will send all cheques to the Trustee for signature and remitting.

For example, contributions shall be deposited into the Fund's Primary Operating Account and recorded thus. Any cheque request relating to the reinvestment of such monies shall be in writing, where details of the nature of the investment will be provided to CS (e.g. copy of contract note will constitute sufficient notice).

Moreover, given that share acquisitions have onerous settlement times (3 days), CS may

draw Fund cheques on receipt of facsimile copies of relevant contract notes. The Trustee shall instruct their broker/facilitator to fax or email copies of any contract note to CS. Alternatively, the Trustee may choose to establish a Share Trading Account where settlements are automated by the broker/facilitator.

All investments will be registered in the Trustee's name on account of the Fund, care of Clime Super. For example, for a corporate trustee this will be "ABC Pty Ltd <XYZ Superannuation Fund A/C>" or for individual trustees, "Mr & Mrs Individual Trustee <XYZ Superannuation Fund A/C>".

This agreement does not restrict the types of investments a Fund may undertake but for those not permitted by the Acts.

CS reserves the right to terminate this agreement immediately if the Trustee pursues an investment course which is not permitted by the Acts. CS will not be liable for any investment(s) undertaken by the Fund. CS does not guarantee the success of any investment made by the Fund's Trustee. CS does not guarantee capital invested, or any particular rate of capital or income return on moneys invested. We do not make any representation with respect to the income, or return from, or any taxation consequences of, any investment made by the Fund's Trustee.

The Fund's address for investment purposes shall be (unless otherwise approved):

**Locked Bag 3001
Edgecliff NSW 2027**

This enables CS to capture and record all investment related transactions and coordinate the Fund's regulatory requirements. Failure to adhere to this request impedes CS from ensuring all Fund transactions are identified and that compliance related matters are addressed. If this is not adhered to, CS reserves the right to terminate this agreement immediately or charge an additional fee.

Insurances

The Fund is permitted to insure its members against death and/or total and permanent disablement and/or sickness. This is usually a tax deductible expense to the Fund. The Trustee is free to choose a preferred insurer and/or Insurance Broker.

CS will maintain a record of the amounts of the insurance for each member, in respect of death, disablement or sickness benefits. If instructed, CS will through your agent ensure that each year the insurance is reviewed and any adjustments to the amounts are made, as appropriate.

Fund Reporting

A SMSF is required to maintain books of account that record items of receipt and expenditure (including contributions received, fund investments and benefit payments) for the purposes of determining and managing the taxation liability of the Fund and to meet reporting requirements under the Acts.

Under this agreement, CS will prepare and maintain all books of account so as to correctly record and explain the transactions and financial position of the Fund. CS will, on a yearly or if required, quarterly basis prepare and issue all statutorily required documents including, but not limited to:

- Operating Statement;
- Statement of Financial Position;
- Notes to the Accounts;
- Trustee Statement and Trustee's Report;
- Investment Summary Report;
- Investment History Reports (showing all realised/unrealised capital gains/losses);
- Member Statements; and,
- Regulatory and Taxation Returns.

CS will, on a monthly basis, reconcile the Fund's bank account. CS will on at least a quarterly basis issue investment summary reports, a general ledger report, and a tax reconciliation report showing the Fund's current tax position (interim tax reconciliation reports may exclude the effects of indexation). The Trustee may request additional reports to assist with the management of the Fund.

Financial reports will be prepared in accordance with the cash basis of accounting and Fund assets will be reported at net market values (unless otherwise approved).

Each Fund asset will be separately identified, showing purchase price, CPI Indexed or Discounted Value (where appropriate), percentage weighting and latest net market value (if available). A full transaction history can be provided for each Fund asset.

Fund expenses usually consist of investment-related expenses, general administration expenses, taxation expenses and other expenses. CS will separately disclose these expenses in the Fund's Operating Statement, general ledger and by way of note.

For as long as this or subsequent agreements with CS are in force, CS will retain, on behalf of the Trustee, all financial records of the Fund prepared by CS for the required statutory period. Copies of these will be provided to the Trustee each year.

