

Sun Life Trustee Company Limited

DEED OF AMENDMENT AND RESTATEMENT

for

SUN LIFE RAINBOW MPF SCHEME

永明彩虹強積金計劃

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THIS DEED OF AMENDMENT AND RESTATEMENT is made on 29 November 2023.

BY:

Sun Life Trustee Company Limited whose registered office is at 16th Floor Cheung Kei Center, Tower A, No. 18 Hung Luen Road, Hunghom, Kowloon, Hong Kong (the "**Trustee**").

WHEREAS:

1. SUN LIFE RAINBOW MPF SCHEME (永明彩虹強積金計劃) was constituted by a master trust deed appearing in the deed of amendment dated 1 April 2017, as amended by the deeds of variation dated 8 February 2018, 3 May 2019, 23 September 2019 and 6 March 2020, and the supplemental deeds dated 11 July 2023 and 29 November 2023 (collectively, the "**Trust Deed**").
2. Subject to the approval of the Mandatory Provident Fund Schemes Authority, the Trustee has power pursuant to Clause 9 of the Trust Deed to amend any provisions of the Trust Deed.
3. The Trustee wishes to amend the Trust Deed by replacing all provisions of the Trust Deed by the amended and restated provisions set out in this Deed of Amendment and Restatement.

NOW THIS DEED WITNESSES as follows:

1. INTERPRETATION

In this Deed, the Rules and the Participation Agreement, the following words and expressions shall (unless the context otherwise requires) have the meanings given to them as follows:

"Account Holder" has the same meaning as "account holder" under section 50A of the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong) or, where applicable, its equivalent meaning in AEOI of other overseas jurisdiction(s);

"AEOI" means the applicable laws and regulations, whether in Hong Kong or other jurisdictions, concerning automatic exchange of financial account information, as implemented from time to time including any future laws and regulations;

"Age 65 Plus Fund" means a Constituent Fund meeting the requirements from time to time prescribed under section 2(a) of Part 2 of Schedule 10 to the MPFS Ordinance;

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"APIF" means an investment fund which complies with the requirements set out in Section 17(2) of Schedule 1 of the Regulation and has been approved by the MPF Authority and the SFC, or has such other meaning as is given to it from time to time in Section 6 of the Regulation;

"Application Form" (i) in respect of an Employer, SEP Member, TVC Member, Personal Account Member or SPA Member who is not (A) a Chamber Employer or Chamber Member; or (B) a Master Trust Employer or Master Trust Member, Basic Scheme Employer or Basic Scheme Member, or Comprehensive Scheme Employer or Comprehensive Scheme Member means

the application form as may be prescribed by the Trustee from time to time to be completed and signed by the Employer, SEP Member, TVC Member, Personal Account Member or SPA Member (as the case may be) for providing relevant information to the Trustee for purposes of the Scheme;

(ii) in respect of a Chamber Employer or Chamber Member, means the application form which was given by the Chamber Employer or Chamber Member (as the case may be) under the Chamber Scheme for providing relevant information to the trustee thereof, and for the purpose of the participation of the Chamber Employer or Chamber Member in the Scheme, all the information provided and terms set out in such form shall apply to the Chamber Employer or Chamber Member in the same manner as they are applicable to such Chamber Employer or Chamber Member under the Chamber Scheme; and

(iii) in respect of a Master Trust Employer or Master Trust Member, Basic Scheme Employer or Basic Scheme Member, and Comprehensive Scheme Employer or Comprehensive Scheme Member (as the case may be), means the application form given by the Master Trust Employer or Master Trust Member, Basic Scheme Employer or Basic Scheme Member, and Comprehensive Scheme Employer or Comprehensive Scheme Member (as the case may be) under the Master Trust, Basic Scheme and Comprehensive Scheme for providing relevant information to the Master Trust Trustee, Basic Scheme Trustee and Comprehensive Scheme Trustee, and for the purpose of the participation of the Master Trust Employer or Master Trust Member, Basic Scheme Employer or Basic Scheme Member, and Comprehensive Scheme Employer or Comprehensive Scheme Member (as the case may be) in the Scheme, all the information provided and terms set out in such form shall, subject to Rule 2.1.4B, be adopted (to the extent applicable) by the Trustee in the Scheme;

"Associate"

has the same meaning as given to it from time to time in Section 2 of the MPFS Ordinance;

R.98

"Auditors"

means such firm or firms as may be appointed by the Trustee in accordance with this Deed, being qualified to act as the auditors of the Scheme and the Participating Plans for the purposes of the MPFS Ordinance;

"Basic and Comprehensive Scheme Restructure"

means restructure of the Basic Scheme, Comprehensive Scheme and the Scheme pursuant to

	the Basic and Comprehensive Scheme Restructuring Proposal approved by the MPF Authority;
"Basic and Comprehensive Scheme Restructuring Proposal"	means the restructuring proposal dated 16 March 2023 under which the Scheme, Basic Scheme and Comprehensive Scheme are restructured;
"Basic and Comprehensive Scheme Restructuring Date"	means 29 November 2023;
"Basic Salary"	means an Employee Member's basic monthly salary from his Employer, excluding overtime payments and all benefits and allowances;
"Basic Scheme"	means Sun Life MPF Basic Scheme (formally named FWD MPF Master Trust Basic Scheme), a master trust scheme registered with the MPF Authority under the MPFS Ordinance;
"Basic Scheme Employee Member"	means an employee of a Basic Scheme Employer participating in the Basic Scheme immediately before the Basic and Comprehensive Scheme Restructuring Date who becomes an Employee Member under the Scheme pursuant to Clause 3.9 and Rule 2.1.4B;
"Basic Scheme Employer"	means an employer participating in the Basic Scheme immediately before the Basic and Comprehensive Scheme Restructuring Date who becomes an Employer under the Scheme pursuant to Clause 3.9 and Rule 2.1.4B;
"Basic Scheme Member"	means a person participating in the Basic Scheme immediately before the Basic and Comprehensive Scheme Restructuring Date who becomes a Member of the Scheme pursuant to Clause 3.9 and Rule 2.1.4B;
"Basic Scheme Personal Account Member"	means a member with a personal account participating in the Basic Scheme immediately before the Basic and Comprehensive Scheme Restructuring Date who becomes a Personal Account Member under the Scheme pursuant to Clause 3.9 and Rule 2.1.4B;
"Basic Scheme SEP Member"	means a self-employed person participating in the Basic Scheme immediately before the Basic and Comprehensive Scheme Restructuring Date who becomes a SEP Member under the Scheme pursuant to Clause 3.9 and Rule 2.1.4B;
"Basic Scheme SPA Member"	means a member with an additional voluntary contributions account participating in the Basic Scheme immediately before the Basic and Comprehensive Scheme Restructuring Date who

becomes a SPA Member under the Scheme pursuant to Clause 3.9 and Rule 2.1.4B;

"Basic Scheme Trustee"

means Sun Life Pension Trust Limited, in its capacity as the trustee of the Basic Scheme;

"Bid Spread"

means the bid spread (or an amount equivalent thereto) referred to in Clause 16;

"Business Day"

means any day (other than a Saturday) on which the banks in Hong Kong are open for business provided that if on any such day the period during which banks in Hong Kong are open is reduced by more than one hour as a result of a tropical cyclone signal number 8 or above, Black Rainstorm warning or other similar event, such day shall not be a Business Day unless the Trustee determines otherwise;

S.2

"Casual Employee"

means a relevant employee who is declared by an order made under Section 2(2) of the MPFS Ordinance to be a casual employee for the purposes of the MPFS Ordinance, or has such other meaning as is given to it from time to time in Section 2 of the MPFS Ordinance;

"Chamber Employer"

means an employer who becomes an Employer under the Scheme pursuant to Clause 3.5 and Rule 2.1.4A;

"Chamber Member"

means a person who becomes a Member of the Scheme pursuant to Clause 3.6 or 3.7 or 3.8 and Rule 2.1.4A;

"Chamber Scheme"

means Chamber CMG Choice, a master trust scheme registered with the MPF Authority under the MPFS Ordinance;

"Class A Employer"

means an Employer who is not a Class B Employer;

"Class A Member"

means a Member who is not a Class B Member (Class A Members include any SEP Member regardless of whether such SEP Member was previously employed by a Class B Employer and all SPA Members);

"Class A Units"

in respect of a Constituent Fund mean the class of units which is made available to Members in their capacity as Class A Members (including all SPA Members);

"Class B Eligibility Requirements"

in respect of an Employer means the Employer satisfying one or more of the following requirements:

- (i) the number of Employee Members participating in the Employer's Participating Plan is not less than 100;

- (ii) the Employer has assets transferred into the Scheme from an ORSO Registered Scheme in which the Employer participates;
- (iii) the Employer has an ORSO Registered Scheme administered by Sun Life Hong Kong Limited; or
- (iv) such other requirement(s) as may be specified in the Principal Brochure;

"Class B Employer"

means an Employer who:

- (i) joins the Scheme on or before the Commencement Date of MPF and satisfies the Class B Eligibility Requirements as at the Commencement Date of MPF; or
- (ii) joins the Scheme after the Commencement Date of MPF and satisfies the Class B Eligibility Requirements as at the Commencement Date of the Employer's Participating Plan;

"Class B Member"

includes:

- (i) an Employee Member of a Class B Employer;
- (ii) a Personal Account Member (regardless of whether such Personal Account Member was previously employed by a Class A Employer); and
- (iii) a TVC Member;

"Class B Units"

in respect of a Constituent Fund mean the class of units which is made available to Members in their capacity as Class B Members (excluding the class of units in respect of SPCs made by Class B Members);

"Collective Investment Scheme"

has the same meaning as given to it in Section 1(1) of Schedule 1 of the Regulation;

"Combined Balance"

means, in relation to a Member in his capacity as an Employee Member, on a particular date, the aggregate of:

- (a) the aggregate of the redemption proceeds as at that date of all the Units standing to the credit of his:
 - (i) Employer's Mandatory Sub-Account,
 - (ii) Employee's Mandatory Sub-Account,

- (iii) Employee's Mandatory Transfer Sub-Account,
 - (iv) Employee's Voluntary Sub-Account,
 - (v) Employee's Voluntary Transfer Sub-Account, and
 - (vi) such any other sub-account of the Employee Member as the Trustee considers appropriate or necessary;
- (b) the redemption proceeds as at that date of all the Units representing the aggregate of the respective Vested Balances of his:
- (i) Employer's Voluntary Sub-Account;
 - (ii) Employer's Voluntary Transfer Sub-Account; and
 - (iii) such any other sub-account of the Employer as the Trustee considers appropriate or necessary;

means, in relation to a Member in his capacity as a SEP Member, on a particular date, the aggregate of the redemption proceeds as at that date of all the Units standing to the credit of his:

- (i) SEP Member's Mandatory Sub-Account,
- (ii) SEP Member's Mandatory Transfer Sub-Account,
- (iii) SEP Member's Voluntary Sub-Account;
- (iv) SEP Member's Voluntary Transfer Sub-Account, and
- (v) such any other sub-account of the SEP Member as the Trustee considers appropriate or necessary;

means, in relation to a Member in his capacity as a Personal Account Member, on a particular date, the aggregate of the redemption proceeds as at that date of all the Units standing to the credit of his:

- (i) Mandatory Personal Sub-Account,
- (ii) Voluntary Personal Sub-Account, and
- (iii) such any other sub-account of the Personal Account Member as the Trustee considers appropriate or necessary;

means, in relation to a Member in his capacity as a SPA Member, on a particular date, the aggregate of

the redemption proceeds as at that date of all Units standing to the credit of his:

- (i) SPA Member Special Private Account; and
- (ii) such any other sub-account of the SPA Member as the Trustee considers appropriate or necessary;

PROVIDED THAT

if a Member has more than one capacity, the Combined Balance of the Member is the aggregate of the Combined Balance in relation to all his capacities on a particular date;

"Commencement Date"		means, in relation to a Participating Plan, the day on which the Participating Plan commences as specified in the Application Form;
"Commencement Date of MPF"		means the date on which Section 7 of the MPFS Ordinance becomes effective;
"Comprehensive Scheme"		means Sun Life MPF Comprehensive Scheme (formerly named FWD MPF Master Trust Comprehensive Scheme), a master trust scheme registered with the MPF Authority under the MPFS Ordinance;
"Comprehensive Employee Member"	Scheme	means an employee of a Comprehensive Scheme Employer participating in the Comprehensive Scheme immediately before the Basic and Comprehensive Scheme Restructuring Date who becomes an Employee Member under the Scheme pursuant to Clause 3.9 and Rule 2.1.4B;
"Comprehensive Employer"	Scheme	means an employer participating in the Comprehensive Scheme immediately before the Basic and Comprehensive Scheme Restructuring Date who becomes an Employer under the Scheme pursuant to Clause 3.9 and Rule 2.1.4B;
"Comprehensive Member"	Scheme	means a person participating in the Comprehensive Scheme immediately before the Basic and Comprehensive Scheme Restructuring Date who becomes a Member of the Scheme pursuant to Clause 3.9 and Rule 2.1.4B;
"Comprehensive Scheme Personal Account Member"		means a member with a personal account participating in the Comprehensive Scheme immediately before the Basic and Comprehensive Scheme Restructuring Date who becomes a Personal Account Member under the Scheme pursuant to Clause 3.9 and Rule 2.1.4B;

