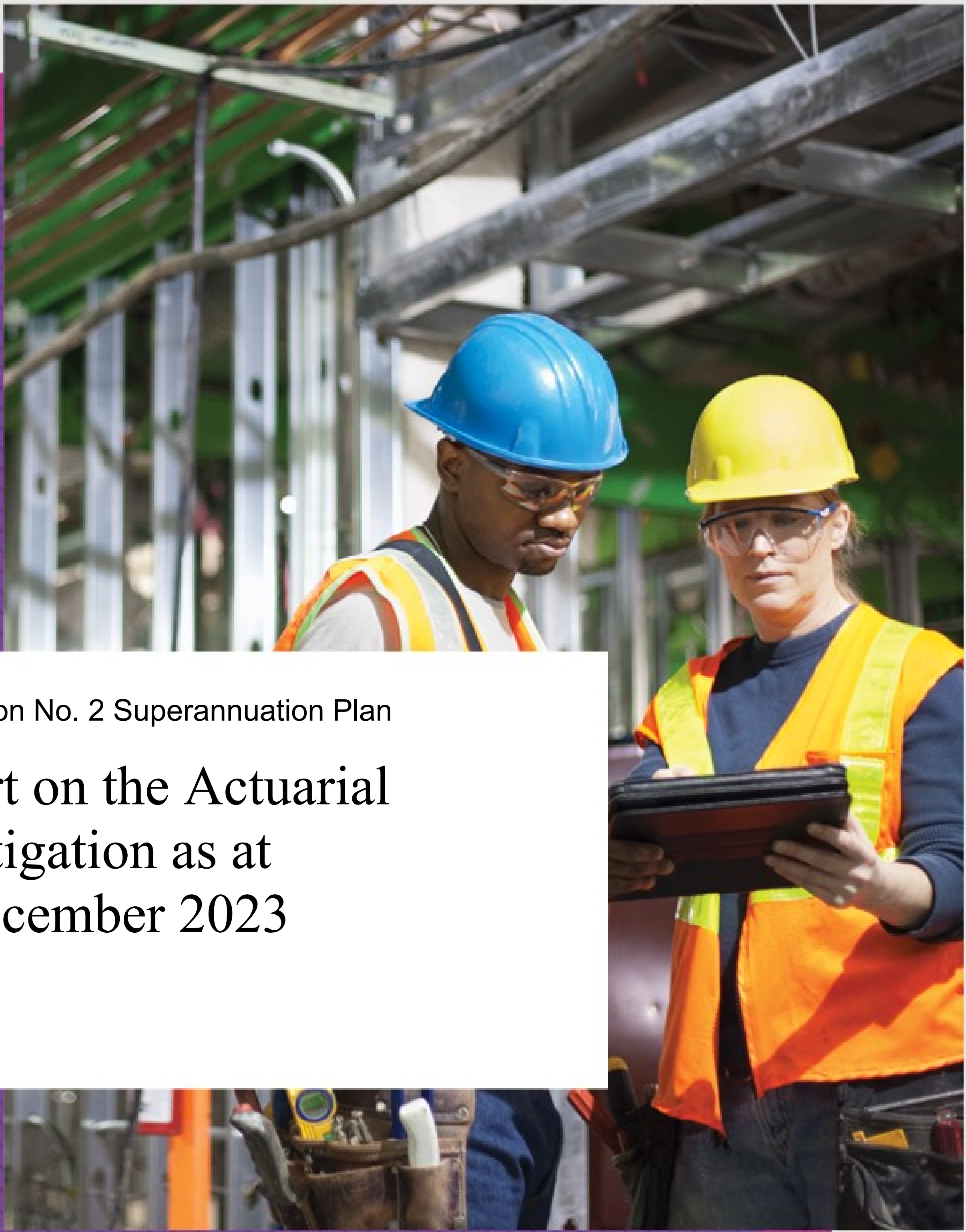

BHP Billiton No. 2 Superannuation Plan

Report on the Actuarial Investigation as at 31 December 2023

18 June 2024

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Section 1: Summary

I am pleased to present my report to the Trustee of the BHP Billiton No 2 Superannuation Plan, NULIS Nominees (Australia) Limited, on the actuarial investigation into the BHP Billiton No 2 Superannuation Plan (the Plan) as at 31 December 2023. The Plan is a sub-plan of the Plum Division of the MLC Super Fund (the Fund).

This Summary sets out the key results and recommendations contained in this report.

Solvency

The financial position of the Plan has deteriorated over the valuation period, as shown in the decreased Vested Benefits Index from 114.7% as at 31 December 2020 to 107.7% as at 31 December 2023.

The solvency measures as at 31 December 2020 and 31 December 2023 are also shown below:

Measure	31 December 2020	31 December 2023
VBI	114.7%	107.7%
PVABI	102.2%	103.5%

Funding

The employer contribution rate determined under the Projected Benefit Funding Method is calculated as 15.4% of accruing members' salaries as at 31 December 2023.

Taking into account the projected financial position of the Plan over the next three years, I recommend the Employer continues to contribute to the Plan at the following rate until the next actuarial review effective 31 December 2026 is completed.

- 17.5% accruing member's salaries.

In making the above recommendation, I understand that the Employer, at its discretion, may wish to make additional top-up contributions by respective Reporting Entities following the end of each financial year if the salary increases experienced by members of the Reporting Entity during the year exceed the assumed rate used for Employer accounting reporting purposes.