CS, through The Tax Group (a registered tax agent), herein undertakes to prepare Taxation and Regulatory Returns, Business/Instalment Activity Statements and forward them to the Trustee for review and signature. (Any prospective obligations imposed on the Fund to prepare and lodge regulatory/statutory returns may impose an additional charge).

Upon the return of all signed Returns and documents, CS will lodge any relevant documents with the appropriate regulatory bodies.

The accounts, statements and annual returns must be audited by an approved auditor, and an audit certificate must be given within the prescribed period after the year of income and in the approved format.

CS will arrange for the Fund to be audited by an approved auditor unless otherwise instructed. The auditor will issue an audit certificate in the approved form and within the prescribed period.

The Trustees may choose their own auditor.

Benefit Payments

Benefits may be paid when a member:

- permanently retires from the workforce after attaining the minimum retirement age (55 years or older depending on the member's date of birth);
- reaches age 65;
- becomes permanently incapacitated or permanently invalid;
- dies; or,
- has unrestricted benefits.

Provided there are no cashing restrictions and instruction is given by the member in the appropriate format, CS will arrange for the payment of a member's benefits. Payment may be by way of lump sum, pension or any other means permitted by the Acts.

CS will provide all necessary and relevant documentation including; PAYG Payment Summary Statement, and PAYG Payment Summary – Individual Non Business Certificates. CS will calculate, deduct and coordinate the remittance of any applicable tax. CS will also register the Fund for Withholding purposes (if applicable).

Benefits may be paid in the form of an account based pension or any other pension permitted by the Acts.

Pension Payments

CS's administration and compliance service can provide for benefits to be paid in the form of a pension.

If benefits are paid in the form of a pension, CS will, in addition to the foregoing:

- Provide pension quotes;
- Calculate (each year) for account based pensions maximum and minimum pension payments;
- Complete and lodge Tax File Number Declarations;
- Establish a pension payment program on either a monthly, quarterly, but at least yearly basis. (payments may be made using electronic funds transfer);
- Register the Fund under the PAYG Withholding regime where necessary;
- Deduct any relevant tax on a PAYG basis;
- Prepare and lodge PAYG Payment Summary – Individual Non Business certificates relating to pension payments; and,
- Coordinate any necessary actuarial certificates.

In some cases, the Fund may provide life expectancy, lifetime, flexi or market linked pensions either exclusively or in addition to an account based pension. CS will, in addition to the above, ensure that each relevant pension standard is met.

Indemnity

To the extent permitted by the Acts and the relevant law, CS is indemnified by the Trustee against any loss, claim or liability suffered or incurred by CS in carrying out this agreement including as a result of the Trustee failing to act in accordance with the relevant laws or act in a manner outside the scope of this agreement, except where such loss, claim or liability arises from the negligence or default of, or breach of duty by, CS.

Limited Recourse against the Trustee

The Trustee enters into this agreement in its capacity as trustee of the Fund and in no other capacity. CS acknowledges that the obligations of the Trustee are incurred solely in its capacity as trustee of the Fund. The Trustee is not liable to pay or satisfy any of its obligations under this agreement out of its own assets other than those assets to which it is entitled to be indemnified in respect of any liability incurred by it as trustee of the Fund.

Termination

This agreement may be terminated:

- (i) by the Fund Trustee by thirty days written notice to CS;
- (ii) immediately by CS, or any of its agents, either at their discretion or if the Trustee fails to act in accordance with the relevant laws or acts in a manner contrary to this agreement;
- (iii) immediately by either party if the other party goes into liquidation, is wound up, is dissolved, enters into a scheme of arrangement or is placed under the official management of a receiver or manager; or fails to carry out its obligations under this agreement.

In the event of termination, CS will forward all Fund records to the Fund's Trustee or their nominated agent.