"Comprehensive Scheme SEP Member"	means a self-employed person participating in the Comprehensive Scheme immediately before the Basic and Comprehensive Scheme Restructuring Date who becomes a SEP Member under the Scheme pursuant to Clause 3.9 and Rule 2.1.4B;
"Comprehensive Scheme SPA Member"	means a member with an additional voluntary contributions account participating in the Comprehensive Scheme immediately before the Basic and Comprehensive Scheme Restructuring Date who becomes a SPA Member under the Scheme pursuant to Clause 3.9 and Rule 2.1.4B;
"Comprehensive Scheme Trustee"	means Sun Life Pension Trust Limited, in its capacity as the trustee of the Comprehensive Scheme.
"Connected Person"	<p>in relation to any person (the "relevant person") means:</p> <ul style="list-style-type: none"> (a) any person beneficially owning, directly or indirectly, 20 per cent or more of the issued ordinary share capital of the relevant person or able to exercise, directly or indirectly, 20 per cent or more of the total voting rights attributable to the voting share capital of the relevant person; (b) any company controlled by any such person as is described in (a) above, and for this purpose "control" of a company means: <ul style="list-style-type: none"> (i) control (either direct or indirect) of the composition of the board of directors of that company; or (ii) control (either direct or indirect) of more than half of the voting rights attributable to the voting share capital of that company; or (iii) the holding (either directly or indirectly) of more than half of the issued share capital (excluding any part of it which confers no right to participate beyond a specified amount in a distribution of either profits or capital),

PROVIDED ALWAYS THAT if the Trustee considers that other definition of the expression "control" is appropriate and that definition is acceptable to the MPF Authority and the SFC, such definition shall be substituted for the above definition thereof;

- (c) any company 20 per cent or more in aggregate of whose issued ordinary share capital is beneficially owned, directly or indirectly, by the relevant person and any company 20 per cent or more in aggregate of the total votes attributable to the voting share capital of which can be exercised, directly or indirectly, by the relevant person; or
- (d) any director or other officer of the relevant person or of any company which is a Connected Person of the relevant person pursuant to (a), (b) or (c) above;

"Constituent Fund"

means an investment fund established under Clause 11;

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"Contract Value"

means in relation to any futures contract, the full amount expressed therein as being due to be paid or received by the holder thereof upon settlement or (as the case may be) upon delivery of the subject matter;

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"Contribution Account"

has the meaning as given to it in Section 2 of the Regulation, and includes,

- (a) in relation to a Member in his capacity as an Employee Member, all of the following sub-accounts:
 - (i) Employer's Mandatory Sub-Account,
 - (ii) Employee's Mandatory Sub-Account,
 - (iii) Employee's Mandatory Transfer Sub-Account,
 - (iv) Employer's Voluntary Sub-Account,
 - (v) Employee's Voluntary Sub-Account,
 - (vi) Employee's Voluntary Transfer Sub-Account,
 - (vii) Employer's Voluntary Transfer Sub-Account, and
 - (viii) any other sub-account which the Trustee has set up and maintained for the Employee Member;
- (b) in relation to a Member in his capacity as a SEP Member, all of the following sub-accounts:
 - (i) SEP Member's Mandatory Sub-Account,

- (ii) SEP Member's Mandatory Transfer Sub-Account,
- (iii) SEP Member's Voluntary Sub-Account,
- (iv) SEP Member's Voluntary Transfer Sub-Account, and
- (v) any other sub-account which the Trustee has set up and maintained for the SEP Member,

PROVIDED THAT if a Member is an Employee Member, and an SEP Member concurrently, the Trustee shall maintain one Contribution Account (with all the sub-accounts set out in (a) above) in that Member's capacity as an Employee Member, and another Contribution Account (with all the sub-accounts set out in (b) above) in that Member's capacity as an SEP Member;

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"Contribution Day"

- (a) in relation to a SEP Member, means the last day of the contribution period of such SEP Member (as set out in Rule 3.1(j) and within the meaning as given by Section 131 of the Regulation); and
- (b) in relation to an Employer, has the meaning as given by Section 122 of the Regulation;

"Controlling Person"

has the same meaning as "controlling person" under section 50A of the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong) or, where applicable, its equivalent meaning in AEOI of other overseas jurisdiction(s);

"Core Accumulation Fund"

means a Constituent Fund meeting the requirements from time to time prescribed under section 2(b) of Part 2 of Schedule 10 to the MPFS Ordinance;

"Dealing Day"

means the day specified as a Dealing Day in the Principal Brochure or if such day is not a Business Day the next following Business Day or such other day or days as the Trustee may from time to time determine either in respect of all the Constituent Funds or in relation to a particular Constituent Fund of the Scheme;

"Default Investment Strategy"

means the default investment strategy that complies with Part 2 of Schedule 10 to the MPFS Ordinance;

"Default Investment Arrangement"

has the same meaning as prescribed in section 34DF of the MPFS Ordinance;

"DIS Funds"	mean the Age 65 Plus Fund and the Core Accumulation Fund, and "DIS Fund" means either of them;
"DIS Effective Date"	means 1 April 2017;
"DIS Section"	means the section "3.1A MPF Default Investment Strategy ("DIS")" in the Principal Brochure;
"Early Retirement Age"	means, in relation to a Member, 60 years of age or such other age specified from time to time in Schedule 7 of the MPFS Ordinance;
"Eligible Employee"	means an employee of an Employer;
"Employee Member"	means an employee of an Employer who has joined the Scheme in accordance with the Rules, and who has not ceased to be employed by that Employer, and shall include (i) a Chamber Member who has become an Employee Member pursuant to Clause 3.7 and Rule 2.1.4A; and (ii) a Master Trust Member, Basic Scheme Member and Comprehensive Scheme Member (as the case may be) who become an Employee Member pursuant to Clause 3.9 and Rule 2.1.4B;
"Employee's Mandatory Sub-Account"	means, in relation to an Employee Member, a sub-account as referred to in Rule 4.1(b);
"Employee's Mandatory Transfer Sub-Account"	means, in relation to an Employee Member, a sub-account as referred to in Rule 4.1(c);
"Employee's Voluntary Sub-Account"	means, in relation to an Employee Member, a sub-account as referred to in Rule 4.1(e);
"Employee's Voluntary Transfer Sub-Account"	means, in relation to an Employee Member, a sub-account as referred to in Rule 4.1(g);
"Employer"	means any person, firm, corporation or body which has established a Participating Plan for its employees by executing a Participation Agreement, and shall include (i) a Chamber Employer who has become an Employer pursuant to Clause 3.5 and Rule 2.1.4A; and (ii) a Master Trust Employer, Basic Scheme Employer and Comprehensive Scheme Employer (as the case may be) who become an Employer pursuant to Clause 3.9 and Rule 2.1.4B;
"Employer's Mandatory Sub-Account"	means, in relation to an Employee Member, a sub-account as referred to in Rule 4.1(a);
"Employer's Voluntary Sub-Account"	means, in relation to an Employee Member, a sub-account as referred to in Rule 4.1(d);
"Employer's Voluntary Transfer Sub-Account"	means, in relation to an Employee Member, a sub-account as referred to in Rule 4.1(f);

"Exemption Regulation"	means the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485 sub. leg.B);
"Financial Year"	means, in relation to the Scheme, each Constituent Fund and each Participating Plan, the period from 1 January to 31 December in each calendar year PROVIDED THAT in the case of the Scheme, the first Financial Year shall commence on the date on which the Scheme was registered under the MPFS Ordinance and end on 31 December first falling after such date of registration, and in the case of each Participating Plan, the first Financial Year thereof shall commence on the Commencement Date of such Participating Plan and end on 31 December first falling after such Commencement Date;
"Forfeitures Account"	means, in relation to a Participating Plan, one or more accounts set up under that Participating Plan to which the Trustee shall credit unvested benefits and forfeitures, and balances transferred to such Forfeitures Account(s) pursuant to Rule 2.1.4B;
"Fund Cruiser"	(i) in respect of the Scheme, means the fund cruiser as specified in the Principal Brochure; and (ii) in respect of the Master Trust, means the fund cruiser as specified in the latest principal brochure of the Master Trust immediately before the Master Trust Restructuring Date;
"Gazette"	has the same meaning as given to it from time to time in Section 3 of the Interpretation and General Clauses Ordinance (Chapter 1 of the Laws of Hong Kong);
"HK\$"	means the lawful currency of Hong Kong;
"Hong Kong"	means the Hong Kong Special Administrative Region of the PRC;
"Investment"	means any stock, share, debenture, debenture stock, loan stock, bond, unit share, APIFs or other interest in a Collective Investment Scheme, Commodity, share price index futures contract, security, commercial paper, acceptance, certificate of deposit, trade bill, treasury bill, instrument or note of or issued by or under the guarantee of any body, whether incorporated or unincorporated, or of any government or local governmental authority or supranational body, whether paying interest or dividends or not, and whether fully paid or not and includes without limitation: (a) any right, option or interest in or in respect of any of the foregoing;

- (b) any certificate of interest or participation in, or temporary or interim certificate for, or receipt for or warrant to subscribe for or purchase, any of the foregoing;
- (c) any receipt or other certificate or document evidencing the deposit of a sum of money, or any rights or interests arising under any such receipt, certificate or document;
- (d) any mortgage-backed security or other securitised receivable; and
- (e) any bill of exchange and any promissory note;

"Investment Manager"

means such person or persons as may be appointed by the Trustee in accordance with this Deed to manage the Trust Fund or any portion thereof, or as the context may require, any Constituent Fund or any portion thereof, being qualified to act as an investment manager of the Scheme for the purposes of the MPFS Ordinance;

"Investment Mandate"

means any instructions as may from time to time be given by a Member in accordance with this Deed and Rules and in a form meeting the requirements for a Specific Investment Instruction, specifying the manner in which future contributions and accrued benefits transferred from another registered scheme shall be invested;

"Investment Policy"

means the investment policy for each Constituent Fund referred to in Clause 11.1;

"Issue Price"

in respect of Units of a particular class, means the issue price (including any offer spread imposed) per Unit calculated pursuant to Clauses 14 and 15 at which Units of such class are from time to time issued or to be issued;

"Management Fee"

means any sum to which the Investment Manager appointed by the Trustee may become entitled pursuant to the provisions of Clause 19;

S.2

"Mandatory Contribution"

has such meaning as given to it from time to time in Section 2 of the MPFS Ordinance;

"Mandatory Personal Sub-Account"

means a sub-account as referred to in Rule 4.3(a);

"Master Trust Restructure"

means restructure of the Master Trust and the Scheme pursuant to the Master Trust Restructuring Proposal approved by the MPF Authority;

"Master Trust Restructuring Proposal"	means the restructuring proposal dated 11 May 2023 under which the Scheme and the Master Trust are restructured;
"Master Trust Restructuring Date"	means 30 August 2023;
"Master Trust"	means Sun Life MPF Master Trust (formerly named Schroder MPF Master Trust), a master trust scheme registered with the MPF Authority under the MPFS Ordinance;
"Master Trust Employee Member"	means an employee of a Master Trust Employer participating in Master Trust immediately before the Master Trust Restructuring Date who becomes an Employee Member under Scheme pursuant to Clause 3.9 and Rule 2.1.4B;
"Master Trust Employer"	means an employer participating in the Master Trust immediately before the Master Trust Restructuring Date who becomes an Employer under the Scheme pursuant to Clause 3.9 and Rule 2.1.4B;
"Master Trust Member"	means a person participating in the Master Trust immediately before the Master Trust Restructuring Date who becomes a Member of the Scheme pursuant to Clause 3.9 and Rule 2.1.4B;
"Master Trust Personal Account Member"	means a member with a personal account participating in the Master Trust immediately before the Master Trust Restructuring Date who becomes a Personal Account Member under the Scheme pursuant to Clause 3.9 and Rule 2.1.4B;
"Master Trust SEP Member"	means a self-employed person participating in the Master Trust immediately before the Master Trust Restructuring Date who becomes a SEP Member under the Scheme pursuant to Clause 3.9 and Rule 2.1.4B;
"Master Trust Trustee"	means HSBC Provident Fund Trustee (Hong Kong) Limited, in its capacity as the trustee of the Master Trust;
"Maximum Level of Relevant Income"	means the level of Relevant Income specified in Schedule 3 of the MPFS Ordinance or has such other meaning as is given to it from time to time in Section 2 of the MPFS Ordinance;
"Member"	means an Employee Member, a SEP Member, a TVC Member, a Personal Account Member or a SPA Member and includes any person participating in the Scheme in one or more of the capacities mentioned above;
"Minimum Level of Relevant Income"	means the level of Relevant Income specified in Schedule 2 of the MPFS Ordinance or has such other

	meaning given to it from time to time in Section 2 of the MPFS Ordinance;
"Minimum MPF Benefits"	has the same meaning as given to it in Section 1(1) of Schedule 2 of the Exemption Regulation;
"MPF Authority"	means the Mandatory Provident Fund Schemes Authority in Hong Kong;
"MPFS Ordinance"	means the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) as amended from time to time;
"Net Asset Value"	means (i) in relation to a Constituent Fund, the net asset value of such Constituent Fund; or (ii) in relation to a Unit of a particular class of the Constituent Fund, the net asset value per Unit calculated pursuant to the provisions of Clause 14;
"Normal Retirement Age"	means, in relation to a Member, 65 years of age or, if the Regulation prescribes an earlier age, that earlier age;
"Offer Spread"	means the offer spread (or an amount equivalent thereto) referred to in Clause 15;
"Officer"	has the same meaning as given to it from time to time in Section 2 of the MPFS Ordinance;
"ORSO Exempted Scheme"	has the meaning as given to it in Section 2(1) of the Exemption Regulation;
"ORSO Registered Scheme"	has the meaning as given to it in Section 2(1) of the Exemption Regulation;
"Other Eligible Person"	means a person who is eligible to participate in the Scheme and who applies to participate in the Scheme other than as (i) an Employee Member or (ii) a SEP Member or (iii) a Personal Account Member or (iv) a TVC Member in the Scheme, in accordance with the Principal Brochure;
"out-of-pocket expenses"	has the same meaning as in section 34DA of the MPFS Ordinance;
"Participating Plan"	means a notional plan under the Scheme established pursuant to the terms of this Deed;
"Participation Agreement"	has the meaning as given to it in Section 2 of the Regulation, and (i) in relation to a Participating Plan of an Employer (who is not (A) a Chamber Employer; or (B) a Master Trust Employer, Basic Scheme Employer or Comprehensive Scheme Employer), the Participation Agreement shall be substantially in the form set out in Schedule I attached hereto (with such amendments

as may be agreed between the Trustee and the Employer (and approved by the MPF Authority if such an approval is so required under the Regulation)) whereby such Employer agrees to establish a Participating Plan under trust upon the terms of:

(a) the Trust Deed as amended from time to time; and

(b) the relevant Participation Agreement as may from time to time be modified by any further agreements executed by the Trustee and such Employer (and approved by the MPF Authority if such an approval is so required under the Regulation);

(ii) in relation to a Participating Plan of a Chamber Employer, the Participation Agreement shall be the participation agreement which was entered into between the trustee of the Chamber Scheme and the Chamber Employer (and approved by the MPF Authority if such an approval is so required under the Regulation) under the Chamber Scheme, and for the purpose of the participation of the Chamber Employer in the Scheme, all the information provided and terms set out in such agreement shall apply to the Chamber Employer in the same manner as they are applicable to such Chamber Employer under the Chamber Scheme; and

(iii) in relation to a Participating Plan of a Master Trust Employer, Basic Scheme Employer and Comprehensive Scheme Employer (as the case may be), the Participation Agreement in respect of their Employee Members who participate in the Master Trust, Basic Scheme, Comprehensive Scheme and the Scheme (as the case may be) immediately before the Master Trust Restructuring Date or the Basic and Comprehensive Scheme Restructuring Date (as the case may be) shall be the relevant participation agreement under the Master Trust, Basic Scheme, Comprehensive Scheme and the Scheme (as the case may be), and for the purpose of the participation of the Master Trust Employer, Basic Scheme Employer and Comprehensive Scheme Employer (as the case may be) in the Scheme, all the information provided and terms set out in such agreement shall, subject to Rule 2.1.4B, be adopted (to the extent applicable) by the Trustee in the Scheme;

"Permissible Investment"

means any of the investments in which the funds of a Constituent Fund may be invested as set out in Schedule 1 of the Regulation;

"Personal Data (Privacy) Ordinance"

means the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong);

"Personal Account"	has the meaning as given to it in Section 2 of the Regulation and shall be divided into the following sub-accounts: (a) Mandatory Personal Sub-Account, (b) Voluntary Personal Sub-Account, and (c) any other sub-account which the Trustee has set up and maintained for the Member;
"Personal Account Member"	means, (a) a person who, having accrued benefits in another Registered Scheme or an ORSO Exempted Scheme or ORSO Registered Scheme, has joined the Scheme in accordance with the Rules other than as an Employee Member, a SEP Member or a TVC Member and has transferred such accrued benefits to a Personal Account of the Scheme; or (b) a person who, having accrued benefits in a Contribution Account in the Scheme, has elected or is taken to have elected to have such accrued benefits transferred to a Personal Account of the Scheme in accordance with Part XII of the Regulation; or (c) any other person who holds a Personal Account in the Scheme in accordance with the MPFS Ordinance and the Regulation; and shall include (i) a Chamber Member who has become a Personal Account Member pursuant to Clause 3.8 and Rule 2.1.4A; and (ii) a Master Trust Member, Basic Scheme Member and Comprehensive Scheme Member (as the case may be) who become a Personal Account Member pursuant to Clause 3.9 and Rule 2.1.4B;
"PRC"	means the People's Republic of China;
"Principal Brochure"	means the principal brochure of the Scheme, as amended from time to time;
"Recognised Securities Market"	means any stock exchange, over-the-counter market or association of dealers in securities of repute in any country in the world which has for the time being the approval of the Trustee;
"Recognised Commodities Market"	means any commodities market of repute in any country in the world which has for the time being the approval of the Trustee;
"Redemption Price"	in respect of Units of a particular class, means the price per Unit calculated pursuant to Clause 16 at

		which Units of such class are from time to time redeemed or to be redeemed;
S.2	"Registered Scheme"	means a provident fund scheme registered under Section 21 of the MPFS Ordinance as an employer sponsored scheme or a master trust scheme or registered under Section 21A of the MPFS Ordinance as an industry scheme, or has such other meaning given to it from time to time in Section 2 of the MPFS Ordinance;
	"Regulation"	means the Mandatory Provident Fund Schemes (General) Regulation (Chapter 485 of the Laws of Hong Kong), as amended from time to time;
S.2	"Relevant Income"	has such meaning given to it from time to time in Section 2 of the MPFS Ordinance;
	"Reportable Information"	means, in respect of any person or entity considered to be an Account Holder or Controlling Person, information (including but not limited to its/his/her name, address, date of birth, place of birth/incorporation, jurisdiction(s) of tax residence, tax identification number(s) in the relevant jurisdiction(s)) and account information (including but not limited to its/his/her account balance, income, and payments to the account holders); and
	"Restructuring Proposal"	means the restructuring proposal dated 26 March 2003 under which this Scheme and the Chamber Scheme are restructured, which proposal has been approved by the MPF Authority pursuant to Section 34B of the MPFS Ordinance;
	"Restructuring Date"	means the date on which the Restructuring Proposal becomes effective;
	"Rules"	means the rules attached to this Deed as the Appendix (as supplemented by the terms of this Deed and the Participation Agreement) by which a Participating Plan shall be governed;
	"Scheme"	means the mandatory provident fund scheme "Sun Life Rainbow MPF Scheme 永明彩虹強積金計劃" which is established under the terms of this Deed;
	"Scheme Participants"	means Employers and Members;
	"Securities"	has the meaning given to it in Schedule 1 of the Securities Ordinance;
	"Securities Market"	means any stock exchange, over-the-counter market or other securities market in any country in the world and includes, in relation to any particular Investment, any responsible firm, corporation or association in any part of the world so dealing in the Investment as

to be expected generally to provide in the opinion of the Trustee a satisfactory market for the Investment and in such a case the Investment shall be deemed to be the subject of an effective permission to deal on the Securities Market deemed to be constituted by such firm, corporation or association;

"Securities Ordinance"

means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

S.2

"Self-Employed Person"

means a person whose Relevant Income (otherwise than in the capacity as an employee) derives from his production (in whole or in part) of goods or services in Hong Kong, or his trade in goods or services in or from Hong Kong, or has such other meaning as is given to it from time to time in Section 2 of the MPFS Ordinance;

"SEP Member"

means a Self-Employed Person who has joined the Scheme in accordance with the Rules, and shall include (i) a Chamber Member who has become an SEP Member pursuant to Clause 3.6 and Rule 2.1.4A; and (ii) a Master Trust Member, Basic Scheme Member and Comprehensive Scheme Member (as the case may be) who become a SEP Member pursuant to Clause 3.9 and Rule 2.1.4B;

"SEP Member's Mandatory Sub-Account"

means, in relation to a SEP Member, a sub-account as referred to in Rule 4.2(a);

"SEP Member's Mandatory Transfer Sub-Account"

means, in relation to a SEP Member, a sub-account as referred to in Rule 4.2(b);

"SEP Member's Voluntary Sub-Account"

means, in relation to a SEP Member, a sub-account as referred to in Rule 4.2(c);

"SEP Member's Voluntary Transfer Sub-Account"

means, in relation to a SEP Member, a sub-account as referred to in Rule 4.2(d);

"Service Provider"

has the same meaning as given to it from time to time in Section 2 of the MPFS Ordinance;

"SFC"

means the Securities and Futures Commission in Hong Kong;

"Special Contribution"

means (a) a special contribution having the same meaning as in Part IIIA of the MPFS Ordinance, and (b) such other contributions paid in respect of or for the benefit of a Member which are required under applicable laws to be treated in the same manner as a special contribution;

"Specific Investment Instruction"

means instruction meeting the requirements from time to time prescribed under the Principal Brochure;

"Subscription Monies"	means any (a) Mandatory Contribution, (b) Voluntary Contribution (c) TVC; or (d) moneys received by the Trustee in relation to the Scheme;
"Substantial Financial Institution"	has the same meaning as given to it from time to time in Section 2 of the Regulation;
"SPC"	means special private contribution made by a SPA Member;
"SPA Member"	means any Member who has applied to participate in the Scheme as a Special Private Account Member, in respect of whom a SPA Member Private Account will be maintained, and shall include a Basic Scheme Member and Comprehensive Scheme Member (as the case may be) who become a SPA Member pursuant to Clause 3.9 and Rule 2.1.4B;
"SPA Member Special Private Account"	means an account maintained in respect of any Member as a SPA Member in the books of the Scheme in relation to SPCs, as referred to in Rule 4.4;
"Switching Instruction Form"	means a form meeting the requirements for a Specific Investment Instruction as specified in the DIS Section of the Principal Brochure to be completed by a Member to enable instructions to be given to the Trustee to vary or otherwise deal with Member's accrued benefits in the account from time to time;
S.2 "Tax Authority"	means any government, state or municipality or any local, state, federal or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function.
"Total Incapacity"	has the meaning given to it from time to time in Section 2 of the MPFS Ordinance;
"Transfer Notice"	means a notice in the form specified or approved by the MPF Authority from time to time to be completed and signed by a Member to enable his accrued benefits to be transferred in accordance with Part XII of the Regulation;
"Trust"	means the trust established by this Deed;
"Trust Fund"	means all the assets and income received and held by the Trustee for the purpose of the Scheme;
"Trustee"	means Sun Life Trustee Company Limited or any new or replacement trustee for the time being duly appointed trustee or trustees of the Trust hereunder;
"Trustee Fee"	means any sum to which the Trustee may become entitled to pursuant to the provision of Clause 19;

"TVC"	means the tax deductible voluntary contributions as defined in Section 2(1) of the MPFS Ordinance;
"TVC Account"	means an account opened under Section 11A(1) of the MPFS Ordinance;
"TVC Account Applicant"	means a person referred to in Section 11A(1) of the MPFS Ordinance;
"TVC Balance"	means, in respect of a TVC Member and at any date, the value (determined in accordance with Clause 14) on that date of the balance held in the TVC Account;
"TVC Member"	has its meaning given in Rule 2.1.1(f);
"Unit"	means an undivided share in a Constituent Fund including any fraction thereof permitted under this Deed;
"UTMF Code"	means the SFC's Code on Unit Trusts and Mutual Funds, as amended from time to time;
"Vested Balance"	means <ul style="list-style-type: none"> (i) in relation to the Employer's Voluntary Sub-Account of an Employee Member on a particular date, the amount of the balance in such sub-account which has vested according to Rule 7.2; or (ii) in relation to the Employer's Voluntary Transfer Sub-Account of an Employee Member on a particular date, the amount of the balance in such sub-account which has vested according to Rule 7.2;
S.2 "Voluntary Contribution"	means a contribution paid to a Registered Scheme in accordance with Section 11 of the MPFS Ordinance, or has such other meaning given to it from time to time in Section 2 of the MPFS Ordinance, but shall not include SPCs;
"Voluntary Personal Sub-Account"	means a sub-account as referred to in Rule 4.3(b);
"Working Day"	has the meaning as given to it in Section 2 of the MPFS Ordinance;
"Year"	means calendar year;
"Years of Service"	means, in relation to an Employee Member, the total years (including a fraction thereof) of continuous employment with his Employer (whether or not as a Member of the Scheme), PROVIDED THAT any period of employment during which the Member is absent on approved leave without pay shall not be counted as Years of Service. In respect of a Member whose Contribution Account consists of an

Employer's Voluntary Sub-Account, Employee's Voluntary Sub-Account and/or Employer's Voluntary Transfer Sub-Account, the definition of Years of Service shall include any additional complete years and months as specified by the Member's Employer in the Application Form PROVIDED ALWAYS THAT if an Employer wishes to adopt other definition for "Years of Service", the Employer may specify such definition in the Application Form and such definition must be clearly stated in the relevant Participation Agreement of the Employer's Participating Plan to be executed by the Trustee and the Employer.

- 1.02 References herein to "this Deed" or "the Deed" shall mean this Deed as from time to time be amended by deed expressed to be supplemental to this Deed.
- 1.03 References herein to Clauses, Rules, Appendix and Schedule are to clauses and rules in, and appendix and schedule to, this Deed. The Appendix and Schedule shall be deemed to form part of this Deed.
- 1.04 The headings are inserted for convenience only and shall not affect the construction hereof.
- 1.05 Unless the context requires otherwise, words importing the singular include the plural and vice versa; words importing a gender include every gender; words importing persons include corporations.
- 1.06 References to any statute shall be deemed to be references to that statute as from time to time amended or re-enacted.

2. ESTABLISHMENT OF TRUST

- 2.1 On the effective date of the Trust Deed, the Trustee established a master trust scheme under trust called the Sun Life Rainbow MPF Scheme (永明彩虹強積金計劃) (previously RAINBOW 65) whereby employers, Self-Employed Persons, and other relevant persons (as referred in Clause 3.4 below) may participate in the Scheme.
- 2.2 With effect from 1 November 2012, all provisions of the Trust Deed (as amended) shall be replaced by, and the rights and obligations of the Trustee, Investment Manager and all other parties provided in the Trust Deed shall be governed by and construed in accordance with, the amended and restated provisions set out in this Deed.
- 2.3 The Trustee shall stand possessed of the Trust Fund on trust in accordance with this Deed and any applicable Participation Agreement.

3. EMPLOYERS, SELF-EMPLOYED PERSONS AND OTHER PERSONS

- 3.1 An employer (as defined in the MPFS Ordinance) may establish a Participating Plan by executing a Participation Agreement.
- 3.2 A Self-Employed Person may establish a Participating Plan by completing an Application Form.
- 3.3 An Employee Member may establish a Participating Plan if upon his cessation of employment he elects or pursuant to the provisions of this Deed is taken to have elected to transfer his benefits accrued under this Scheme to a separate Personal Account in the Scheme.