The additional contributions would be the amount advised by the Plan's Actuary as the increases in Plan liabilities arising in respect of the higher than assumed rates of salary increases, adjusted for contribution tax.

In addition, I continue to recommend that the Employer contribute at the required amounts to meet any Superannuation Guarantee, contractual or any other obligations in respect of accumulation liabilities in the Plan.

Other Matters involving Actuarial Oversight

I further recommend that:

- The Trustee retain the shortfall limit at 99% based on the current investment structure of the Plan;
- The Trustee monitor the financial position of the Plan on a quarterly basis throughout the following investigation period;
- Current external insurance arrangements for death and disablement benefits be retained;
- The self-insurance reserve be maintained pending completion of the current investigation into whether TTD benefits are partially self-insured.

In line with requirements under legislation and Trust Deed, the next actuarial investigation of the Plan should be conducted with an effective date no later than 31 December 2026. The recommended employer contribution rates will be reviewed at that time or at an earlier date if considered appropriate as a consequence of the regular review of the financial position or as required by legislation.

I am not aware of any event since 31 December 2023 that warrants review of the recommendations in this report.

J. Downham

Jackie Downham
Fellow of the Institute of Actuaries of Australia

18 June 2024

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Section 2: Introduction

Scope

This investigation has been prepared effective 31 December 2023 for NULIS Nominees (Australia) Limited, the Trustee of the Plan, by the actuary to the Plan, Jackie Downham, FIAA.

Current Legislation and the Trust Deed require an actuarial investigation and report to be due at least every three years. The main aims of the investigations are to examine the current financial position of the Plan and the long-term funding of the Plan's benefits, and to provide advice to the Trustee on the contribution rate at which the Employer should contribute and on any other matters the actuary considers relevant.

This investigation is primarily interested in the Defined Benefit liabilities of the Plan, and unless otherwise specified, this report relates only to such Defined Benefit liabilities. The Defined Contribution liabilities of the Plan, including those that relate to defined benefit members, are fully funded and do not impact upon the Defined Benefit liabilities. No investigation is required regarding the Defined Contribution liabilities, although in my recommendations I have continued to recommend that the Employer contribute to meet any Superannuation Guarantee, contractual or any other obligations in respect of such liabilities.

This report has been prepared in accordance with Professional Standard 400, dated March 2021 issued by the Institute of Actuaries of Australia.

Previous Actuarial Investigation

The previous actuarial investigation of the Plan was carried out by Tracy Polldore, FIAA as at 31 December 2020, with the results of that investigation set out in a report dated 25 June 2021.

The report concluded that the Plan was not in an unsatisfactory financial position (as defined by SIS legislation) at that date, and recommended that the Employer contribute to the Plan at the following rate:

- 17.5% of accruing member's salaries

We understand that the Employer has contributed amounts broadly consistent with this rate.

In making the above recommendation, it was noted that the Employer could, at its discretion, have made additional top-up contributions by respective Reporting Entities following the end of each financial year if the salary increases experienced by members of the Reporting Entity during the year exceeded the assumed rate used for Employer accounting reporting purposes. The additional contributions would have been the amount advised by the Plan's Actuary as the increases in Plan liabilities arising in respect of the higher than assumed rates of salary increases, adjusted for contribution tax.

Experience since 31 December 2023

Since 31 December 2023 the experience of the Plan has been as follows:

- The net return on the Plan's assets from the valuation date to 30 April 2024 was approximately -0.2%; and
- A single member has exited the Plan.

The actual experience since 31 December 2023 is not considered to have had a material impact on the Plan, therefore we have not allowed for experience since 31 December 2023 when carrying out the projection of the financial position of the Plan.

Limitations

This report is provided subject to the terms set out herein and in our Consulting Agreement dated 21 September 2012 (as amended by agreements dated 17 May 2016 and 22 March 2017). This report is provided solely for the Trustee's use and for the specific purposes indicated above. It may not be suitable for use in any other context or for any other purpose.

Except where we expressly agree in writing, this report should not be disclosed or provided to any third party, other than as provided below. In the absence of such consent and an express assumption of responsibility, no responsibility whatsoever is accepted by us for any consequences arising from any third party relying on this report or any advice relating to its contents.

We consent to the Trustee making a copy of this report available on the Plan's website where required in accordance with the relevant legislation.

The Trustee may make a copy of this report available to its auditors, the Employer and to any person to whom the Trustee may be required to provide a copy under relevant legislation, but we make no representation as to the suitability of this report for any purpose other than that for which it was originally provided and accept no responsibility or liability to the Trustee's auditors the Employer or any third party in this regard. The Trustee should draw the provisions of this paragraph to the attention of its auditors and the Employer when passing this report to them.

In preparing this valuation, we have relied upon information and data provided to us orally and in writing by the Trustee and other persons or organisations designated by the Trustee. We have relied on all the data and information provided, including Plan provisions, membership data and asset information, as being complete and accurate. We have not independently verified the accuracy or completeness of the data or information provided, but we have performed limited checks for consistency. The data and information we have relied upon is shown in the "Additional Information" section of this report.

In our opinion, all calculations are in accordance with requirements of applicable legislative requirements. The procedures followed and the results presented conform to applicable actuarial standards of practice.