Schedule of Fees

Annual (Fixed) Fee (See note)	\$1850	Includes Primary Operating Account and secondary cash account.
Asset (Variable) Fees (per asset per annum or as specified):		Description
Additional Cash accounts	\$120	A\$ only
Term Deposits	\$120/ Deposit	Payable when a new TD is established. Not applicable for rollovers or renewals.
Australian Listed shares (Chess Sponsored)	\$120	ASX listed, including shares, LICs, ETFs etc
Australian Managed funds	\$240	Unlisted widely held trusts
Platform/ Wraps	\$540	ASGARD, BT wrap etc. (see below)
Real Estate	\$660	Real property including land
Bare Trust	\$660	Fee for bare trust (instalment warrant) in addition to asset held in trust
Warrants, unlisted shares and Foreign assets.	\$360	Warrants, unlisted public shares, and any foreign assets including foreign currency TDs
In house asset and Loans	\$540	As defined in the SIS Act
Exotics	POA	Wine, Cars, Artwork
Options, CFDs	\$75/ Trade	These are trading instruments and are therefore charged at a per trade rate rather than asset charge.

Note

The annual fee listed is for holders of a Clime managed share portfolio (Discrete Share Portfolio).

All prices inclusive GST, 1/12th billed monthly in arrears. Prices reviewed quarterly to reflect changes in holdings. Prices increase in line with CPI after 12 months.

Additional Fees:

Non Macquarie CMA Account Fee: Where the Fund's Primary Operating Cash Account is not Macquarie Bank's CMA, and additional fee of \$550 is added to the Annual (Fixed) Fee amount.

Excess Trading Fee: \$55 per trade for more than 30 trades per quarter (excludes Options and CFDs).

Fund Establishment Fee: \$1500 includes Trust Deed, Minutes, Application Forms, Register, cost of a "clean-skin" Corporate Trustee plus much more. For existing Funds, a Trust Deed replacement fee of \$495 shall apply. No other take on charge applies if previous fiscal year accounts completed, but full year base fee applies. We will need to quote on any funds which need prior period accounts completed.

Fund Closure/Wind-up fee: \$825. This fee applies whether Fund is administered elsewhere or is wound-up and allows for one year of mail redirection.

Pension Commencement Fee: \$550 per pension.

Transition to Retirement Pension Maintenance Fee: \$165 per pension per annum. This fee will be \$330 if pension is provided through a Platform/Wrap facility.

Platforms/Wrap Notice: The annual Platform/Wrap fee assumes availability of accurate and concise Quarterly and Year End consolidated reports, including tax reports.

Third Party Fees:

ATO Lodgement Levy: \$150 per annum (current as of 1 July 2007, payable to ATO).

ASIC Annual Return Levy: \$41 per annum if Special Purpose Corporate Trustee (otherwise \$218, payable to ASIC).

Audit Fee: Allow \$440 per annum if CS arranged audit. This may be subject to change. Otherwise, POA.

Actuarial Fee: POA – applicable to un-segregated pension funds only.

Administration Agreement Acceptance Notification

To: The Administration Manager
Clime Asset Management Pty Limited
Locked Bag 3001
Edgecliff NSW 2027

Office use only

Fund No. _____

We/I have read and understood you're the Agreement, and agree in all respects to its terms and agree to be bound by its operation at all times. We/I herein appoint of Clime Asset Management Pty Limited trading as Clime Super ("CS") as Administrator of our:

Superannuation Fund / Pension Fund.

Name of Fund: _____

Name of Trustee(s): _____

Signed:
Trustees: _____

Director/Individual

Director/Individual

Dated this day of _____, 201 .

We/I understand that the successful administration and compliance of any superannuation fund is largely dependent on the full and true disclosure of Fund information and the co-operation between the Fund's Trustee and CS. We/I therefore recognise and hereby agree that full and true disclosure of every Fund transaction will be provided. We/I understand that if the integrity of the Fund's administration is jeopardised because the Trustee withholds Fund information, do not co-operate with CS in the gathering of Fund information, or do not give expeditious attention to trustee responsibilities, then CS retains the right to terminate the administration agreement immediately, or at such other time as detailed in this agreement. We/I understand and agree that CS will not be liable for any loss, outgoing or otherwise suffered by the Fund or any of its Members as a result of the Trustee withholding Fund information, failing to co-operate with the Fund's administration, not adhering to all or any part of this administration agreement, or acting in a manner which is contrary to the Acts.