



Montreux TPA™

A New Era in DB Pension Administration

Penad



Hong Kong has one of the least restricted economies in the world and is a major banking centre and trading hub. It is a truly international crossroads with 107 consulates and consulates-general, the most of any city in the world. A former British colony, Hong Kong is now administered by the PRC and is given a high degree of autonomy under the policy of "one country, two systems".

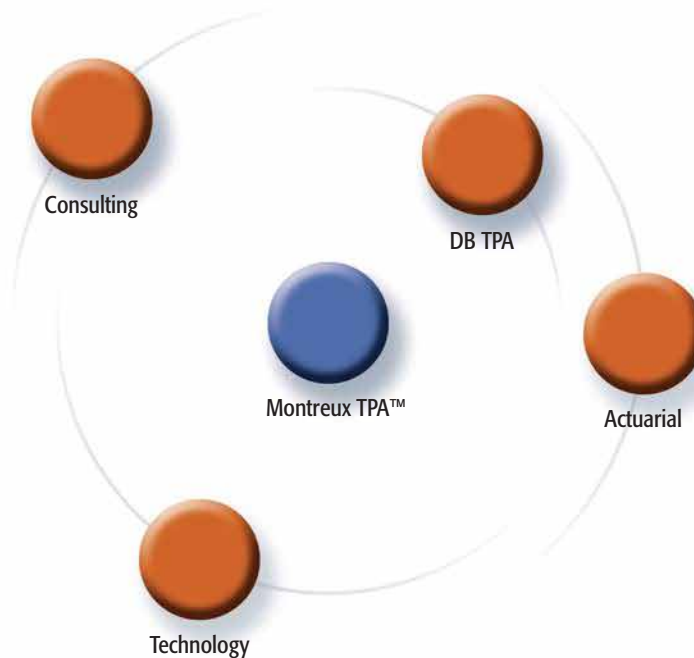
Hong Kong

An Integrated Approach to DB Pension Administration

Introducing Montreux TPA™, a complete pension administration solution combining Penad's industry-leading DB expertise with the latest technologies.

Defined Benefit (DB) pension plan administration is a combination of art and science – technology can make it more efficient, but you still need highly qualified craftspeople with decades of DB expertise to get the job done properly. Penad will free you of the management and technical challenges associated with pension plan administration. Montreux TPA™, Penad's DB administration solution, is all about taking care of your pension business with the best people and the best software tools.

Penad is *pension* **ad**ministration – the ideal business solution for professional managers who demand the best.



The Montreux TPA™ solution is comprised of four interlocking components which combine to meet the total needs of DB plan sponsors.



Toronto is Canada's largest city and is the cornerstone of a metropolitan area known as the Golden Horseshoe, home to one-quarter of Canada's entire population. Known as the nation's financial centre and economic engine, Toronto is also one of the world's most multicultural cities.

Toronto

DB Administration is Our History and Our Strength

Montreux TPA™ is built around Penad's team of DB pension experts.

Every DB pension plan has unique benefit provisions, which require judicious handling by people who are deeply conversant with DB pension management. With Montreux TPA™, plan sponsors receive an administration solution that is tailored to the unique provisions of their plan and is managed by senior staff who fully grasp the plan's subtleties.

The administration team at Penad has managed hundreds of DB pension plans representing almost every conceivable benefit type. Our senior administrators are recognized as experts in the field and serve as advisors and consultants to pension boards and are called to speak on pension issues at conferences in Canada and abroad. In fact, amongst the administrators at Penad, if you have less than fifteen years of experience in pensions, you are considered something of a newbie! Every member of Penad's DB pension administration team has at least a dozen years in the field, while most have worked on DB administration for over twenty years. To put it plainly, the people of Penad *know* DB pensions.



PENAD PENSION SERVICES LIMITED



Are DB pension plans going to disappear? In the past fifteen years, many countries have seen a veritable stampede from DB to Defined Contribution plans, but many plan members now feel that DB plans afford better security for retirement. The result is that some large companies have reinstated DB plans while in many countries DB plans are viewed as the only adequate choice.