- 3.4 Any person entitled to join the Scheme under the Regulation may establish a Participating Plan or TVC Account, by completing an Application Form and, where applicable, transfer benefits accrued in another Registered Scheme to the Scheme in accordance with the Regulation.
- 3.4A Any Employee Member, SEP Member, TVC Member, Personal Account Member or Other Eligible Person may establish a Participating Plan to become a SPA member and make SPCs by completing an Application Form. Notwithstanding any other provision in this Deed, the Trustee may reject any application of any Employee Member, SEP Member, TVC Member, Personal Account Member or Other Eligible Person to become a SPA Member.
- 3.5 At the Restructuring Date, an employer (as defined in the MPFS Ordinance) who participates in the Chamber Scheme immediately prior to the Restructuring Date shall automatically become an Employer under the Scheme and a Participation Plan shall be established in respect of such Employer.
- 3.6 At the Restructuring Date, a self-employed person who participates in the Chamber Scheme immediately prior to the Restructuring Date shall automatically become an SEP Member under the Scheme and a Participation Plan shall be established in respect of such SEP Member.
- 3.7 An employee member who participates in the Chamber Scheme immediately prior to the Restructuring Date shall automatically become an Employee Member under the Scheme at the Restructuring Date.
- 3.8 At the Restructuring Date, a preserved member who participates in the Chamber Scheme immediately prior to the Restructuring Date shall automatically become a Personal Account Member under the Scheme and a Participation Plan shall be established in respect of such Personal Account Member.
- 3.9 (a) For each:
- (i) Master Trust Employer;
 - (ii) Master Trust SEP Member;
 - (iii) Master Trust Personal Account Member;
 - (iv) Basic Scheme Employer;
 - (v) Basic Scheme SEP Member;
 - (vi) Basic Scheme Personal Account Member;
 - (vii) Basic Scheme SPA Member;
 - (viii) Comprehensive Scheme Employer;
 - (ix) Comprehensive Scheme SEP Member;
 - (x) Comprehensive Scheme Personal Account Member; and
 - (xi) Comprehensive Scheme SPA Member,

who participates solely in the Master Trust or Basic Scheme and/or Comprehensive Scheme (and does not participate in the Scheme) immediately before the Master Trust Restructuring Date or the Basic and Comprehensive Scheme Restructuring Date (as the case may be), a Participation Plan shall be established and each of them shall become a participating Employer, SEP Member, Personal Account Member and SPA Member (as the case may be) under the Scheme pursuant to the Master Trust Restructure or the Basic and Comprehensive Scheme Restructure (as the case may be), and for each Master Trust Employee Member of such Master Trust Employer, Basic Scheme Employee Member of such Basic Scheme Employer and Comprehensive Scheme Employee Member of such Comprehensive Scheme Employer, such member shall automatically become an Employee Member under the Participation Plan of the Master Trust Employer, Basic Scheme Employer and Comprehensive Scheme

Employer (as the case may be) pursuant to the Master Trust Restructure or the Basic and Comprehensive Scheme Restructure (as the case may be).

- (b) For each:
- (i) Master Trust Employer;
 - (ii) Master Trust SEP Member;
 - (iii) Master Trust Personal Account Member;
 - (iv) Basic Scheme Employer;
 - (v) Basic Scheme SEP Member;
 - (vi) Basic Scheme Personal Account Member;
 - (vii) Basic Scheme SPA Member;
 - (viii) Comprehensive Scheme Employer;
 - (ix) Comprehensive Scheme SEP Member;
 - (x) Comprehensive Scheme Personal Account Member; and
 - (xi) Comprehensive Scheme SPA Member,

who participates in both the Master Trust or Basic Scheme and/or Comprehensive Scheme on the one hand and the Scheme on the other immediately before the Master Trust Restructuring Date or the Basic and Comprehensive Scheme Restructuring Date (as the case may be), their participation under the Scheme shall continue in the manner set out in Rule 2.1.4B and each Master Trust Employee Member of such Master Trust Employer, Basic Scheme Employee Member of such Basic Scheme Employer and Comprehensive Scheme Employee Member of such Comprehensive Scheme Employer shall participate in the Scheme in the manner set out in Rule 2.1.4B.

4. APPOINTMENT, REMOVAL AND RETIREMENT OF INVESTMENT MANAGER

R.44
S.46

- 4.1 Subject to the approval of the MPF Authority and the SFC and further subject to Section 44(2) of the Regulation, the Trustee shall have the power to appoint one or more Investment Managers to manage the investment of the Trust Fund or any Constituent Fund on such terms as to remuneration or otherwise as shall from time to time be agreed between the Trustee and such Investment Manager PROVIDED THAT any contracts for the appointment of such Investment Manager shall comply with Schedule 2 of the Regulation and FURTHER PROVIDED THAT the Investment Manager and its delegate (if any) are independent of the Trustee and of the custodian of the Scheme and of the delegate of the custodian (as defined in Section 2 of the Regulation) in accordance with Section 46 of the Regulation.

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6.11

- 4.2 Subject to Clause 4.4 below, an Investment Manager appointed by the Trustee may be removed forthwith by notice in writing being given by the Trustee in any of the following events:
- (a) the Investment Manager is commenced to be wound up or is dissolved without being wound up;
 - (b) the Trustee states in writing that a change in the Investment Manager is desirable in the interests of Scheme Participants;
 - (c) the SFC withdraws its approval of the Investment Manager; or
 - (d) in all other cases which stipulate that the Investment Manager must be removed as provided for in the agreement entered into between the Trustee and the Investment Manager for the investment of the Trust Fund or for the investment of any Constituent Fund, as the case may be.
- 4.3 Subject to Clause 4.4 below, an Investment Manager appointed by the Trustee may retire in accordance with the terms and conditions of the agreement entered into between the Trustee

and the Investment Manager for the investment of the Trust Fund or any Constituent Fund, as the case may be.

4.4 No removal or retirement of the Investment Manager shall take effect unless a new Investment Manager has been appointed by the Trustee and whose appointment has been approved by the SFC and the MPF Authority.

4.5 The Trustee shall, as soon as reasonably practicable after the appointment of a new Investment Manager, give notice to the Scheme Participants specifying the name and other relevant details of the new Investment Manager.

5. RETIREMENT OF TRUSTEE

S.33 5.1 Subject to the prior written approval of the MPF Authority, a Trustee may resign from office by giving not less than one (1) month's written notice to Scheme Participants (and the other Trustees, if any) PROVIDED THAT (i) adequate arrangements have been made for another trustee approved by the MPF Authority to assume responsibility for the administration of the Scheme and for the Trustee's interest in the Trust Fund to be transferred to that Trustee; and (ii) any consequential amendment to the Principal Brochure regarding the change of trustee shall be approved by the SFC.

5.2 Upon retirement of a Trustee, the retiring Trustee shall assign, transfer or otherwise pay to the successor Trustee the moneys and other property then constituting the Trust Fund less the compensation of the retiring Trustee and any other proper charges against the Trust Fund. Upon such assignment, transfer or payment to the successor Trustee, the retiring Trustee shall be released from all further obligations under this Deed but without prejudice to the rights of the Scheme Participants in respect of any antecedent breach committed by the retiring Trustee.

6. FUNCTIONS AND DUTIES OF THE TRUSTEE

6.1 The functions and duties of the Trustee include the following:

R.43 6.1.1 exercise a level of care, skill, diligence and prudence that may reasonably be expected of a prudent person who is acting in a similar capacity and who is familiar with the operation of Registered Schemes;

R.43 6.1.2 make use of all relevant knowledge and skill that the Trustee may be reasonably expected to have because of the Trustee's business or occupation;

R.43 6.1.3 ensure that the funds of the Trust Fund are invested in different investments so as to minimize the risk of losses of those Trust Fund, unless in particular circumstances it is prudent not to do so;

R.43 6.1.4 act in the interest of the Members and not in the Trustee's own interest;

R.43 6.1.5 act in accordance with this Deed and the Participation Agreement and all applicable law and regulations;

R.43 6.1.6 supervise and exercise proper control over all Service Providers appointed or engaged for the purposes of the Scheme;

R.77-94 6.1.7 cause proper accounting and other records and reports relating to the Scheme, including statement of accounting policies financial statements, Auditors' report, scheme report, investment report and consolidated report, to be prepared and kept in accordance with Part VII of the Regulation;

- R.95-108 6.1.8 cause the financial statements of the Scheme to be audited annually by the Auditors as required by Part VIII of the Regulation;
- R.56 6.1.9 ensure that, in accordance with Section 56 of the Regulation, (a) within 3 months after each Financial Year of the Scheme, each of the Members is provided with a benefit statement setting out the Member's position with respect to the Scheme as at the end of that Financial Year, whether or not the auditing of the financial statements of the Scheme for that Financial Year has been completed then; and (b) if there are subsequent audit adjustments made to the benefit statements affecting the Members' balances, Members are notified in writing within 30 days after the Trustee becomes aware of those audit adjustments;
- R.64 6.1.10 ensure that the Trust Fund (a) is administered and dealt with as trust property by Service Providers appointed or engaged by the Trustee for the purposes of the Scheme; and (b) is held, recorded or otherwise controlled in accordance with the market practices that are currently prevailing in the place where the Trust Fund is held, recorded or otherwise controlled, and in such manner as is prudent in the circumstances; (c) is applied only for the purposes of the Scheme; and (d) is separately recorded in the records required to be kept in respect of the Scheme and, in particular is distinguished from the Trustee's own assets and from any assets held by the Trustee for the benefit of an Employer or any other person;
- R.22 6.1.11 ensure that, as far as reasonably practicable, the requirements and standards prescribed in Part IV of the Regulation will be complied with;
- R.50 6.1.12 ensure that, subject to Section 50(2) of the Regulation, an eligible person is appointed to act as the custodian of the Scheme and the contract for the appointment of the custodian complies with Sections 71(2)(a) and 72(2)(a) and Schedule 3 of the Regulation and that the Trust Fund is kept by, or is under the control of such custodian;
- R.61 6.1.13 ensure that:
- (a) if any Officer of the Trustee becomes aware of any matter which may give rise to any conflict of interest or potential conflict of interest between the duty of that Officer in relation to the Scheme and either the Officer's other duties as an Officer of the Trustee or the Officer's personal interests; or
 - (b) in the event if any Officer who is an independent director becomes aware of any matter which may give rise to the suspension or revocation by the MPF Authority of the Trustee's status as an approved trustee under Section 20 of the MPFS Ordinance,
- matter is dealt with in accordance with Section 61 of the Regulation;
- 6.1.14 such other functions and duties imposed on the Trustee by the MPFS Ordinance, the Regulation and all other applicable law and regulations; and
- 6.1.15 if the Trustee becomes aware of the occurrence of an event of significant nature,
- (a) not later than the 3rd working day after becoming aware of the event give written notice to the MPF Authority setting out particulars of the event (except an event specified in the guidelines issued by the MPF Authority as an event to which section 62(1) of the Regulation shall not apply);
 - (b) keep a record of particulars of the event;

- (c) permit the MPF Authority to inspect the record at any reasonable time during ordinary business hours; and
- (d) give written notice to the MPF Authority:
 - (i) setting out such further or better particulars of the event as the MPF Authority requires; and
 - (ii) as soon as is practicable after the MPF Authority makes that requirement.

6.2 The Trustee may regulate its own proceedings, and in particular, if there is more than one Trustee, the Trustee may act by majority vote or by written resolution signed by a majority of the Trustees.

6.3 Every Trustee which is an incorporated company may exercise or concur in exercising any discretion or power by this Deed, the Participation Agreement or by any relevant law conferred on the Trustee by a resolution of such company or by a resolution of its board of directors or governing body or may delegate the right and power to exercise or concur in exercising any such discretion or power to a representative appointed for the purpose by its board of directors or governing body.

7. **GENERAL POWERS OF TRUSTEE**

R.61 7.1 The Trustee shall have all powers required for the proper administration of the Trust, the Scheme and the Participating Plans. No decision of the Trustee shall be invalidated on the ground that any Trustee or Officer of the Trustee had a direct or indirect or personal interest in the decision nor shall any Trustee or Officer of the Trustee be liable to account for any benefits which he receives as a result of membership of the Scheme.

7.2 The Trustee may appoint or obtain the advice of professional advisers upon such terms as to duties and remuneration as may be agreed between the Trustee and such advisers. Subject to Clause 8.17.1, the Trustee shall not be liable in respect of anything done or omitted in reliance upon professional advice.

R.95/96/
99 7.3 The Trustee shall have power to appoint and/or remove Auditors of the Scheme.

7.4 The Trustee may appoint or employ any agent or staff in connection with the Trust or any Participating Plan including without limitation an administrator to administer the Scheme. Subject to Clause 14.11 and Section 37 of the Regulation, the fees and expenses of such agent, staff or administrator shall be payable out of the Trust Fund in compliance with Section 66 of the Regulation.

7.5 The Trustee may delegate any of its powers and duties to any person or company appointed or employed by the Trustee in connection with the Trust or any Participating Plan.

R.50/69 7.6 The Trustee shall have power to appoint and/or remove custodians or other nominees for the purpose of holding Scheme assets on such terms as to remuneration or otherwise as shall from time to time be agreed between the Trustee and such custodians or nominees PROVIDED THAT any custodial agreement for the appointment of such custodians or nominees shall comply with Sections 71(2)(a) and 72(2)(a) and Schedule 3 of the Regulation. No agent, custodian or broker shall be accountable for any commission or brokerage or other remuneration received by it notwithstanding that it may be associated with a Trustee.

R.91 7.7 The Trustee shall cause a register of Members be established and kept in accordance with Section 91 of the Regulation.