Section 3: Solvency

When assessing the adequacy of the assets and future contribution rates, both the long-term and short-term solvency positions should be considered. To assess the solvency position, I have considered the following funding solvency measures:

- Vested Benefits Index (VBI), the ratio of assets to the vested benefits, which represent the total amount which the Plan would be required to pay if all members were to voluntarily leave service (or are payable for benefits in the form of lifetime pension or deferred benefits) on the investigation date;
- The Present Value of Accrued Benefits Index (PVABI), the ratio of assets to the present value of accrued benefits, which represents the value in today's dollars, of expected future benefits payable based on membership completed to the valuation date and the actuarial assumptions in Section 5.[1]

The following table shows the above indices as at the valuation date, as well as the prior valuation date.

	As at 31 December 2023			As at 31 December 2020		
Measure	Value of Liability	Value of Assets	Index	Value of Liability	Value of Assets	Index
VBI	$20,258,000	$21,818,000	107.7%	$25,895,000	$29,694,000	114.7%
PVABI	$21,075,000	$21,818,000	103.5%	$29,056,000	$29,694,000	102.2%

Overall, the VBI has decreased from the previous investigation date. This is primarily a result of negative experience of the Plan since 31 December 2020, in particular, the lower level of company contributions compared to the cost of benefit accrual, combined with higher than expected salary increases, offset by higher than expected investment performance.

The investment returns on the Plan's assets and the actual salary increases attributed to members for the period from 1 January 2021 to 31 December 2023 are shown in the table below. The financial assumptions for investment returns and salary increases over the period used at the previous actuarial investigation are also shown for comparison.

	Salary Increases	Investment Returns	Real Return
Actual 1 January 2021 to 31 December 2023 Annualized rate	3.60% p.a.*	1.50% p.a.	-2.10% p.a.
Assumptions as at 31 December 2020	3.05% p.a.	0.70% p.a.	-2.35% p.a.

* Includes a 5% estimated increase in salaries at the valuation date to account for the increase in salaries members should have received on 1 September 2023.

[1] Benefits have been apportioned to past service by calculating the projected benefit payable using only service that is completed to the valuation date in the benefits formula.

The higher gap between the expected level of future investment returns and salary increases adopted for this actuarial investigation compared to the 2020 investigation has reduced the level of the present value of accrued benefits, which in isolation, has decreased the level of present value of accrued benefit, resulting in an improvement in the PVABI.

The VBI is above 100% as at the valuation date, and as such, the Plan is to be treated as being in a satisfactory financial position as at that date.

Minimum Requisite Benefits

We understand that the coding of the Minimum Requisite Benefits (MRBs) in the administration system has not been revised to reflect the latest Benefit Certificate, specifically the additional OTE component of the MRB. It is also our understanding that the administrator is looking to update the administration system to calculate the MRB for all members in the WMCA section. For the time being, we continue to suggest that in any individual circumstance where a benefit is being paid or crystallised and the calculated MRB is 85% or more of the standard benefit, the benefit payable be reviewed in accordance with the benefit certificate.

The value of the liabilities in respect of the minimum benefits of members as at 31 December 2023 is estimated to be $7,943,000 which is less than the value of assets held at that date.

Retrenchment Benefits, Other Discretionary or Contingent Benefits

The benefit payable on retrenchment is the same as the resignation benefit, and therefore the Plan does not have any material additional funding strain that would be caused by any retrenchments.

The Plan has not historically paid any material discretionary benefits so we have not analysed the impact of such discretionary benefits. There are no other material contingent benefits offered by the Plan.

Section 4: Funding

This section considers the long-term funding of the Plan and assesses the contributions required in order to fund benefits payable in future years. To determine the long-term contribution rates, we have used the Projected Benefits Funding method as described in the "Additional Information" section of this report.

Long Term Funding results

The long-term Employer contribution rate is calculated in the table below.

	31 December 2023
	($'000)
Market Value of Assets	21,818
Past Service Liability	21,075
Past Service Surplus / (Deficit)	**743**
Future Service Liability (net of member contributions)	**1,158**
Present Value of 1% of future salaries (excluding Frozen members)	**75.9**
	% of accruing member salaries
Future Service Benefit Contribution Rate	**15.3%**
Contribution Tax	2.7%
Contribution Rate for Benefits Accruing	**18.0%**
Allowance for Insurance Premiums	1.8%
Allowance for Expenses	4.0%
Contribution Rate for Benefits Accruing and Expenses	**23.7%**
Adjustment for Past Service (Surplus)/Deficit	-8.3%
Long-term Employer Contribution Rate	**15.4%**

Although the current contribution rate of 17.5% of salaries is greater than the long-term contribution rate. Superannuation Prudential Standard (SPS 160) aims to have assets in excess of vested benefits. This implies having a vested benefit index above 100%, with a target between 105% and 110% often adopted. With the current VBI of 107.7% falling within the targeted VBI, we recommend maintaining the current contribution rate until the next actuarial review effective 31 December 2026 has been completed such that the buffer of VBI above 100% is maintained.

The Trustee has a solvency target of maintaining the VBI to be above 100%, the level required for the Plan to be in a satisfactory financial position. In order, to assess whether the contribution program is likely to meet this target, we have projected the Plan's Vested Benefits Index over the next three years based on the contributions calculated above.

Date	Defined Benefit Vested Benefits Index
31 December 2023	107.7%
31 December 2024	107.3%
31 December 2025	107.6%
31 December 2026	107.9%

As can be seen from the table above, on the basis of the selected actuarial assumptions, the current employer contribution rate of 17.5% of salaries is sufficient to maintain the VBI above 100% and maintain the Plan in a satisfactory financial position.

