

6 April 2020



Solvay Interrox Superannuation Plan
Funding and Solvency Certificate
effective 1 July 2019



Oversight

Foster a culture of strong governance to confidently manage uncertainty.

Foresight

Understand the implications of decisions and the likely outcomes.

Insight

Navigate the regulatory and business environment, and unlock the value of data.

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1 Funding and Solvency Certificate

1.1 Background

The Solvay Interox Superannuation Plan (the Plan) is a defined benefit plan within the Retirement Portfolio Service (RPS) superannuation fund. The Plan is governed by the provisions of the RPS Trust Deed, the Plan's Employer Application Form (EAF) and any subsequent deeds of amendment, and the Benefit Specification Schedule attached to the EAF.

The principal employer is Solvay Interox Pty Ltd (Solvay).

Regulation 9.09(1) of the Superannuation Industry (Supervision) Regulations (SIS Regulations) requires that when a defined benefit plan is being used to meet an employer's obligations under the Superannuation Guarantee (Administration) Act 1992, the Trustee needs to obtain a Funding and Solvency Certificate from an actuary. This Certificate specifies the employer contribution rates required to fund the Plan's Minimum Requisite Benefits (MRBs).

SIS Regulation 9.09(2) requires the Trustee to give a copy of this Certificate as soon as practicable to each employer who is contributing or who will contribute to the Plan.

This Certificate has been prepared in accordance with SIS Regulations, and with Professional Standard 407 issued by the Institute of Actuaries of Australia.

1.2 Effective date of this Certificate

The effective date of this Certificate is 1 July 2019.

This Certificate replaces the Plan's previous Funding and Solvency Certificate, issued by me and dated 14 June 2017.

1.3 Minimum Requisite Benefits

This Certificate relates to the MRBs described in the Plan's Benefit Certificate issued by me on 14 June 2017, effective from 1 June 2017 to 31 May 2022.

In issuing this Certificate, I have assumed that a replacement Benefit Certificate will be issued on or before expiry of the current Benefit Certificate, and that it will specify MRBs in the same format as the current Benefit Certificate.

1.4 Expiry date

This Certificate will expire on 30 June 2024. However, under SIS Regulation 9.14, the Trustee must obtain a replacement Certificate not less than 12 months before the end of the term. Therefore, a new Certificate should be issued by 30 June 2023.

This Certificate will also cease to have effect on the date of the earliest of the following events:

- (a) The occurrence of a Notifiable Event; or
- (b) The actuary, in the performance of their actuarial functions under the SIS Act or SIS Regulations forms the opinion that the Certificate is no longer appropriate and withdraws the certificate by giving written notice of its withdrawal to the Trustee; or
- (c) Amounts from the Plan being released to an employer-sponsor of the Plan under section 117 of the SIS Act; or
- (d) Withdrawal of the related Benefit Certificate, or failure to issue a replacement Benefit Certificate with MRBs in the same format; or
- (e) The employer sponsors failing to pay the contributions certified in Section 1.8 of this Certificate; or
- (f) Another Funding and Solvency Certificate taking effect in respect of the Plan.

1.5 Notifiable events

A Notifiable Event is an event which, in my opinion as actuary, warrants replacement of this Certificate. If a Notifiable Event occurs, this Certificate will cease to have effect and a new Certificate must be obtained by the Trustee, not later than three months after the date on which the Notifiable Event occurred. The Trustee of the Plan has a responsibility to monitor the circumstances of the Plan and to advise the actuary in the event of the occurrence of any Notifiable Event.

I have identified the following Notifiable Events:

- Any changes are made to the level or method of calculation of the benefits payable to the members of the Plan, whether by amendment of the governing rules of the Plan or otherwise;
- Any change is made to the method of calculation of the Plan's MRBs;
- The Trustee becomes aware of any actual or possible misappropriation of assets of the Plan;
- The Trustee loses its RSE licence or the Plan loses its complying fund status;
- The cumulative investment return earned on the Plan's defined benefit assets since 31 March 2020 has been below negative 10%.
- Defined benefit superannuation salaries increase by more than 10% p.a. over 2019-20 or any subsequent financial year;
- Asset coverage of defined benefit section vested benefits, as measured by the Trustee on a monthly basis, falls below a ratio of 90%;
- Any event advised by the actuary to the Trustee as being a Notifiable Event during the period of this Certificate.

1.6 Data and assumptions

This Certificate is based on 30 June 2019 asset and membership data provided by the then administrators of the Plan, ANZ Wealth, and on the assumptions and benefits described in my report of 3 April 2020 on the Plan's financial position as at 30 June 2019.

1.7 Events since the effective date of this Certificate

In preparing this Certificate, I have also taken into account my estimate of the Plan's defined benefit section investment performance between 30 June 2019 and the date of this certificate.

I am not aware of any other occurrence between the effective date and the date of signing that would affect the contents of this certificate.

1.8 Certification

I certify that the Plan was solvent (as defined in Division 9.3 of the SIS Regulations) at the effective date of the Certificate.

I also certify that the Plan is expected to remain solvent during the period of this Certificate, if:

- Employer contributions are paid into the Plan at the following rates:
 - For defined benefit section members:
 - 15% of salaries towards the defined benefit section, plus
 - 3% of salaries towards members' 3% Accounts in the accumulation section of the Plan, plus
 - If any retiree should elect to take their benefits in pension form, an additional lump sum assessed at that time, plus
 - SG% of bonuses and any other components of OTE in addition to defined benefit section salaries.
 - For accumulation section members, SG% of OTE,
plus any amounts due in respect of salary sacrifice contributions paid by members, where SG% and OTE are as defined in the Plan's Benefit Certificate.
- Defined benefit section expenses are met from Plan assets.

These contributions should be paid within 30 days of the end of the month to which they relate.

The above defined benefit section employer contribution rates were those recommended in my report of 3 April 2020 on the Plan's financial position as at 30 June 2019. On the assumptions adopted, these contribution rates were expected to be sufficient for the Plan to remain in a satisfactory financial position during the period of coverage of this certificate. The contribution rates are also expected to be sufficient for the Plan's financial position to remain solvent during the period.



John Newman FIAA

6 April 2020

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