- 7.8 If any benefit is payable to an infant or a person under any legal incapacity, the receipt of a parent, guardian or similar responsible person shall be a complete discharge to the Trustee.
- 7.9 The Trustee shall have power to make or receive any transfers of assets to or from other retirement schemes or arrangements in accordance with this Deed, the MPFS Ordinance, the Regulation and all applicable law and regulations. The Trustee may pursuant to this Clause 7.9 make or receive transfer in cash and/or any assets in specie.
- 7.10 The Trustee shall have the power to commence, carry on or defend proceedings relating in any way to the Trust or any Participating Plan or to the determination of any rights of the Members and others in respect thereof and to be indemnified from the Trust in respect of all costs and expenses it may incur in connection with such proceedings, PROVIDED THAT the Trustee shall not be under any obligation to appear in, prosecute or defend any action or suit in respect of the provisions hereof or in respect of the Trust Fund or any part thereof or any corporate or shareholders' action which in its opinion would or might involve it in expense or liability unless the Investment Manager appointed by the Trustee shall so request in writing and the Trustee shall be indemnified against such expense or liability out of the Trust Fund to its satisfaction.
- 7.11 The Trustee shall have the power generally to execute and do all such acts and things as the Trustee may consider necessary or expedient (subject to any restrictions contained in this Deed) for the maintenance and preservation of the Scheme assets and the rights of the Members and others thereunder.
- S.34B 7.12 Subject to the approval of the MPF Authority, the Trustee shall have the power to restructure the Scheme in accordance with Section 34B of the MPFS Ordinance.
- 7.13 The Trustee shall have all the powers and discretions conferred upon an approved trustee of a Registered Scheme under the MPFS Ordinance, the Regulation and all other applicable law and regulations.

8. LIABILITIES OF THE TRUSTEE

- 8.1 The Trustee shall not incur any liability in respect of any action taken or thing suffered by them in reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan or reorganisation or other document of title, or other paper or document believed to be genuine and to have been passed, sealed or signed by the proper parties.
- 8.2 The Trustee shall not incur any liability to the Scheme Participants or any of them for doing or (as the case may be) failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court, or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or either of them shall be directed or requested to do or perform or to forbear from doing or performing.
- 8.3 If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed, the Trustee shall not be under any liability therefor or thereby.
- 8.4 The Trustee shall not be responsible for the authenticity of any signature on or any seal affixed to any endorsement on any certificate or to any transfer or form of application, request for realisation, endorsement or other document affecting the title to or transmission of Units nor be in any way liable for any forged or unauthorised signature on or any seal affixed to such endorsement, transfer, form or other document or for acting on or giving effect to any such forged or unauthorised signature or seal. The Trustee shall nevertheless be entitled but not bound to require that the signature of any Scheme Participants to any document required to be

signed by him under or in connection with this Deed shall be verified by a banker or broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.

- 8.5 The Trustee may act upon any advice of or information obtained from any bankers, accountants, brokers, lawyers, agents or other persons acting as agents or advisers of the Trustee and shall not be liable for anything done or omitted or suffered in reliance upon such advice or information. The Trustee shall not be responsible for or incur any liability in respect of any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such banker, accountant, broker, lawyer, agent or other person as aforesaid. Any such advice or information may be obtained or sent by letter, telegram, telex message, cablegram or facsimile transmission and the Trustee shall not be liable for acting on any advice or information purported to be conveyed by any such letter, telegram, telex message, cablegram or facsimile transmission although the same contains some error or shall not be authentic.
- 8.6 The Trustee may accept as sufficient evidence of the value of any asset of any Constituent Fund, or the cost price or sale price thereof, or of any Recognised Securities Market or Recognised Commodities Market quotation, a certificate by a person, firm or association qualified in the opinion of the Trustee to provide such a certificate.
- 8.7 At all times and for all purposes of this Deed, the Trustee may rely upon the established practice and rulings of any Recognised Securities Market or Recognised Commodities Market and any committees and officials thereof on which any dealing in any Investment or other property is from time to time effected in determining what shall constitute a good delivery and any similar matters and such practice and rulings shall be conclusive and binding upon all persons under this Deed.
- 8.8 Except if and so far as herein otherwise expressly provided, the Trustee shall as regards all the trusts, powers, authorities and discretions vested in each of them respectively have absolute and uncontrolled discretion as to the exercise thereof whether in relation to the manner or as to the mode of and the time for the exercise thereof, and the Trustee shall be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.
- 8.9 Subject to applicable laws, nothing herein shall prevent the Trustee or any of its Associates from contracting or entering into any financial, banking or other transaction with one another or with any Scheme Participants or any company or body any of whose shares or securities form part of the Trust Fund or from being interested in any such contract or transaction and the Trustee shall not be in any way liable to account to the Trust or the Scheme Participants or any of them for any profit or benefit made or derived thereby or in connection therewith.
- 8.10 Nothing herein contained shall be construed so as to prevent the Trustee from establishing or acting as trustee or successor trustee for trusts separate and distinct from the Trust and retaining any profit or benefit made thereby or in connection therewith.
- 8.11 Nothing herein shall prevent the Trustee from becoming the owners of Units and holding, disposing or otherwise dealing with the same rights which they would have had if they had not been a party to this Deed and the Trustee may buy, hold and deal in any Investments upon their respective individual accounts notwithstanding that similar Investments may be held under this Deed as part of the Trust Fund. The Trustee shall not be liable to account either to any of the others of them or to the Scheme Participants or any of them for any profits or benefits made or derived from or in connection with any such transaction.
- 8.12 The Trustee may destroy or otherwise dispose of any document after the expiry of the period for which such document is required to be kept by any applicable laws, rules, regulations, codes or guides from time to time issued by the relevant authorities. The Trustee shall not incur any liability whatsoever for destroying or otherwise disposing of any such document in accordance

with this Clause 8.12, PROVIDED THAT it has acted in good faith and without notice of any claim to which the document might be relevant. In each case, unless the contrary is proved, the relevant document so destroyed or otherwise disposed of shall be deemed to have been valid and effective and to have been duly and properly registered, cancelled or, as the case may be, recorded.

- 8.13 The Trustee shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by it in good faith under the provisions of this Deed and in particular, but without prejudice to the generality of the foregoing, the Trustee shall not, in ascertaining the value of any Investment, be under any liability by reason of the fact that a price reasonably believed to be the last published price, closing price, traded price or midway between the latest available market dealing offered price and the latest available market dealing bid price, for the time being may be found not to be such.
- 8.14 The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in accordance with or in pursuance of any request or advice of an Investment Manager. Whenever pursuant to any provisions of this Deed, any certificate, notice, instruction or other communication is to be given by an Investment Manager or any other person to the Trustee, the Trustee may accept as sufficient evidence thereof a document signed or purporting to be signed on behalf of the Investment Manager or such other person by any person whose signature the Trustee is for the time being authorised by the Investment Manager or such other person to accept.
- 8.15 The Trustee shall be indemnified and shall be entitled to be reimbursed out of the Trust Fund in respect of all reasonable and proper costs, outgoings, disbursements, liabilities, charges, expenses or demands which it may incur in respect of the Scheme and which it may incur, whether directly or indirectly, or which are or may be imposed on it, in respect of the performance or exercise of its duties and powers hereunder and in respect of all actions, proceedings, costs, claims and demands relating to any matter or thing done or omitted to be done concerning the Trust Fund. For the purposes of such indemnity and reimbursement, the Trustee may from time to time realise such property of the Trust Fund in such manner and at such time as the Trustee thinks fit.
- 8.16 The Trustee shall be liable only for such moneys (including but not limited to contribution moneys) as the Trustee shall actually receive and unless otherwise provided in this Deed, the Trustee shall not be liable for any interest in respect of such moneys. Except as required under the MPFS Ordinance or the Regulation, it shall not be the duty of the Trustee to take proceedings to enforce payment of any contributions or other monies payable under this Deed or the Participation Agreement. In no event shall the Trustee be bound to make any payment except out of the funds held by it for the purpose of the Scheme and under the provisions of this Deed.
- 8.17 8.17.1 Notwithstanding any provision of this Deed, the Trustee shall not be exempted from or indemnified against:
- (a) liability for breach of trust for failure to act honestly as regards a matter concerning the Scheme; or
 - (b) liability for breach of trust for an intentional or reckless failure to exercise, as regards a matter concerning the Scheme, the degree of care and diligence that is to be reasonably expected of a trustee who is exercising functions in relation to a trust; or

- (c) liability for breach of trust through fraud or negligence on the part of the Trustee; or
- (d) liability for a fine or penalty imposed by or under Hong Kong law.

8.17.2 The Trustee shall not purport to limit any of the liabilities set out in Clause 8.17.1, nor shall the Trustee's liability for such matters be limited.

9. AMENDMENT

9.1 Subject to Clauses 9.2 and 9.3,

9.1.1 the Trustee may at any time amend or extend any of the provisions of this Deed, the Rules or the Principal Brochure. Any amendment or extension may have retrospective effect PROVIDED THAT if such retrospective amendment or extension shall have any detrimental effect on the accrued benefits of a Scheme Participant, such amendment or extension shall not take effect until the Trustee has obtained the consent of all the Scheme Participants being affected by such amendment or extension.

9.1.2 and further subject to any restrictions in the relevant Participation Agreement, the Trustee may, with the consent or at the request of the relevant Employer at any time by supplemental agreement amend or extend the terms of any Participation Agreement. Any amendment or extension may have retrospective effect PROVIDED THAT if such retrospective amendment or extension shall have any detrimental effect on the accrued benefits of a Scheme Participant, such amendment or extension shall not take effect until the Trustee has obtained the consent of all the Scheme Participants being affected by such amendment or extension.

9.1.3 the Trustee may at any time by deed amend or extend any of the provisions of this Deed or the Rules if the Trustee certifies in writing that in its opinion such amendment or extension is necessary in order to make possible compliance with any fiscal, statutory or official requirement (whether or not having the force of law) including without limitation the MPFS Ordinance and any rules, guidelines, codes or regulations made thereunder.

PROVIDED ALWAYS THAT no such alteration shall be made which would cause the main purpose of the Trust, the Scheme, or any Participating Plans affected by such modification to be other than the provision of retirement and other benefits for employees of Employers, Self-Employed Persons, TVC Members or Personal Account Members.

9.2 No alterations or extensions may be made to this Deed, unless:

- (i) the MPF Authority has approved such alterations or extensions; and
- (ii) the notification and other procedures (if any) required by the MPF Authority and, if applicable, the SFC have been complied with.

PROVIDED ALWAYS THAT at least one (1) month's notice shall be given to Scheme Participants before any proposed alteration to the method of dealing in a Constituent Fund shall take effect.

MPF
Code
B1.18

R.63

9.3 9.3.1 The Trustee shall notify the MPF Authority and, if necessary, the SFC in writing of any amendment proposed to be made to this Deed or the Principal Brochure and lodge with the MPF Authority and, if necessary, the SFC, a copy of the proposed amendment.

- 9.3.2 An amendment to this Deed or the Principal Brochure will not take effect until the MPF Authority and, if necessary, the SFC have given written notice to the Trustee that the MPF Authority and, if necessary, the SFC have approved the amendment.

10. INVESTMENT POWERS AND RESTRICTIONS

- 10.1 Subject to Clauses 10.2 to 10.6 and the provisions of the MPFS Ordinance and Regulation, the Trustee shall have and may from time to time exercise all or any of the following powers:

10.1.1 power to allow any Investments, Securities or property at any time or times held by the Trustee as part of the Trust Fund to remain in the actual state of Investment thereof so long as the Trustee may in its absolute discretion think fit;

10.1.2 power at such discretion to sell, call in or convert into money any of such Investments, Securities and property which do not consist of money;

10.1.3 power at such discretion in respect of the net proceeds of any such sale, calling in or conversion and of any other capital moneys forming part of the Trust Fund or of any income of the Trust Fund and contributions paid to the Trustee pursuant to this Deed which shall not be immediately required for making any payment thereunder to invest or apply the same as to the whole or any part thereof:

- (i) in the purchase of or at interest upon the security of such funds, securities, bonds, debentures, stocks, shares or other investments or property for the investment of Trust Fund or not and whether involving liability or not and whether in possession or reversion as the Trustee may in its absolute discretion think fit including power to underwrite, sub-underwrite or guarantee the subscription of any such funds, Securities, bonds, debentures, stocks, shares or other investments as aforesaid;
- (ii) in or towards effecting and maintaining with any insurance company or insurance office of good repute any annuity contracts or annuity policies or life assurance policies and any other policies for the purpose of providing benefits in accordance with the Rules;
- (iii) by lending any of the same at interest or not to any municipal corporation or any joint stock company or mutual or other society or body of repute and standing or any partnership or individual PROVIDED THAT the borrower shall be charged with the repayment of the loan on such terms as the Trustee thinks fit;

to the intent that the Trustee shall have the same full and unrestricted powers of investing and transposing and varying investments, contracts, policies or deposits in all respects as if it were absolutely and beneficially entitled thereto.

S.28/29
R.40
MPF Code
B2.5, B2.10,
B2.11 and
B2.13

- 10.2 The funds of a Constituent Fund may be invested only in the Investments permitted under and in accordance with Parts IV and V and Schedule 1 of the Regulation as amended from time to time, and the Trustee is required to comply with Parts IV and V and Schedule 1 of the Regulation and any guidelines relating to investment practices issued by the MPF Authority PROVIDED ALWAYS THAT:

- (a) if the Constituent Fund is a feeder fund, it must not enter into any financial futures and option contracts;
- (b) if the Constituent Fund is a portfolio management fund, no more than 90 per cent of the total assets of the Constituent Fund may be invested in one APIF; and

- (c) if a Constituent Fund is a portfolio management fund, it may enter into financial futures and option contracts only for hedging purposes.

MPF
Code
B2.4

Subject to the foregoing, assets of a Constituent Fund may comprise cash and bank deposits for ancillary purposes as the Trustee thinks fit, including without limitation for meeting redemption requests or defraying operating expenses or for reducing market exposure.

- 10.2A Notwithstanding any other provisions of this Deed, the Trustee must ensure that the Default Investment Strategy is available under the Scheme for selection by Members and any investment related to the Default Investment Strategy must accord with Part 4AA and Part 2 of Schedule 10 of the MPFS Ordinance.

R.65

- 10.3 The Trust Fund must not be subject to any encumbrance other than an encumbrance which complies with Section 65(2) of the Regulation.

MPF
Code
B2.3

- 10.4 The Trust Fund may not be invested in the Securities of the Trustee, any Investment Manager or custodian appointed under this Deed except where any of these parties is a Substantial Financial Institution. For the purposes of this Clause 10.4, Securities do not include units or shares in unit trusts or mutual fund corporations, either authorised under Section 15 of the Securities Ordinance or recognised jurisdiction schemes pursuant to Section 1.2 of the UTMF Code.