Sensitivity Analysis

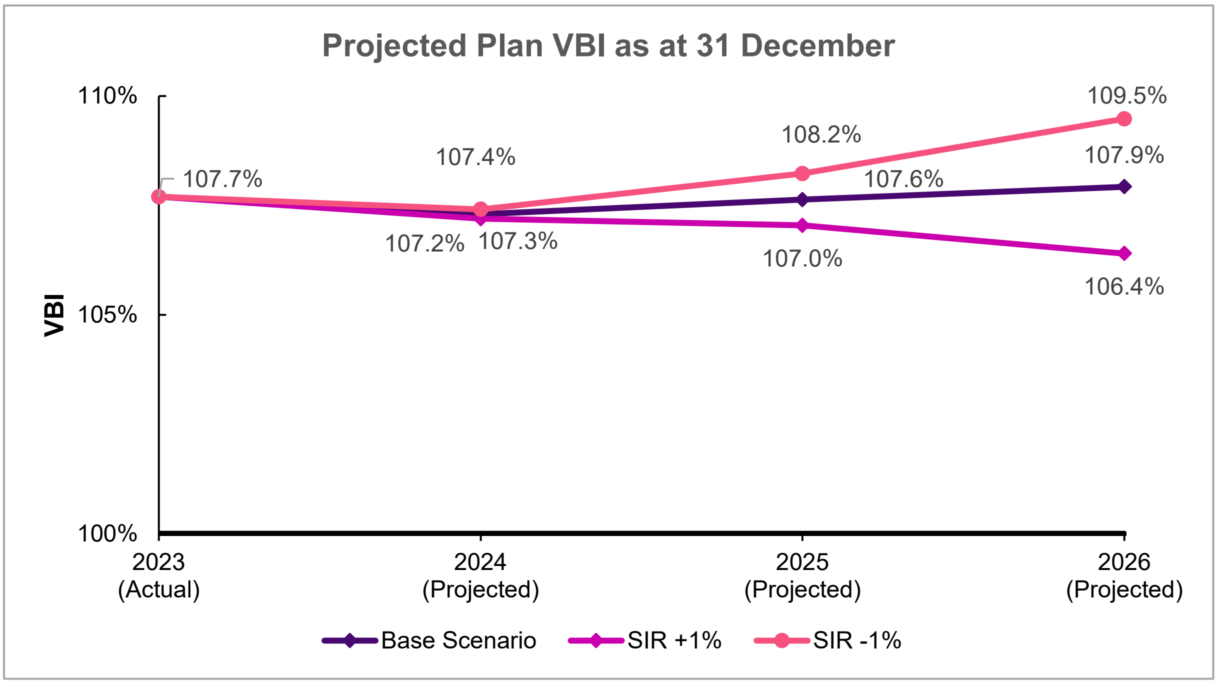
Employer Contribution Rate

When making a recommendation on the level of contributions that the Employer should make to the Plan, it is useful to consider the sensitivity of the analysis above to reasonable variations in the valuation assumptions. The following table shows the long-term contribution rate calculated, if key assumptions had been varied as described below:

	This Valuation Basis	Scenario 1	Scenario 2
Description	Base Case	Salary Increase Rate (SIR) +1%	Salary Increase Rate (SIR) -1%
Discount Rate	4.00%	4.00%	4.00%
Expected Salary Growth	4.15%	5.15%	3.15%
Present Value of Accrued Benefits Index	103.5%	102.0%	105.0%
Long Term Contribution Rate (before expenses and tax and any adjustment for surplus or deficit on past service)	**15.3%**	**15.5%**	**15.1%**
Long Term Contribution Rate (including expenses and tax and adjustment for surplus or deficit on past service)	**15.4%**	**19.2%**	**11.5%**

Vested Benefits Index

Similarly, the Plan's projected VBI over the next three years under the varied assumptions are shown in the graph below, all scenarios assume an employer contribution rate of 17.5% of salaries.



These results show that the required Employer contribution rate, as well as the Plan's projected financial position, is sensitive to long-term actuarial assumptions. While the sensitivities have been selected to be illustrative of reasonable changes in the valuation assumptions, they do not represent the upper or lower bounds of possible outcomes and more extreme outcomes are possible.

Summary

On the basis of the above results, and having regard to the Company's preferences as well as the long-term target objective of the Trustee to achieve a funding target of a VBI of 100%, we believe that an Employer contribution rate of 17.5% of accruing member salaries is sufficient to meet the funding requirements of the Plan.

Accordingly, I recommend that the Employer contribute at 17.5% of accruing member's salaries until at least 31 December 2026 in respect of defined benefit members. The recommended contribution rates may be reviewed at an earlier date if considered appropriate as a consequence of the regular review of the VBI.

I continue to recommend that the Employer contribute at the required amounts to meet any Superannuation Guarantee, contractual or any other obligations in respect of accumulation liabilities in the Plan.

We further recommend that the VBI position (and other measures of solvency) continue to be monitored on a quarterly basis throughout the following investigation period, to ensure that the contribution recommendation remains appropriate.

Section 5: Funding method, assumptions and experience

Funding Method

The funding method adopted at the previous actuarial investigation was the Projected Benefit Funding Method. We have used this method in this investigation to project the financial position of the Plan.