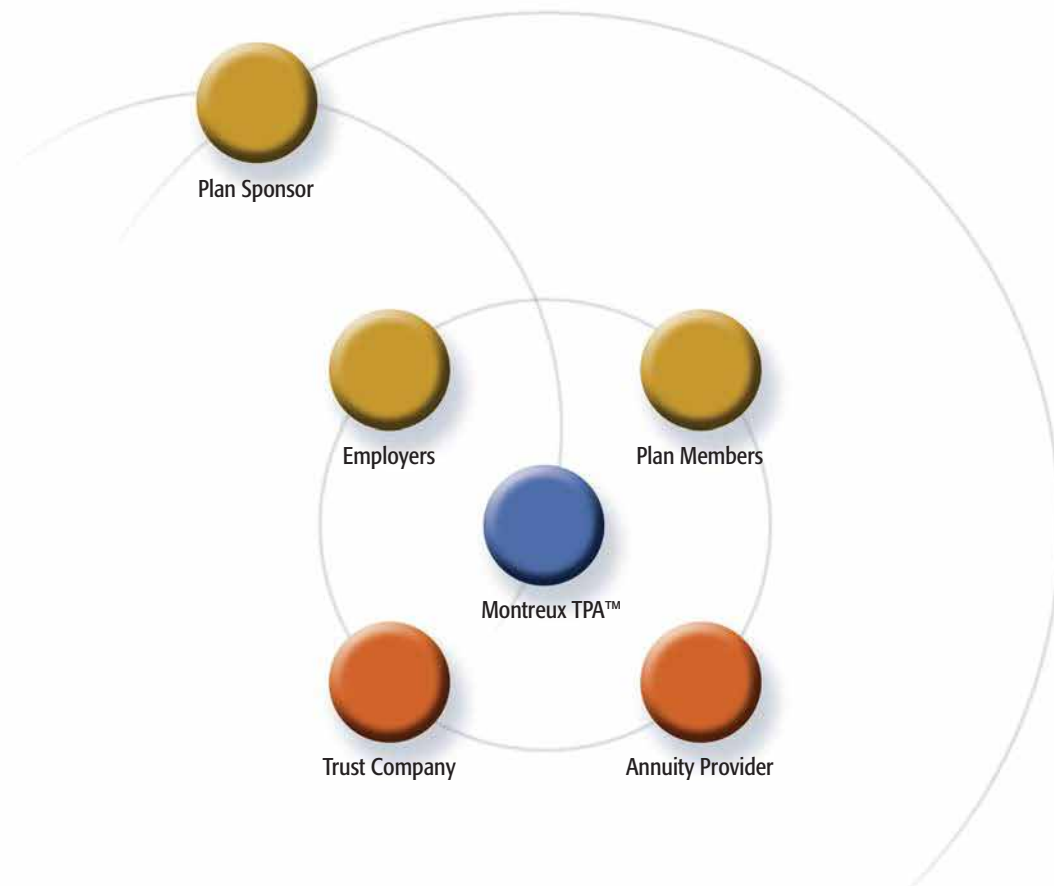
New York City is the chief centre of finance in the world economy, based around Wall St. and Lower Manhattan's financial district. Home to the New York Stock Exchange, NASDAQ, American Stock Exchange, and New York Mercantile Exchange, the city also boasts the headquarters of more Fortune 500 companies than any other city.

New York

Process Management

When you entrust your pension plan to Penad, you can rest assured that we will take care of the full range of stakeholder needs. We follow a well defined process when bringing your plan into our administration office, interviewing key people, reviewing the plan rules and related documentation, and putting together a comprehensive implementation plan with checklist and timeline to make sure every detail is managed properly. Our goal is to meet your overall management objectives and we provide regular status reports, so you remain in control.

Our team of experts is ready to handle every detail for you, from member enrolments to information requests, transactions, settlements, statements, and comprehensive management reports. We deal directly with key stakeholders such as your trust company, annuity providers, and of course the individual pension plan members.



Penad fulfills the complete administration requirements of your pension plan. Not only do we take care of the day-to-day needs of plan members, we also manage the broader needs of the plan and its stakeholders.