- 10.5 Subject to Clause 4 of Schedule 1 of the Regulation and any statutory requirements and restrictions for the time being in force and to the terms and conditions hereinafter provided, the Trustee may make and vary arrangements for the borrowing by the Trustee for the account of any Constituent Fund in any currency for the purpose of enabling the Trustee to pay redemption proceeds relating to such Constituent Fund or to pay expenses relating to such Constituent Fund or to acquire Investments for the relevant Constituent Fund. Where borrowing may be undertaken for the account of the Scheme, assets forming part of any Constituent Fund may only be registered in the lender's name, or in the name of a nominee of the lender, PROVIDED THAT the lender or his nominee, as the case may be, enters into a written commitment that it will not, under any circumstances, pledge or obligate any part of such assets to any other person, or use any part of the assets as a margin, deposit, or guarantee or to secure, discharge, or settle, any borrowing, trades or contracts or dispose of any part of such assets, or treat them as if any person other than the Trustee and the lender had any interest in them.

R.49

- 10.6 In so far as investment of the Trust Fund is concerned and unless section 44(2) of the Regulation applies, the Trustee must ensure that:

- (a) one or more Investment Managers shall be appointed for the management of the Trust Fund or any Constituent Fund and any such Investment Manager(s) appointed or any delegate of that Investment Manager, shall act in the interests of the Members and does not collude with other persons as regards any transaction relating to the investment of the Trust Fund;
- (b) if a transaction involving the acquisition of an asset for or in relation to the Scheme is entered into between relevant persons, the consideration to be paid for the asset is not greater than the prevailing market price;
- (c) if a transaction involving the disposal or lending of an asset for or in relation to the Scheme is entered into between relevant persons, the consideration to be paid for the asset is not less than the prevailing market price;
- (d) Service Providers appointed or engaged for the purposes of the Scheme and their Associates do not retain any payment or benefit from a third party, either directly or indirectly, derived from the acquisition or disposal or lending of assets of the Scheme

PROVIDED THAT this Clause 10.6(d) does not prevent the third party from providing the Service Providers and their Associates with goods or service that are of demonstrable benefit to the Scheme or Members;

- (e)
 - (i) any Investment Manager appointed for the purposes of the Scheme or any Constituent Fund, or any delegate of that Investment Manager, does not acquire or dispose of securities for those purposes at brokerage rates that exceed the customary institutional full-service brokerage rates generally applicable to the acquisition and disposal of securities; and
 - (ii) the acquisition or disposal of Securities for the purposes of the Scheme is effected in accordance with the best commercial practice applicable to the preparation and execution of financial transactions;
- (f) For the purposes of Clause 10.6(b) and (c), the following persons are relevant persons:
 - (i) the Trustee and any Service Provider appointed or engaged for the purposes of the Scheme;
 - (ii) the Employers of Employee Members;
 - (iii) all Associates of any of those Employers, of any Member, or of any Service Provider appointed or engaged for the purposes of the Scheme.

10.7 The Investment Manager may purchase and sell Investments for the account of a Constituent Fund as agent for the Trustee PROVIDED THAT it shall account for all rebates of brokerage and commission which it may derive from or in connection with any such purchase or sale to the Constituent Fund on whose behalf such transaction was effected. The Investment Manager or its Connected Persons may enter into contractual arrangements with other persons (including any Connected Person of the Investment Manager or the Trustee) under which such other persons agree to pay in whole or in part for the provision of goods to, and/or the supply of services to the Investment Manager or Connected Persons of the Investment Manager in consideration of the Investment Manager or a Connected Person of the Investment Manager procuring that such other persons (or persons connected thereto) execute transactions to be entered into for the account of the Scheme. The Investment Manager shall procure that no such contractual arrangements are entered into unless the goods and services to be provided pursuant thereto are of demonstrable benefit to Members (taken as a body and in their capacity as such) whether by assisting the Investment Manager in its ability to manage the Trust Fund or otherwise. For the avoidance of doubt (and without prejudice to the generality of the foregoing) research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications may be considered as of such benefit to Members.

10.8 Subject to allowing interest on cash or short term deposits placed with the Trustee and its Connected Persons or other companies related to the Trustee, being Substantial Financial Institutions, the Trustee and its Connected Persons and such Substantial Financial Institutions are entitled in accordance with normal banking practice to retain for their own use any benefit they may derive from cash for the time being in their hands (whether on a current or deposit account) comprising part of the Trust Fund.

10.9 Subject to the provisions of this Deed, nothing herein contained shall inhibit the Trustee from:

- (a) acting in any other capacity for any other person;

- (b) buying, holding or dealing in any investment or currency upon its own account notwithstanding that similar investments or currency may be held in any Constituent Fund;
- (c) purchasing for any Constituent Fund Investments owned by the Trustee for its own account or purchasing for the Trustee's own account (as the case may be) Investments forming part of any Constituent Fund PROVIDED THAT in either case the terms of purchase are not less favourable to the relevant Constituent Fund than they would have been had the transactions been entered into at arm's length on the day in question;
- (d) buying currency from or selling currency to any Constituent Fund and charging commission for such transactions at the normal commercial rates prevailing from time to time.

The Trustee (or any Connected Persons of the Trustee) shall not be liable to account to the Scheme for any emoluments, commissions, profits or any other benefits whatsoever resulting from the Trustee (or its Connected Persons) doing any of the foregoing things.

- 10.10 Subject to the provisions of this Deed, nothing herein contained shall place the Trustee under any duty to disclose to any Scheme Participants any fact or thing which comes to its notice in the course of its acting in any capacity for any other person.
- 10.11 All the provisions relating to the dealing of Units of any Constituent Fund may be changed by the Trustee in the following manner:

MPF
Code
B1.18

- (a) a permanent change in the method of dealing may only be effected after giving one (1) month's notice to the Scheme Participants; and

MPF
Code
B1.19

- (b) a temporary change may only be effected:
 - (i) in exceptional circumstances, having regard to the interest of the Scheme Participants; and
 - (ii) if the possibility of a temporary change and the circumstances in which the change can be effected have been fully disclosed to the Scheme Participants in the Principal Brochure.

11. ESTABLISHMENT OF CONSTITUENT FUNDS

R.36
MPF
Code
B2.1

- 11.1 11.1.1 In the exercise of its powers under Clause 10, the Trustee shall establish certain Constituent Funds. The names and the respective Investment Policies of the Constituent Funds established pursuant to this Clause 11 are as set out in the Principal Brochure.

- 11.1.2 Subject to the approval of the MPF Authority and the SFC, the Trustee may change the Investment Policy of any of the Constituent Funds by giving at least three (3) months' notice in writing or such other shorter notice period, and in any case not less than the notice period as required under any applicable laws, regulations, rules, or guidelines or by the MPF Authority or the SFC, to the SEP Members, TVC Members, the Personal Account Members and the SPA Members and to the Employers who shall forward such notice to Employee Members of their relevant Participating Plans.

MPF
Code
B1.2

- 11.1.3 Subject to the provisions of this Deed, the Trustee shall stand possessed of the assets of each Constituent Fund as a single common fund upon trust for holders of Units of all classes relating to such Constituent Fund. The Trustee shall keep separate records for each Constituent Fund so that the assets and liabilities of a Constituent Fund can be distinguished from those of the other Constituent Funds of the Scheme. The initial classes of Units to be established in each Constituent Fund shall be the Class A Units

and Class B Units. Class A Units shall only be available to Class A Members and Class B Units shall only be available to Class B Members. Notwithstanding that, the Trustee may in its sole discretion: (a) decide not to issue either Class A Units or Class B Units or issue other classes of Units, and (b) make available any classes of Units, regardless of whether they are Class A Units, Class B Units or otherwise, to any Member of the Scheme, provided that the Trustee shall at all times make available the Default Investment Strategy to all Members.

11.1.4 A Member shall not have or acquire any rights against the Trustee in respect of Units other than those Units credited to the Contribution Account, TVC Account, Personal Account or the SPA Member Special Private Account of such Member. No Member or other person having an interest in the Scheme shall as a result of the issue of Units, have or acquire any direct proprietary interest or share in any assets of the Scheme, or any Participating Plan or any Constituent Fund.

11.1.5 All Constituent Funds of the Scheme shall be denominated in Hong Kong dollars.

MPF Code
B1.9

R.36

11.2 The Trustee may, at any time, with the approval of the MPF Authority and the SFC, establish a new Constituent Fund or a new class or classes of Units related to any Constituent Fund. Upon the establishment of a new Constituent Fund, the Trustee shall send a notice to the SEP Members, TVC Members, the Personal Account Members, the SPA Members and the Employers as soon as reasonably practicable setting out the name and the overall Investment Policy of the new Constituent Fund and the Employers shall forward such notice to the Employee Members of their relevant Participating Plans.

MPF
Code
B1.25
B1.26

11.3 11.3.1 Subject to the prior approval of the MPF Authority and the SFC, the Trustee may terminate a Constituent Fund (other than the Sun Life MPF Conservative Fund) (referred to as a "**Terminating Constituent Fund**") by giving not less than one (1) month's notice to the Scheme Participants PROVIDED THAT the Sun Life MPF Conservative Fund shall not be terminated unless a replacement Constituent Fund which complies with Section 37 of the Regulation has been established or the Scheme is terminated at the same time. Following termination of a Terminating Constituent Fund, no further contribution may be invested in the Terminating Constituent Fund.

11.3.2 Subject to Clause 11.3.3, the Members whose Contribution Account, TVC Account, Personal Account or SPA Member Special Private Account which holds Units in that Terminating Constituent Fund must submit a new Investment Mandate to the Trustee and give the Trustee at least fourteen (14) Business Days prior written notice expiring on a Dealing Day to implement such new Investment Mandate. Upon receipt of the new Investment Mandate, the Trustee shall redeem all the Units of the Terminating Constituent Fund standing to the credit of the Contribution Account, TVC Account, Personal Account or SPA Member Special Private Account of the Member concerned at the Redemption Price on the expiry of the notice (or such other subsequent Dealing Day as the Trustee thinks fit PROVIDED THAT there shall not be more than one (1) month between the receipt of the notice and the Dealing Day selected by the Trustee). The Trustee shall apply such redemption proceeds to acquire Units of the same class of the new Constituent Fund specified in the new Investment Mandate as at the Dealing Day of the New Constituent Fund as soon as reasonably practicable after the Trustee has received and validated the redemption proceeds of the Units of the Terminating Constituent Fund. The Units acquired shall be rounded down to 4 decimal places, or such other number of decimal places as the Trustee may determine from time to time. The Trustee shall then credit the number of Units acquired to the relevant Contribution Account, TVC Account, Personal Account or SPA Member Special Private Account (in each case with allocation to the relevant sub-accounts) of the Member concerned.

11.3.3 (a) Notwithstanding Clause 11.3.2, where the units of the Terminating Constituent Fund is to be transferred to the Transferee Constituent Fund, the following shall apply:

- (i) unless the Member concerned instructs the Trustee (in such manner as the Trustee may determine and notify the Members), the Trustee shall redeem (in such manner as the Trustee may consider appropriate including without limitation redemption in specie) all the Units of the Terminating Constituent Fund standing to the credit of the Contribution Account, TVC Account, Personal Account or SPA Member Special Private Account of each Member concerned at the Redemption Price as at the Existing Contributions Cut-off Time and,
- (ii) unless the Member concerned instructs the Trustee (in such manner as the Trustee may determine and notify the Members) to apply the redemption proceeds (whether in kind or otherwise) derived from the redemption under Clause 11.3.3(a)(i) (the "**relevant redemption proceeds**") in any other manner, the Trustee shall apply the relevant redemption proceeds to acquire Units in the Transferee Constituent Fund of the same class as that of the then redeemed Units of the Terminating Constituent Fund at the Issue Price as at the Existing Contributions Cut-off Time,
- (iii) unless the Member concerned instructs the Trustee (in such manner as the Trustee may determine and notify the Members), the Member concerned shall be deemed to have given:
 - an Investment Mandate to apply the relevant redemption proceeds in the manner as set out in Clause 11.3.3(ii); and
 - an Investment Mandate to apply any future contributions payable by or in respect of him subsequent to the Future Contributions Cut-off Time to acquire Units of the Transferee Constituent Fund of the same class as that of the then redeemed Units of the Terminating Constituent Fund;
- (iv) the Units in the Transferee Constituent Fund so acquired under Clause 11.3.3(a)(ii) shall be rounded down to 4 decimal places, or such other number of decimal places as the Trustee may determine from time to time, and any small fractions of a Unit shall be retained for the benefit of the Transferee Constituent Fund; and
- (v) the Trustee shall then credit the number of Units in the Transferee Constituent Fund so acquired under Clause 11.3.3(a)(ii) to the relevant Contribution Account, TVC Account, Personal Account or SPA Member Special Private Account (in each case with allocation to the relevant sub-accounts) of the Member concerned; and

(b) For the purposes of this Deed, the following terms have the following meanings:

"Existing Contributions Cut-off Time" means such time as the Trustee may from time to time determine and notify each Member to be the cut-off time before the redemption described in Clause 11.3.3(a)(i) is to take place.

"Future Contributions Cut-off Time" means such time as the Trustee may from time to time determine and notify each Member to be the cut-off time before the contributions which will otherwise be applied to acquire units of the Terminating Constituent Fund (but for the operation of Clause 11.3.3(a)(iii)) cease to be so applied.

"Transferee Constituent Fund" means each relevant Constituent Fund to which units of the relevant Terminating Constituent Fund are transferred;

- (c) This Clause 11.3.3 shall also apply to any termination of Constituent Fund(s) in the context of consolidating the Constituent Fund(s) that are to be terminated under this Clause 11.3.3 with other Constituent Fund(s).