This method involves:

- Projecting the Plan's expected future cash flows including expected contributions made by the employer and employees, and benefit payments expected to be paid to terminating employees;
- Using the expected cash flows, projecting the total value of assets held by the Plan over the future lifetime of the Plan;
- Projecting the Plan's vested benefits, over the future lifetime of the Plan; and
- Comparing the value of the vested benefits with the value of the assets to assess the Plan's ability to pay benefits at any particular point in time in future.

In my opinion, as the Plan is closed to new members and with consideration given to the regulatory requirements, this methodology remains appropriate for this investigation.

Assumptions

In order to determine the value of expected future benefits and Plan assets, it is necessary to make assumptions regarding the timing and amount of future benefit payments, expenses and contributions. In doing so it is important to examine the experience of the Plan since the last valuation to see whether the previous assumptions have been borne out in practice.

While each of the assumptions used is normally the actuary's best estimate of future experience, in practice, the actual experience in any (short) period can always be expected to differ from the assumptions to some extent. However, it is intended that over longer periods, they will provide a reasonable estimate of the likely future experience and financial position of the Plan.

In the short-term, as the actual experience emerges differently to the experience implied by the assumptions, the financial position of the Plan will also vary from that expected. However, adjustments to Employer contribution rates, if any, can be made to reflect these differences in the following actuarial investigation.

Financial Assumptions

Valuation assumptions can be broadly divided into demographic assumptions, which relate to characteristics of current and future members of the Plan, and financial assumptions, which are assumptions other than demographic assumptions. The following sections first consider the financial assumptions that are to be adopted for this valuation.

Investment Returns

The rate of return on the Plan's Assets (net of tax and investment expenses that are deducted from the investment return) from 31 December 2020 to 31 December 2023 are set out in the table below:

Year Ending	Net Investment Return
31 December 2021	3.70%
31 December 2022	-6.78%
31 December 2023	8.2%
Overall	1.5% p.a.

Over the three-year period to 31 December 2023 the assets held in the Plan returned 1.5% p.a. which is higher than the rate assumed in the previous investigation of 0.7% p.a. (net of tax). In isolation, this has had a positive impact on the financial position of the Plan.

While short-term differences between actual investment return experience and the actuarial assumption can affect the long term financial position of the Plan as measured by the actuarial investigation, the assumption used in the investigation must be based on long-term expectations since the investigation involves valuing payments in the future.

Based on models of future investment returns developed by the WTW investment model, the current long term expectations of investment returns net of taxation and investment management expenses and current strategic asset allocation of the Plan is 4.0% p.a.. On this basis, I have adopted a long-term investment earning rate of 4.0% p.a. for this investigation, which is higher than the assumed long term earning rate used for the previous investigation was 0.7% p.a..

Salary Increases

The average salary increases during the investigation period for the members remaining in the Plan as at 31 December 2023 was 3.6% p.a.. This is higher than the salary increase assumption adopted for the previous actuarial investigation of 3.05% p.a.. In isolation, this has had a negative impact on the financial position of the Plan.

The Employer has confirmed that it expects long-term salary increases for the remaining members to average 1.5% p.a. above general price inflation, based on the current long term expectations of price increases of 2.65% p.a. based on the implied inflation calculated by comparing Treasury indexed bonds and Nominal Government bonds with a similar duration to the liabilities of the Plan, I have adopted a rate of long-term salary increases of 4.15% p.a. for the purpose of this investigation.

Administration Expenses and Insurance Costs

Expenses have been allowed for at the rate of 0.4% p.a. of assets in accordance with the administration fees set out in the Participation Agreement and expected additional fees (including actuarial fees). The assumption in the previous investigation was also at the rate of 0.4% of assets. This assumption was converted to 4% of salaries for the contribution rate calculations based on the projected future salaries.

The cost of insurance has been allowed for at the rate of 1.75% of accruing members' salaries in accordance with the expected premiums set out in the insurance policy. The assumption in the previous investigation was at the rate of 1.9% of accruing members' salaries.

Demographic Assumptions

The Plan does not have a large defined benefit membership which means there is insufficient data to produce statistically reliable demographic assumptions from the experience of the Plan. For this reason, the assumptions about future demographic experience are based on our experience of other, similar defined benefit funds.

We have reviewed the demographic assumptions for the defined benefit membership used for the previous investigation and we consider that these assumptions remain appropriate for the Plan.

Sample decrement rates used for this actuarial investigation is shown below:

Age	Number out of 10,000 members aged X at the beginning of the year assumed to leave the Plan during the year on account of:		
	Death	**Disablement**	**Resignation**
25	4	1	1,450
30	4	1	1,100
35	6	2	880
40	9	4	660
45	14	8	440
50	24	18	220
55	40	39	500

Age	Number out of 10,000 members aged X at the beginning of the year assumed to retire during the year
60	2,000
61	1,500
62	1,500
63	2,000
64	5,000
65	10,000

Section 6: Other Matters involving Actuarial Oversight

Investments

Investment Strategy

The return objective of the Plan's Investment Strategy for assets supporting defined benefits is to achieve returns and provide benefits with regards to the expected income streams of the Plan. The Trustee has determined the strategic asset allocation for the assets supporting active liabilities in accordance with the Dynamic Investment Strategy (DIS) reflecting BHP Billiton's Global De-Risking strategy. To meet this objective, the assets supporting defined benefits are invested in a mix of assets with 15% of the assets supporting the liabilities invested in "growth" assets (such as shares and property) and the 85% balance invested in "defensive" assets (such as fixed interest and cash).