Our Services

Data Acquisition
Plan Installation
Enrolments
Issue Membership Certificates
Call Center for Member Enquiries
What-if Pension Calculations
Data maintenance

Update Salary Changes/ Hours Worked
Update Contributions, AVC and LI Transfer
Annual Member Statement
Member Benefit Accrual Updates
Online Pension Record

Initiate Termination, Retirement, or Death Benefit
Calculation of Benefits
Option Forms
Instruct Custodian to Release Benefit
Instruct Insure Co. Re Purchase of Annuity

Management Reports
Ad Hoc Calculations and Reports
Pension Adjustments and Reversals
Gov't Information Returns
Pension Plan Consulting
Statutory Actuarial Funding Valuations

Bermuda, situated in the Atlantic Ocean, is one of the world's most important offshore financial centres despite having a population of less than 70,000 people. Hundreds of insurance companies are incorporated in Bermuda and do business worldwide. Bermuda has developed an insurance and reinsurance market with a capacity greater than that of Lloyd's of London.

Bermuda

Third-Party Administration Services

Montreux TPA™ is a comprehensive service package – Penad takes care of every pension administration detail on your behalf. The DB TPA component of the Montreux TPA™ model delivers six integrated administration processes and services.

Data Acquisition and Plan Installation

Penad loads your pension data into our administration database. Data audit and purification services are available during this stage. Penad will issue membership certificates to all members, as well as providing the plan sponsor with an Administration Guide including forms and supplies for new transactions.

Comprehensive Monthly Administration

On-going Administration includes:

- New member enrolment
- On-going data changes (beneficiary update, etc.)
- Updating of contributions
- Updating of salary changes/hours worked
- Responding to member inquiries
- What-if pension calculations

Year End Reports and Member Statements

Penad issues Year End Reports to the plan sponsor and individual employers and delivers flex-design Member Statements.

- Member benefit accrual updates
- Pension adjustments and reversals
- Government information returns

Member Level Transactions

All Member Transactions are covered, including:

- The calculation of benefits on termination, death, retirement, or marriage breakdown
- Issuance of member option forms
- Issuance of settlement instructions to trustee
- Annuity placements

Plan Level Transactions

Plan Transactions include

- Plan wind-ups, conversions, takeovers, mergers, and retirement windows
- Standard and ad hoc reports
- Data exports for actuarial analysis

Internet Access

Montreux TPA™ offers Internet access through a standard web browser – plan sponsors, employers and members can gain access to and update critical pension data. Web page layout and design is fully customizable to the branding of the plan sponsor.

PENAD PENSION SERVICES LIMITED



When Penad was founded in 1983, customer service in the pension industry was in a deplorable state. Most transactions took weeks or even months to complete, calculations were often wrong, and even basic information was inaccessible. Penad was founded on the premise that this need not be so, and as a result we successfully created administration processes with a "customer first" philosophy.



The City of London is the largest city in the European Union and one of the world's foremost financial centres. Home to Europe's largest stock exchange, the LSE, London accounts for 31% of global currency transactions with more US Dollars traded in London than New York, and more Euros traded there than the rest of Europe combined.

London

Full Consulting and Actuarial Services



The Montreux TPA™ solution is fully integrated with Penad's pension consulting and actuarial service offerings.

On the Pension Consulting side, we cover a range of needs for DB pension plans including:

- design, updates and amendments to plan rules
- expert advice during union negotiations
- assist with member communications such as educational programs, workshops, enrolment campaigns, employee information booklets and other communications
- plan data audits
- calculation of benefits and other plan-level associated work in instances of full and partial plan wind-ups, conversions, downsizing, retirement windows, takeovers
- Investment Fund Management search
- employee retirement planning and education
- annuity placements, LIF's, RIF's

Penad also offers consulting in a variety of other pension types such as hybrid plans, DC plans, DPSPs, Group RSPs, executive pension plans, and IPPs.

While Penad offers administration-only services to plan sponsors who already have their own actuarial supplier, we also offer full pension-related Actuarial Services including:

- pre valuation planning meetings
- preparation and submission of Pension Benefits Guarantee Fund (PBGF)
- plan design changes and amendments
- early retirement window
- actuarial work regarding mergers, conversions, partial and full wind ups, and corporate acquisitions and sale transactions
- preparation of solvency reports
- pension plan funding and accounting valuations (eg., FAS, IAS, CICA, FRS 17)
- costing of plan changes
- full statutory valuation reports and filings and associated schedules



Tokyo has the world's largest metropolitan economy with a GDP greater than that of Canada and California combined. It is a major international financial gateway and is home to several of the world's largest insurance companies and investment banks.