11.4 If a relevant Member fails to notify the Trustee of his new Investment Mandate pursuant to Clause 11.3.2 within one (1) month after the Trustee has notified him of the termination of the Terminating Constituent Fund, the relevant Member shall be deemed at the end of that period to have elected to apply the redemption proceeds of the Units of the Terminating Constituent Fund standing to the credit of his relevant account(s) and any part of the future contributions to his Contribution Account, TVC Account or SPA Member Special Private Account originally allocated to acquire Units in the Terminating Constituent Fund to acquire Units of the same class of the Sun Life MPF Stable Fund PROVIDED THAT the Trustee shall as soon as reasonably practicable notify the Member concerned of such acquisition PROVIDED FURTHER THAT if the dealings in the Sun Life MPF Stable Fund are suspended or the Sun Life MPF Stable Fund has been terminated in accordance with the provisions of this Deed, the said redemption proceeds shall be used to acquire Units of the same class of the Sun Life MPF Balanced Fund. Nothing in this Clause shall prejudice the right of a Member to switch his Units into another Constituent Fund or give a new Investment Mandate in accordance with other provisions of this Deed.

11A. CLASS SWITCHING

11A.1 If (i) an Employee Member who is employed by a Class A Employer becomes a Personal Account Member or (ii) an SEP Member becomes a Personal Account Member under the Scheme, all Class A Units of each Constituent Fund standing to the credit of the relevant Contribution Account of such Member shall be converted into Class B Units of the same Constituent Fund on the date on which the Member becomes a Personal Account Member.

11A.2 If Units of a Constituent Fund shall be converted from one class to another class under Clause 11A.1 or any other circumstances which the Trustee considers to be necessary, the number of Units in the new class to be issued as a result thereof shall be calculated in accordance with the formula in Clause 11A.3.

11A.3 The number of Units in the new class to be issued under Clause 11A.2 shall be determined by the following formula:

$$P = \frac{Q \times R}{S}$$

- P - is the number of Units of the new class of the Constituent Fund to be issued, such number shall be rounded down to 4 decimal places, or such other number of decimal places as the Trustee may determine from time to time.
- Q - is the number of Units of the old class of the Constituent Fund to be converted.
- R - is the Net Asset Value per Unit of the old class of the Constituent Fund as at the relevant conversion date.

- S - is the Net Asset Value per Unit of the new class of the Constituent Fund as at the Dealing Day as soon as reasonably practicable after the Trustee has received and validated the redemption proceeds of the Units of the old class of Constituent Fund.

Upon completion of the switching, the Trustee shall credit the number of Units of the new class of the Constituent Fund issued as a result of the switching to the relevant Contribution Account, TVC Account, Personal Account or SPA Member Special Private Account (in each case with allocation to the relevant sub-accounts) of the Member concerned.

- 11A.4 The Trustee shall ensure that at all times all Units standing to the credit of a Member (in any one capacity) shall either be Class A Units or Class B Units and unless agreed by the Trustee no Member shall hold both Class A Units and Class B Units at the same time.
- 11A.5 Notwithstanding any other provisions of this Deed, this Clause 11A shall not apply to the Units of any DIS Funds.

12. SUN LIFE MPF CONSERVATIVE FUND

- 12.1 The assets of the Sun Life MPF Conservative Fund:

- (a) may be invested only:
- (i) by placing the assets on deposit in accordance with Section 11 of Schedule 1 of the Regulation, but only for a term not exceeding 12 months; or
 - (ii) in debt securities with a remaining maturity period of 2 years or less and of a kind referred to in Section 7(2)(a) or (b) of Schedule 1 of the Regulation; or
 - (iii) in debt securities with a remaining maturity period of 1 year or less and that satisfy the minimum credit rating set by the MPF Authority, based on the credit rating of the securities as determined by a credit rating agency approved by the MPF Authority for the purposes of the Regulation;
- (b) must have an average portfolio remaining maturity period of not more than 90 days; and
- (c) must have a total value of Hong Kong dollar currency investments equal to the total market value of the Trust Fund, as measured by the effective currency exposure, in accordance with Section 16 of Schedule 1 of the Regulation.

- 12.2 After taking into account any losses arising from the investment of the funds comprising the Sun Life MPF Conservative Fund, all income and profits derived from the investment of those funds shall be credited to the relevant Members at least once a month.

- 12.3 Notwithstanding anything contained in this Deed, administrative expenses may be deducted from the account of a Member whose accrued benefits form part of the Sun Life MPF Conservative Fund only as provided by Clauses 12.4 to 12.6.

- 12.4 If the Trustee is required to pay a levy under Section 17(3) of the MPFS Ordinance, such amount as may be necessary to enable the Trustee to pay the levy may be deducted from the account of each Member whose accrued benefits form part of the Sun Life MPF Conservative Fund. The amount is to be calculated as follows:

$$A = L \times \frac{MAB}{CPA}$$

where:

- A represents the amount to be calculated;
- L represents the amount of the levy;
- MAB represents the Member's accrued benefits that form part of the Sun Life MPF Conservative Fund;
- CPA represents the total funds comprising the Sun Life MPF Conservative Fund.

- 12.5 If the amount of income and profits derived from the investment of the funds of the Sun Life MPF Conservative Fund for a particular month exceeds the amount of interest that would be earned if those funds had been placed on deposit in a Hong Kong dollar savings account at the prescribed savings rate, an amount not exceeding the excess may be deducted from the Member's accrued benefits in the Sun Life MPF Conservative Fund as scheme administrative expenses for that month.
- 12.6 If for a particular month no amount is deducted as administrative expenses under Clause 12.5, or the amount of administrative expenses that is deducted under Clause 12.5 is less than the amount of administrative expenses for the month, the deficiency may be deducted from the amount of any excess that may remain in respect of any of the following 12 months after deducting the administrative expenses applicable to that following month.
- 12.7 No Offer Spread nor Bid Spread shall be imposed on any issue or redemption of Units of the Sun Life MPF Conservative Fund. Units in the Sun Life MPF Conservative Fund shall be issued and redeemed at the Net Asset Value of such Unit.
- 12.8 For the avoidance of doubt, notwithstanding the foregoing, the Trustee has no obligation to ensure that the Units standing to the credit of the Contribution Account, TVC Account, Personal Account or SPA Member Special Private Account will be redeemed at the price at which such Units are originally issued.
- 12.9 For the purposes of this Clause 12:
- (a) "authorised financial institution" means an authorised financial institution belonging to a class specified by the Authority from time to time for the purposes of Section 37(8) of the Regulation by notice published in the Gazette;
 - (b) "Hong Kong dollar savings account" means a Hong Kong dollar savings account established by an authorised financial institution;
 - (c) "prescribed savings rate" means the rate prescribed by the MPF Authority for the purposes of Section 37(8) of the Regulation by notice published in a Chinese language newspaper and an English language newspaper circulating in Hong Kong as:
 - (i) the rate at which interest is for the time being payable in respect of a Hong Kong dollar savings account; or
 - (ii) if different authorised financial institutions pay interest on Hong Kong dollar savings accounts at different rates, the rate determined by the MPF Authority as the average of those rates.

13. INVESTMENT MANDATE, SWITCHING BETWEEN CONSTITUENT FUNDS, SUSPENSION AND DEFERRAL IN DEALINGS

- 13.1 13.1.1 Subject to Clauses 13.2 to 13.7, a Member is entitled to change his Investment Mandate by submitting a new Investment Mandate to the Trustee PROVIDED ALWAYS THAT

a Member shall be entitled to apply, through an Investment Mandate, 100 per cent of the Subscription Money to acquire Units of any Constituent Fund. The Member may instruct the Trustee to apply any future contributions paid to the Member's Contribution Account, TVC Account or SPA Member Special Private Account after a specified date (referred to in this Clause 13.1.1 as the "Relevant Date") to acquire Units of one or more Constituent Funds specified in the new Investment Mandate PROVIDED THAT the new Investment Mandate must be given to the Trustee at least fourteen (14) Business Days but no more than one (1) month before the Relevant Date. If no Relevant Date is specified in the Member's instruction, the Trustee shall implement such new Investment Mandate within fourteen (14) Business Days after the receipt thereof. The Units so acquired by the Member shall be the class of Units which is made available to such Member under this Deed. Any new Investment Mandate given to the Trustee by a Member other than in accordance with this Clause 13.1.1 shall be regarded as invalid and shall be ignored by the Trustee without incurring any liability on the part of the Trustee.

13.1.2 [INTENTIONALLY DELETED].

13.2 13.2.1 With respect to an Employee Member, the Investment Mandate referred to in Clause 13.1 may be given by an Employee Member or by the Member's Employer on behalf of the Employee Member.

13.2.2 Subject to Clauses 13.1, 13.2.3 and 13.6, if an Investment Mandate is given by a Self-Employed Person or a TVC Member or Personal Account Member or a SPA Member to the Trustee in writing, the Investment Mandate shall be regarded as valid and properly documented if it is duly completed and signed by the Self-Employed Person or TVC Member or Personal Account Member or a SPA Member concerned.

13.2.3 [INTENTIONALLY DELETED]

MPF Code B1.8 B1.5 13.3 13.3.1 Subject to Clauses 13.4 to 13.7 and PROVIDED ALWAYS THAT Members shall have the right to transfer 100 per cent of their accrued benefits into any one Constituent Fund, a Member may submit a Switching Instruction Form to the Trustee instructing the Trustee to redeem all or part of the Units of a Constituent Fund (referred to in this Clause 13 as the "Current Constituent Fund") standing to the credit of the Member's Contribution Account, TVC Account, Personal Account or SPA Member Special Private Account on a Dealing Day specified by the Member ("Specified Dealing Day") and to apply such redemption proceeds to acquire Units of the same class in one or more Constituent Funds as specified in the Switching Instruction Form (referred to in this Clause 13 as the "New Constituent Fund"). The Switching Instruction Form must be submitted to the Trustee at least fourteen (14) Business Days but no more than one month before the Specified Dealing Day. If no Specified Dealing Day is provided in the Member's instruction, the Trustee shall implement such switching on a Dealing Day falling within fourteen (14) Business Days after the receipt of the Switching Instruction Form ("Default Dealing Day"). Notwithstanding that a Switching Instruction Form has been given to the Trustee, any future contributions paid to the Member's Contribution Account, TVC Account or SPA Member Special Private Account after switching has been completed shall be applied to acquire Units in the Constituent Fund as specified in the latest Investment Mandate submitted by or on behalf of the Member.

13.3.2 Subject to Clauses 13.6 and 13.7, the number of Units in the New Constituent Fund to be issued as a result of the implementation of the instructions in the Switching Instruction Form shall be calculated in accordance with the following formula:

$$N = \frac{(K \times L)}{M}$$

where

- K - is the number of Units of the Current Constituent Fund to be redeemed for the purposes of switching.
- L - is the Redemption Price per Unit of the Current Constituent Fund as at the Specified Dealing Day or Default Dealing Day as the case may be.
- M - is the Issue Price per Unit of the same class of the New Constituent Fund as at (i) the Dealing Day for the New Constituent Fund as soon as reasonably practicable after the Trustee has received and validated the redemption proceeds of the Units of the Current Constituent Fund or (ii) in the discretion of the Trustee, the Specified Dealing Day or Default Dealing Day as the case may be.
- N - is the number of Units of the same class of the New Constituent Fund to be issued, such number shall be rounded down to 4 decimal places, or such other number of decimal places as the Trustee may determine from time to time.

PROVIDED THAT in relation to any switching from one Constituent Fund to another Constituent Fund, no fees and charges (including Bid Spread and Offer Spread) shall be imposed, unless permitted by the MPFS Ordinance, the Regulation and relevant guidelines as may from time to time be issued by the MPF Authority.

13.3.3 Upon completion of the switching,

- (a) the Trustee shall credit the number of Units of the same class of the New Constituent Fund issued as a result of the switching to the relevant Contribution Account, TVC Account, Personal Account or SPA Member Special Private Account (in each case with allocation to the relevant sub-accounts) of the Member concerned; and
- (b) the Trustee shall transfer to the New Constituent Fund from the Current Constituent Fund assets or cash (determined at the sole discretion of the Trustee) equal to the aggregate Net Asset Value of the Units of the Current Constituent Fund exchanged.

13.4 With respect to an Employee Member, each Switching Instruction Form must be signed by the Employee Member concerned and be forwarded to the Trustee by the Employee Member's Employer. Subject to Clause 13.6, a Switching Instruction Form shall be regarded as valid and properly documented if it is duly completed and signed by the Member concerned.

13.5 13.5.1 Within the same Financial Year, a Member shall not be entitled to submit more than the maximum number of new Investment Mandates or the maximum number of Switching Instruction Forms as specified by the Trustee in the Principal Brochure.

13.5.2 A Member shall pay a handling fee as may be imposed by the Trustee from time to time upon submission of a new Investment Mandate.

13.6 13.6.1 The Trustee shall act promptly to implement any Investment Mandate or instructions specified in a Switching Instruction Form given in accordance with Clause 13.3. Subject to Clause 13.6.2, if dealing in either the Current Constituent Fund or the New Constituent Fund is suspended, the Trustee shall not be obliged to implement the new

Investment Mandate or the instructions specified in the Switching Instruction Form and the relevant Investment Mandate or Switching Instruction Form shall forthwith be regarded as invalid.

13.6.2 If dealing in the New Constituent Fund is suspended only after Units in the Current Constituent Fund are redeemed, the Trustee may retain the redemption proceeds in an interest bearing account pending the resumption of dealing in the New Constituent Fund. Any interest generated therefrom shall be retained as income of the Scheme or for the payment of any administrative expenses of the Scheme for the benefits of the Members.

13.6.3 The Trustee shall notify the Member concerned of the suspension of dealing referred to in Clauses 13.6.1 and 13.6.2 and seek a revised Investment Mandate or Switching Instruction Form from the Member concerned which shall supersede the preceding Investment Mandate or Switching Instruction Form, as the case may be PROVIDED THAT nothing herein shall make the Trustee liable for failure to give notice or to seek a revised Investment Mandate or Switching Instruction Form from the Member concerned.