The target asset allocation as 31 December 2023 of such assets is shown in the below table:

Asset Class	Defined Benefit Reserve
Australian Shares	8%
Global Shares Unhedged	3%
Global Shares Hedged	3%
Global Property Securities	1%
Total Growth Assets	**15%**
Australian Fixed Interest	0%
Inflation Linked Securities	85%
Cash	0%
Total Defensive Assets	**85%**

In my opinion an investment strategy as described above is suitable for a Plan of this type having regard to its financial position, the underlying liabilities and the capacity of the respective employers to meet any funding shortfall.

Crediting Rate Policy

The Plan's policy credits defined benefit member accounts with actual "money weighted" investment returns of the underlying assets (except for the rate applying to family law offset accounts which is consistent with legislation). In our view, this remains appropriate.

Liquidity

Taking into account the ready sale of the Plan's assets from time to time, in our opinion the Plan has sufficient liquidity to meet payments from regular cashflows.

Shortfall Limit

The Trustee currently has an approved shortfall limit of 99%.

Based on the Plan's benefit design and its target asset allocation described above, in our opinion the 99% shortfall limit remains reasonable for the Plan.

Insurance

Insurance Arrangements

The Plan provides death and disablement benefits for members of the Plan. The administrator has provided us with a copy of the insurance policy dated 1 November 2023, which we have based our analysis on.

The Death, Total and Permanent Disability (TPD) and Total and Temporary Disability (TTD) benefits of each accruing member are insured by TAL. The amount of the insured cover for Death and TPD is equal to the estimated benefit less the member's vested benefit. Accordingly, the uninsured risk is the extent to which the vested benefits are not covered by assets. As at 31 December 2023, the assets exceeded vested benefits by approximately $1.6 million suggesting that the Plan can be considered over-insured at that date on that basis. However, there remains minimal elements of self-insurance relating to past insurance arrangements not fully covering the risk, which is discussed further below.

The amount of the insured cover for TTD is 75% of Annual Basic Salary payable until the first of certain events occurs.

Potential Uninsured Amounts

Whilst an external insurer underwrites the majority of the death and disablement risk, some risk remains uninsured:

1. There are certain "underground" members where insurance cover for TPD had not previously been obtained. The Trustee was able to obtain cover for these members effective 1 January 2009, so the Plan's only exposure in respect of underground workers relates to any such members who left prior to the insurance taking effect and who subsequently make a claim. With the passing of time, this risk is considered immaterial.
2. Under the Participation Agreement, the TTD benefit is payable:
    a. where there is an insurance policy, the definition in the policy applies; and
    b. Otherwise, TTD is generally limited to a one-year payment period.

It is unclear if a TTD benefit is required to be paid for more than a year and therefore if a self-insurance reserve is required in respect of the TTD benefit. The Trustee is currently obtaining legal advice to determine the period of the TTD benefit.

Recommendations of Self-Insurance Management

The self-insurance reserve in the Plan as at 31 December 2023 was $702,000. We believe the risk posed by "underground" members outlined in 1 above poses a minimal risk to the Fund. We therefore recommend that following receipt of the advice in relation to group 2 above, (the TTD benefit), the Trustee, together with the Actuary consider whether the self-insurance reserve is required.

Section 7: Additional Information

Risks

The table below summarises the main risks to the financial position of the Plan.

Risk	Approach taken to risk
Investment returns on the existing assets could be insufficient to meet the Trustee's funding objectives	The Trustee takes advice from the Plan Actuary on possible assumptions for future investment returns. In setting the future contributions, the Plan Actuary considers the effect on the future financial position if investment returns are less than expected. The Trustee is able to agree further contributions with the Employer at subsequent valuations if future returns prove insufficient.
Price inflation or salary increases could be different from that assumed which could result in higher liabilities	The Trustee invests in assets that are expected to be correlated to future inflation in the longer term (sometimes referred to as "real" assets). This means that, over the longer term, such assets are expected to keep pace with inflation. Such assets include equities and index-linked bonds.
Legislative changes could lead to increases in the Plan's liabilities	The Trustee takes legal and actuarial advice on changes in legislation and consults with the Employer, where relevant.

Economic risk Demographic risk Legal risk

Benefits summary

The BHP No.2 Superannuation Plan only consists of one class of membership – Division A:

- Division A – Defined Benefits – closed 1 July 1994. Members of Division A are Class I members or frozen DB members.

Division A is closed to new members.

Under clauses 2.7 and 2.9 of the Participation Agreement, as a result of an actuarial investigation, the Trustee may change employer contributions, member contributions and/or benefits payable to members after obtaining the advice of the actuary and subject to the consent of the Principal Employer.

The following is a summary of the Plan Benefits provided to members.

Definitions

Accrual Rate Percentage –

a. in respect of any Plan Membership or Supplementary Membership before 1 July 1998: 23 1/3%; and

b. in respect of any Plan Membership or Supplementary Membership on or after 1 July 1998: 20%.

Basic Annual Salary or Salary – the ordinary salary of a Member together with his productivity payment calculated on an annual basis.

Final Average Salary (FAS) – The average of the Basic Annual Salary earned in the three year period immediately preceding cessation of Fund Membership but if a Member has not completed three years Fund Membership at cessation then Final Average Salary shall be deemed to be the average of the Basic Annual Salary earned during such lesser period expressed on an annual basis.