Tokyo

Technology, the Backbone of Montreux TPA™

Because of the unique benefit structures found in DB pension plans, administration of these plans requires complex calculations that in many administration departments are still done manually and often with the help of an actuary. Administrators who take this labour-intensive approach find DB administration to be inefficient and unnecessarily expensive. Penad takes a different approach. Since 1983, Penad has invested heavily in the in-house development of proprietary algorithms designed to automate core DB calculations. This programming effort enables Penad to produce accurate calculations in a fraction of the time, thus reducing costs for DB plan sponsors.

The technological cornerstone of Montreux TPA™ is Penad's proprietary PX3000™ software platform for pension administration. Developed fully by Penad, PX3000™ is not only used in-house by Penad but is also used by banks, insurance companies, and large pension plan sponsors for their pension administration requirements. PX3000™ is a proven web-ready pension calculation and tracking engine built on over twenty years of custom programming.

Montreux TPA™ clients benefit from this investment in automation, because it streamlines administration, improves turnaround times on transactions and information requests, and enables secure Internet access to pension plan information.

Screen image from Penad's PX3000™ pension administration platform.





Photo of the Zurich stock exchange. Switzerland is a financial global crossroad. The Swiss capital market is one of the most important in the world, and on the banking side, the Swiss manage 35% of all worldwide private and institutional offshore funds.

Zurich

Exceptional Service, Affordable Price



If you are a DB pension plan sponsor, Montreux TPA™ will take care of your full administration requirements while also saving you money. Oops, did we mention money? As everyone knows, professional fees for pension plan management have grown over the past fifteen years to the point where many DB plan sponsors have thrown in the towel and switched to DC plans. Through our investment in automation and efficiency, Penad has found ways to prevent runaway fee increases. Where others are still looking for “cost containment” strategies, Penad has been quietly offering guaranteed “cost reduction” to DB plan sponsors. Yes, you read that right. We are so confident in the efficiency of our pension administration methodology that we have a special “standing offer” to DB plan sponsors that Penad will reduce future pension administration and actuarial costs when compared to what plan sponsors have paid in the past.

Whether looking at cost or service, Montreux TPA™ is designed to satisfy the needs of all stakeholders in your DB pension plan.

- Our comprehensive solution handles every detail for you
- Our Service Guarantee ensures your satisfaction
- Our leadership in web-based technologies gives stakeholders better access to pension plan information
- Our streamlined processes and advanced calculation algorithms result in lower administration fees
- Our team of pension experts is here for you, to help you with the problems and situations that face your pension plan

It takes great software and great people to administer a DB pension plan well. Penad has both, combined in the Montreux TPA™ service solution. We have succeeded in the DB administration business because we created a formula that works. In fact, some of our clients have been with us for over twenty years because we deliver peerless service and quality at a reasonable cost, year after year. Our streamlined system saves time every step of the way, which means we can offer our services for a lower price, guaranteed.

Penad Pension Services Limited

Founded in 1983, Penad is Canada's pension administration specialist.

Penad takes care of the pension needs of plan sponsors across Canada and internationally with first-tier plan administration, consulting and actuarial services. Clients include Fortune 500 companies, institutions, associations, government, corporations, and multi-employer unions.

Penad software is used by banks, insurance companies, and larger individual pension plan sponsors to administer DB and DC pension plans and entire books of business. Penad products cut turnaround times and dramatically improve member communications while enabling plan sponsors and administrators to put member records on the Internet.

Penad's Mission: To provide the best pension administration solutions available.



View of Paris
through the clock
at Musée d'Orsay.

The greater metropolitan area of Paris, if it were a nation state, would rank as the 15th largest economy in the world, ahead of Brazil and Russia. Paris is the continent's largest financial and business center and home to the 2nd largest stock exchange in Europe, Euronext. The city stands in the top five worldwide for GDP of metropolitan areas.

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