

**NEC PTY LIMITED SUPERANNUATION PLAN**

(a sub-plan of the ANZ Super Advantage Master Trust)

**FUNDING AND SOLVENCY CERTIFICATE UNDER DIVISION 9.3 OF PART 9 OF THE  
SUPERANNUATION INDUSTRY (SUPERVISION) REGULATIONS**

(made in accordance with section 31(1) of the Superannuation Industry (Supervision)  
Act 1993)

**Background**

OnePath Life Limited, as administrator of the ANZ Super Advantage Master Trust (the "Trust"), has advised that the NEC Pty Limited Superannuation Plan ("the Plan") commenced as a sub-plan of the Trust with effect from 30 November 2002.

NEC Australia Pty Limited (the "Employer") has advised that the Plan is closed to new employees.

**Solvency Certification**

On the basis of member details and Plan assets provided as at 30 June 2017 I have determined that the Plan's "net realisable value of assets" was greater than the total of members' funded Minimum Requisite Benefits (MRBs) at the Effective Date.

I therefore certify that as at 30 June 2017 the NEC Pty Limited Superannuation Plan was solvent in terms of Regulation 9.15 of the Superannuation Industry (Supervision) Regulations.

The following sections include additional explanatory material required by the Superannuation Industry (Supervision) Act 1993 and the Institute of Actuaries of Australia Professional Standard 407.

**Benefit Certificate**

I have provided the employer with the Plan's current Benefit Certificate (dated 14 November 2017). It has an effective date of 1 July 2017 and an expiry date of 30 June 2022.

**Minimum Requisite Benefits (MRBs)**

Minimum Requisite Benefits for Plan members are defined in the above mentioned Benefit Certificate. The Benefit Certificate made specific allowance for members' participation in the previous plan through the inclusion of an initial MRB amount at the date of transfer.

### **Effective Date of this Certificate**

This Funding and Solvency Certificate has an Effective Date of 1 July 2017.

### **Expiry Date**

The normal Expiry Date of the Funding and Solvency Certificate is 30 June 2022.

However, it will immediately cease to have effect if:

- (a) amounts are released from the Plan and are paid to the employer under section 117 of the Superannuation Industry (Supervision) Act 1993 (the Act);
- (b) a “notifiable event” occurs at any time before the Expiry Date;
- (c) another Funding and Solvency Certificate takes effect in respect of the Plan;
- (d) the employer fails to pay contributions as certified below; and/or
- (e) the Actuary forms the opinion that the Funding and Solvency Certificate is no longer appropriate and withdraws the certificate.

### **Minimum Contribution Rate**

The latest actuarial investigation of the Plan was undertaken as at 30 June 2017 (my report dated 15 November 2017).

The Plan’s assets and future contributions are expected to provide for coverage of benefits in excess of members’ MRBs.

The minimum Employer Contribution Rate arrangement specified to apply to the Plan for the period to the Expiry Date is:

- \$8,000 per month for the period from 1 July 2017 to 30 April 2019;
- 5.88% of salary each year in respect of the defined benefit member’s deemed member contributions; and
- such “top-up” payment as may be advised by the Plan actuary at the time of the member’s exit.

### **“Notifiable” Events**

If one of the following “notifiable” events occurs in relation to the Plan during the period when the Funding and Solvency Certificate is in force, this certificate will cease to have effect at the end of the date on which the notifiable event occurs, and the Trustee must obtain a new Funding and Solvency Certificate in accordance with Regulation 9.13 of the Superannuation Industry (Supervision) Regulations.

A “notifiable” event is defined to include the following:

- the amendment of the Plan’s benefit provisions such that the level or method of calculation of members’ benefits results in a material increase in benefits;

- the Plan's defined benefit section is re-opened to new membership and new members are provided with enhanced benefits which are not fully funded by the employer and the member;
- the market value of the Plan's assets for defined benefit members reduces by at least 10% over a Plan Year – i.e. the 12 month period from a Plan Review Date;
- the rate of investment return on the Plan's assets for defined benefit members is less than the rate of increase in the salaries of defined benefit members during any Plan Year;
- the Plan's Benefit Certificate, issued under the Superannuation Guarantee (Administration) Act 1992, expires or ceases to have effect in accordance with section 10 of the Superannuation Guarantee (Administration) Act 1992;
- there is a change in the investment policy adopted by the Trustee for the defined benefit member's assets such that it is no longer a capital guaranteed portfolio;
- an enhanced benefit payment is made to a defined benefit member, where such enhancement exceeds 10% of the value of the benefit due in accordance with the terms of the Benefit Schedule at the date of benefit payment and the employer does not make additional contributions to the Plan;
- the crediting rate of interest used to add interest to defined benefit members' account balances is greater than the actual Plan earning rate for the corresponding period in respect of defined benefit members' assets; and
- the level of the Vested Benefit Index for defined benefit members at a Plan Review Date falls below 100% or the level of the Accrued Benefit Index for defined benefit members at a Plan Review Date falls below 100%.

However, after reviewing the details of a specific event which would otherwise be classified as a "notifiable" event, the Actuary may advise the Trustee that such an event does not constitute a "notifiable" event for the purpose of this Certificate.

### **Occurrences Since 1 July 2017**

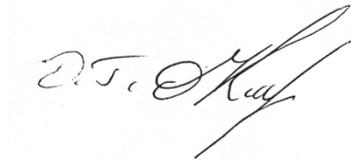
In the period since 30 June 2017 financial markets have remained volatile. However, given the nature of the Plan's investment in a capital guaranteed portfolio, I believe this had relatively little impact on the Plan's current financial position and upon the recommendations made in the latest actuarial valuation as at 30 June 2017.

There are no other matters or occurrences after 1 July 2017, other than those discussed above, of which I am aware that would affect the contents of this certificate.

## Actuarial Guidance Note

This Funding and Solvency Certificate has been prepared in accordance with Professional Standard 407 of the Institute of Actuaries of Australia.

Signed:

A handwritten signature in black ink, appearing to read 'D. O'Keefe', is centered on the page.

David O'Keefe  
Fellow of the Institute of Actuaries of Australia  
*Director – ALEA Actuarial Consulting Pty Limited*  
Level 10, 50 Clarence Street  
SYDNEY NSW 2000

Date: 15 November 2017