Former Fund – means WMC Superannuation Fund commencing 1 April 1973 and established by a trust deed dated 24 October 1974.

Fund Membership – means for a Division A Member the period (calculated in years and complete months) from the earlier of the date advised by the trustee of the Former Fund to the Trustee as being:

a. the most recent date of commencement as a member of the Former Fund; and

b. the date determined by the Company, with the consent of the trustee of the Former Fund, as being the Deemed Membership Date.

to the date to which such period is being determined.

Normal Latest Contribution Age – the date of the seventieth birthday of a Member or such other age as may from time to time be prescribed under the Relevant Law as the latest age until which non-mandated employer contributions (within the meaning of the Relevant Law) may be made to superannuation funds by, or in respect of, members of beneficiaries of those funds.

Normal Retirement Date – it is the Member's 65th birthday.

Prospective Final Average Salary – the Member's expected Final Average Salary at his or her Normal Retirement Age calculated assuming that his or her Salary at the date of determination remains unaltered until the Member's Normal Retirement Age.

Service – the actual employment with the Company or an Associated Company in respect of which the Member receives Salary and includes any period of absence from employment which the Company determines shall be included and any period during which a Member is in receipt of an allowance due to Total but Temporary Disablement. Service shall be counted in years and complete months.

Supplementary Membership – the period which the Company may time to time, with the consent of the Trustee, deem to be additional to a Member's Fund Membership. Such period shall be determined by the Company acting on the advice of an Actuary and with the consent of the Trustee.

Member Contributions

- Pre-tax: 4.0% of Salary
- Post-tax: 3.4% of Salary

Retirement Benefit

When the member retires upon reaching his or her Normal Retirement Age but before attaining their Normal Latest Contribution Age, the lump sum benefit payable is calculated as:

- 23 1/3% x Plan Membership prior to 1 July 1998 x Final Average Salary; *plus*
- 20% x Plan Membership after 1 July 1998 x Final Average Salary; *plus*
- the balance of additional account in the Plan; l*ess*
- offset accounts (if any).

This retirement benefit also applies if a member has:

- completed at least 5 years' Plan Membership; and
- attained age 60 years.

This benefit is subject to the Minimum Requisite Benefit.

Death/Total and Permanent Disablement Benefit

The lump sum benefit payable is calculated similarly to the Retirement Benefit but:

- assuming that the Member had remained in Service until attaining the Normal Retirement Age; and
- Using the Basic Annual Salary of the Member in lieu of the Final Average Salary in the calculation of the benefit.

The benefit above shall not be less than:

- 6 x the Member's Basic Annual Salary at the date of Death or Total and Permanent Disablement

Where the Death or Total and Permanent Disablement occurs within the three years immediately preceding attainment of the Normal Retirement Age then for the purpose of calculating the benefit as described above, his or her Prospective Average Salary shall be deemed to be his or her Basic Annual Salary.

The balance of the Member's additional accounts less any offset accounts in the Plan is also payable.

Total But Temporary Disablement Benefit

An annual benefit is calculated as 75% of the member's Basic Annual Salary less worker's compensation or any other statutory benefit payable until the first of certain events occur.

Resignation Benefit

A lump sum benefit payable is calculated as a proportion of the Retirement Benefit which would have been paid had the member been eligible for a Retirement Benefit. The proportion varies with the member's age, from a minimum of 35% at age 35, increasing to 100% at age 60.

The balance of the Member's additional accounts less any offset accounts in the Plan is also payable.

The Company has the discretion to request the Trustee to pay, and the Trustee may then pay, an additional amount on resignation.

Frozen DB Members

Frozen DB Members are members who chose to become entitled to accumulation benefits from the date of the freezing of their DB entitlements. Their accumulation entitlements and insured benefits are payable from another sub-plan in the MLC Super Fund. Their DB entitlements in the Plan are as follows:

On Retirement: a lump sum amount determined for defined benefit members (but taking into account Plan Membership to the date that their DB membership was frozen).

On Resignation: a lump sum amount determined for defined benefit members (but taking into account their age at date of resignation and Plan Membership to the date that their DB membership was frozen).

On Death/Total and Permanent Disablement Benefit: a lump sum amount determined for defined benefit members on retirement (but taking into account Plan Membership to the date that their DB membership was frozen).

Summary of Data Used in this Investigation

Membership Data

Plum Financial Services Limited (the Administrator) has responsibility for maintaining member records, payment of benefits and other administrative tasks of the Plan.

The Administrator provided data in respect of members of the Plan as at ***31 December 2023***, including members who had left the Plan since the last investigation date. As per advice from the company, we have increased the salaries of all members at the valuation date by 5% to account for the actual increase in salaries received by members on 1 September 2023. We note that there were corrections made to members' salaries and the Trustee provided updated salaries for the active members on 14 June 2024. The updated salaries were, on average, 1.8% higher than the salaries provided initially, although they were 2.7% lower than the salaries used for the results in this report (due to the 5% increase mentioned earlier). The impact of the salary corrections was not material and, after considering the impact of the updated salaries on the results of this report and the employer contribution rate recommendation, we have agreed with the Trustee to not update the results in this report to reflect the updated salaries.

We have checked a sample of the membership data for internal consistency and are satisfied as to the accuracy of this sample.

The following table shows a summary of the membership from 31 December 2020 to 31 December 2023:

	31 December 2020	31 December 2021	31 December 2022	31 December 2023
Defined Benefit Members				
Number of Members	26	20	18	17
Average Age	59.1	59.3	60.2	60.9
Average Past Membership	31.8	32.6	33.7	34.7
Total Salaries ($'000)	4,218	3,354	3,119	3,071
Average Salaries ($'000)	162	168	173	181
Former Defined Benefit Members				
Number of Members	3	3	3	3
Average Age	58.5	59.5	60.5	61.5
Average Past Membership	34.3	35.3	36.3	37.3
Total Salaries ($'000)	682	682	692	726
Average Salaries ($'000)	227	227	231	242
Total DB Members				
Number of Members	29	23	21	20
Average Age	59.0	59.3	60.2	61.0
Average Past Membership	32.0	33.0	34.1	35.1
Total Salaries ($'000)	4,900	4,036	3,811	3,797
Average Salaries ($'000)	169	175	181	190

Assets Data

The Administrator provided unaudited assets for the Plan as at 31 December 2023. The net value of assets as disclosed, less any amount held to meet the Operational Risk Financial Requirement, was $23,720,000. In order to determine the value of assets available to fund the defined benefits we have adjusted this value to allow for estimates of the contributions tax payable and benefits payable at 31 December 2023. The adjusted asset value of $21,818,000 was used in this valuation to determine contribution recommendations and Funding Status Measures.

The Net Asset value represents the value of assets including any Transaction Costs that would be incurred on sale. We note that Professional Standard 404 requires the “Fair Value” of assets is used which is defined as the value of assets before the deduction of Transaction Costs. Based on the type of assets held by the Plan we confirm that the Transaction Costs are not expected to be material. We have therefore used the Net Asset value provided by the Administrator for the purposes of this investigation.

We are satisfied that there are no material data discrepancies and that the data provided is suitable for the purpose of this investigation. We have relied on the information provided for the purposes of this investigation. Although we have no reason to doubt the quality of asset information provided, the results of this investigation are dependent on the quality of the asset information. Any changes to the asset values above will have an impact on the outcome of the investigation and any resulting recommendations.

Appendix A: Statements required Under SPS 160 paragraphs 23(a) to (i)

STATUTORY STATEMENTS UNDER SPS 160

BHP Billiton No 2 Superannuation Plan
Actuarial Investigation as at 31 December 2023

The statements required under paragraphs 23(a) to (i) of SPS 160 for interim and regular investigations are set out below:

Plan Assets

At 31 December 2023 the net market value of assets of the Plan, excluding any amount held to meet the Operational Risk Financial Requirement (ORFR), was $21,818,000.

Projection of Defined Benefit Vested Benefit Index

Based on the actuarial assumptions I project that the likely future financial position of the Plan over the three years following the investigation date will be as follows:

Date	Defined Benefit Vested Benefits Index
31 December 2023	107.7%
31 December 2024	107.3%
31 December 2025	107.6%
31 December 2026	107.9%

Accrued Benefits

The value of the accrued liabilities of all members as at 31 December 2023 was $21,075,000.

In my opinion, the value of the assets of the Plan at 31 December 2023 was adequate to meet the liabilities in respect of accrued benefits in the Plan (measured as the present value of members' accrued entitlements using the actuarial assumptions).

This assessment has been made using assumptions and a valuation method which I regard as reasonable.

Vested Benefits

The value of the vested benefits of all members as at 31 December 2023 was $20,258,000.

In my opinion, the financial position of the Plan is not unsatisfactory and the shortfall limit does not need to be reviewed at this time.

Minimum benefits

The value of the liabilities in respect of the minimum benefits of members as at 31 December 2023 is estimated to be $7,943,000 which is less than the value of assets held at that date.

We understand that the coding of the Minimum Requisite Benefits (MRBs) in the administration system has not been revised to reflect the latest Benefit Certificate. It is also our understanding that the administrator is looking to update the administration system to calculate the MRB for all members in the WMCA section. For the time being, we continue to suggest that in any individual circumstance where a benefit is being paid or crystallised and the calculated MRB is 85% of more of the standard benefit, the benefit payable be reviewed in accordance with the benefit certificate.

Funding and Solvency Certificates

Funding and Solvency Certificates for the Plan covering the period from 31 December 2020 to 31 December 2023 required by the Superannuation Industry (Supervision) Act have been provided. In my opinion, I consider that an Actuary is likely to be able to provide Funding and Solvency Certificates for the Plan covering the period from 31 December 2023 to 31 December 2026, if the future experience of the Plan is in accordance with the actuarial assumptions made at 31 December 2023.

Employer Contributions

The report on the actuarial investigation of the Plan at 31 December 2023 recommends that the Employer contributes to the Plan at the following rate until the next actuarial investigation effective 31 December 2026 has been completed:

- 17.5% of accruing members' salaries.

The recommended contribution rate may be reviewed at an earlier date if considered appropriate as a consequence of the regular review of the VBI.

Payment of Pensions

The Plan does not have any lifetime pension members.

Pre-July 1998 Funding Credit

No pre-July 1998 funding credits have been granted to the Plan.

J. Downham

Jackie Downham
Fellow of the Institute of Actuaries of Australia

18 June 2024

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About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help you sharpen your strategy, enhance organisational resilience, motivate your workforce and maximise performance. Working shoulder to shoulder with you, we uncover opportunities for sustainable success — and provide perspective that moves you. Learn more at wtwco.com.