MPF
Code
B1.22

13.7 The Trustee shall have the discretion to limit the total number of Units in a Constituent Fund to be redeemed on any Dealing Day to 10 per cent of the total number of Units in issue (disregarding the number of Units to be issued on the same Dealing Day). This limitation shall apply pro-rata to all redemption requests to be effected on such Dealing Day. Any Units which, by virtue of the application of this Clause 13.7 are not redeemed shall be redeemed (subject to any further application of this Clause 13.7) on the immediately following Dealing Day.

13.8 The operation of this Clause 13 shall at all times be subject to Rules 3.3A, 3.3B and 3.3C of the Appendix.

14. VALUATION AND PRICING

14.1 The Trustee shall ascertain the Net Asset Value of a Unit of each class of the Constituent Funds on each Dealing Day in accordance with a policy established by the Trustee which, until such time as the Trustee shall otherwise determine, shall be at such time on each Dealing Day as specified in the Principal Brochure (except when the determination of prices has been suspended pursuant to Clause 17).

MPF
Code
B1.16

14.2 (a) If on any Dealing Day, the Trustee shall propose to issue Units of a particular class of a Constituent Fund pursuant to Clause 15, it shall ascertain the Issue Price of a Unit of such class of the Constituent Fund in accordance with the provisions in Clause 15 and this Clause 14.

(b) If on any Dealing Day, the Trustee shall propose to redeem Units of a particular class of a Constituent Fund pursuant to Clause 16, it shall ascertain the Redemption Price of a Unit of such class of the Constituent Fund in accordance with the provisions in Clauses 16 and this Clause 14.

14.3 The Net Asset Value per Unit, Issue Price and Redemption Price of a Unit of each class of the Constituent Funds, on each Dealing Day, shall be calculated by the Trustee on that Dealing Day in accordance with this Deed.

MPF
Code
B1.13

14.4 The Net Asset Value of a Constituent Fund shall be calculated by valuing the assets of such Constituent Fund and deducting the liabilities attributable to such Constituent Fund in accordance with this Clause 14. In calculating the Net Asset Value of a Constituent Fund, any money received for acquiring Units of the Constituent Fund on that Dealing Day shall not be included. In order to determine the Net Asset Value of a Unit of a particular class of a

Constituent Fund, the Net Asset Value of the assets attributable to such class of the Constituent Fund shall be divided by the number of Units of that class of the Constituent Fund in issue immediately prior to the relevant Dealing Day for such Constituent Fund PROVIDED THAT no deduction shall be made in respect of Units of that class of the Constituent Fund to be redeemed on that Dealing Day.

- 14.5 The Trust Fund shall be entitled to retain any amount corresponding to the rounding up or down as a result of determining the Issue Price, the Redemption Price or the number of Units to be issued or redeemed.
- 14.6 The value of the assets comprised in each Constituent Fund shall be calculated on the following basis:
- 14.6.1 in the case of any investment held which is a unit or share in an open ended collective investment scheme, the value thereof shall be calculated by reference to the current bid price per share or unit quoted at the relevant time by the managers of the relevant collective investment scheme or the current bid price on the relevant stock exchange or market on which such investment is listed or traded or where such bid price is not available, at a value to be determined by any person (including the Investment Manager) appointed or approved by the Trustee as qualified to determine the fair value of the relevant investment;
- 14.6.2 the value of any investment other than an investment referred to in Clause 14.6.1 which is quoted, listed or dealt in on a stock exchange or market shall be the current bid price of the relevant investment on the relevant stock exchange or market or where such bid price is not available, at a value to be determined by any person (including the Investment Manager) appointed or approved by the Trustee as qualified to determine the fair value of the relevant investment;
- 14.6.3 the value of any investment which is not for the time being quoted or dealt in on any market or in respect of which for any other reason market dealing prices on a market may not be available at any relevant time or the prevailing price of which is not considered to be fair by the Trustee shall be determined, on a regular basis, by any person (including the Investment Manager appointed) approved by the Trustee as qualified to determine the fair value of the relevant investment;
- 14.6.4 any current or fixed deposits shall be valued at face value;
- 14.6.5 interest, discount and similar income and returns shall be deemed to accrue from day to day;
- 14.6.6 dividends shall be deemed to be received on the date on which the relevant investment is first quoted "ex" the dividend payment in question;
- 14.6.7 the value of any accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and receivable but not yet received shall be deemed to be the full amount thereof unless the Trustee shall determine that less than the full amount is likely to be received. In such case, the Trustee shall determine the reasonable value thereof;
- 14.6.8 the value of any futures contract shall be:
- (i) in the case of a futures contract expressed as being for the sale of the subject matter thereof, the positive or negative amount produced by applying the following formula:

$$a - (b + c)$$

- (ii) in the case of a futures contract expressed as being for the purchase of the subject matter thereof, the positive or negative amount produced by applying the following formula:

$$b - (a + c)$$

where

- a = the Contract Value of the relevant futures contract (referred to in this Clause 14.6.8 as "the Relevant Contract")
- b = the amount determined by the Trustee to be the Contract Value of such futures contract as would be required to be entered into by the Investment Manager appointed on behalf of the relevant Constituent Fund in order to close the Relevant Contract, such determination to be based on the latest available price or (if bid and offered quotations are made) the latest available middle market quotation on the market in which the Relevant Contract was entered into by the Investment Manager appointed; and
- c = the amount expended out of the relevant Constituent Fund in entering into the Relevant Contract, including the amount of all stamp duties, commissions and other expenses but excluding any deposit or margin provided in connection therewith.

14.6.9 there shall be taken into account the sum (or the Trustee's estimate of the sum) as will fall to be paid or reclaimed in respect of taxation related to the income of the relevant Constituent Fund and all transactions effected prior to the relevant Dealing Day;

14.6.10 where investments have been agreed to be purchased or sold but such purchase or sale has not been completed, such investments shall be included (in the case of purchase) or excluded (in the case of sale) and the gross purchase or net sale consideration excluded or included (as the case may require) as if such purchase or sale had been duly completed, and regard shall be had to the effect of any call option written and outstanding in respect of any investment held for account of the Constituent Fund and any matching call option the benefit of which is held for the account of the Constituent Fund in respect of the same investment;

14.6.11 there shall be deducted from the gross asset value of each Constituent Fund the following amount (or a due proportion determined by the Trustee of such amount):

- (i) all liabilities attributable to the Constituent Fund including (without limitation) any government levies, any taxation related to the income of a Constituent Fund and in respect of all transactions effected prior to the relevant Dealing Day and any other fiscal charges for which the Constituent Fund may be liable in any country and any contingent or unascertained liabilities for which the Trustee shall consider it prudent to provide and the extent of such provision shall be determined by the Trustee and in determining the amount of liabilities the Trustee may calculate the same on an estimated figure for a yearly or other period in advance and accrue the same in equal proportions over any such period.;
- (ii) expenses of the Scheme calculated and accruing on a daily basis including (without limitations) the following:

- (a) the fees, expenses and liabilities of the Trustee attributable to the Scheme;
- (b) the Trustee Fee, the Management Fee and the fees and expenses of the Auditors, the custodian, sub-custodian, administrator (including any fees and expenses arising from change of Investment Manager and/or custodian and/or sub-custodian and/or administrator), nominee, agent or adviser of the Trustee including any sponsor of the Scheme;
- (c) legal and other professional fees and expenses attributable to the Scheme;
- (d) the fees and expenses incurred in connection with valuation;
- (e) any fiscal charges dealing costs, transaction costs, governmental fees and charges including, without limitation, stamp and other duties;
- (f) the costs of preparing and amending this Deed;
- (g) the costs incurred in computing taxation or in claiming, reclaiming or contesting any tax liabilities relief or exemption;
- (h) the costs of establishing the Trust (including without limitation printing costs of any offering documents and other related materials) and any costs, fees and expenses incurred in registering the Scheme with any authority in any jurisdiction and any fees and charges payable to the MPF Authority and the SFC under the MPFS Ordinance, the Regulation, any codes or guidelines issued thereof and the costs and expenses incurred in effecting and maintaining adequate insurance for the Scheme as required under the MPFS Ordinance and the Regulation;
- (i) any other amounts payable out of the Trust Fund pursuant to any provision of this Deed or by law accrued but not paid and any amount which the Trustee shall consider it necessary to provide to defray any contingent liabilities of any liabilities the amount of which is for the time being unascertained,

PROVIDED THAT the Trustee shall have the discretion to amortise the fees, charges and expenses set out in Clause 14.6.11(i) and (ii) over such period as the Trustee shall think fit.

- (iii) fees, expenses and liabilities of the Trustee for the period since the last payment thereof;
- (iv) the aggregate amount for the time being outstanding of any borrowings together with the amount of any interest and expenses thereon accrued or accruing on the relevant Dealing Day but remaining unpaid. For this purpose interest includes all fees, charges and expenses incurred directly in effecting, maintaining and discharging such borrowing and interest payable by the Trust shall be deemed to accrue from day to day.

14.6.12 amounts expressed in currencies other than in Hong Kong dollars shall be converted into Hong Kong dollars at such prevailing rates of exchange as the Trustee shall consider appropriate.

14.6.13 notwithstanding the foregoing, the Trustee may, for the purpose of ascertaining the market value of the net assets of the Constituent Funds, make such adjustments as it thinks appropriate to take account of any other assets or liabilities attributable to the relevant Constituent Fund not otherwise reflected in a valuation.

14.7 The Trustee shall decide conclusively:

14.7.1 the period to which any income, expenses or liabilities are to be attributed (and, in particular, but without prejudice to the generality of the foregoing, where the annual accounts are to be made up to a date which is not a Dealing Day, the Trustee may in its absolute discretion decide whether income and expenses accruing between the last Dealing Day in the relevant Financial Year and the last day of such Financial Year are to be taken into account in such Financial Year or carried forward to the next Financial Year); and

14.7.2 how any taxation to which the Trust or any Participating Plan is or may be subject is to be treated.

14.8 Without prejudice to the generality of the foregoing, the Trustee may, subject to any restrictions in the MPFS Ordinance and other applicable law and regulations, assess and impose such surcharges (if any) in respect of new investments acquired for the account of any Constituent Fund and such deductions (if any) in respect of disposals of investments as shall in the estimation of the Trustee be appropriate in order to compensate for the difference between the prices at which investments are to be valued in accordance with the provisions of this Deed and the total cost of acquiring investments for such Constituent Fund or the net proceeds of disposing of investment, as the case may be, and for any other relevant expenses.

14.9 For the purpose of ascertaining available prices, the Trustee shall be entitled to use and rely upon any recognized mechanised (including electronic) system of valuation dissemination which provides a daily or more frequent valuation service and reference in this Deed to the valuation of Investments on a particular day or at a particular time shall, if such a system of valuation dissemination is used by the Trustee, mean the latest such valuation, taken at a time or times selected by the system for the purpose, is available on or before the day on which or time as at which such valuation is required.

14.10 Without prejudice to Clauses 19.1(ii) and 19.2(ii) of this Deed, the Management Fee, the Trustee Fee or any costs, charges, fees or expenses that may be charged against the Trust Fund shall be charged against income except to the extent that the Trustee determines from time to time that such costs, charges, fees or expenses should be charged against capital.

14.11 Any commission, remuneration or other sum payable by the Trustee to any agent or other person in respect of the issue or redemption of any Unit shall not be paid out of the Trust Fund.

MPF
Code
B1.2

14.12 Separate books of accounts and records shall be kept for each Constituent Fund. The proceeds from the issue of a Unit of a Constituent Fund shall be applied in the books of the Constituent Fund and the assets, liabilities, income and expenditure attributable thereto shall be applied to such Constituent Fund.

MPF
Code
B1.15

14.13 If there is an error in the determination of the Issue Price or Redemption Price of a Unit of a particular class, the error should be corrected as soon as possible and any necessary action should be taken to avoid further error. If the error results in an incorrect price of a Unit of 0.5 per cent or more of the Net Asset Value per Unit of a particular class of a Constituent Fund, the Trustee shall forthwith inform the MPF Authority. In such a case, Scheme Participants who suffer financial loss as a result of the error shall be compensated as follows, unless determined otherwise by the Trustee with the approval of the MPF Authority:

- (a) where total loss to each individual Scheme Participant (either purchasing or redeeming for the relevant accounts of the Scheme Participant) is more than HK\$100.00 or such lesser amount as the Trustee may decide, Scheme Participant should be compensated in such manner as the Trustee should determine; and
- (b) where the loss is to the Trustee or other Service Providers, no compensation should be paid.

MPF Code
B1.24

14.14 The Trustee shall arrange for the latest available Issue Price and Redemption Price, or Net Asset Value (whichever is applicable) of the Unit of each class of the Constituent Funds to be published at least once a month in a leading English language and a Chinese language daily newspaper in Hong Kong.

14.15 Subject to the approval of the Authority and the SFC, the Trustee may change the valuation and pricing methodology as provided in this Clause 14 by giving a three month prior notice or such other shorter notice period, and in any case not less than the notice period as required under any applicable laws, regulations, rules, or guidelines or by the MPF Authority or the SFC, to the Scheme Participants.

15. ISSUE OF UNITS

15.1 The Trustee shall issue the relevant number of Units of the relevant class in each of the Constituent Funds in accordance with this Clause 15 for the amount of Subscription Money received by the Scheme in respect of a Member. The Units of each class of a Constituent Fund may only be issued on a Dealing Day.

MPF Code
B1.11

15.2 No investment of the Subscription Money can be made in any Constituent Fund until the conclusion of the first issue of Units at the Issue Price. Units of each class of the Constituent Funds of the Scheme shall first be issued at HK\$1.00 unless otherwise determined by the Trustee.

15.3 The Constituent Fund shall be comprised of Investments, cash and other property held or received by or on behalf of the Trustee for the account of such Constituent Fund, arising from proceeds of each particular class of Units issued after making any relevant deduction or provision for the Offer Spread.

15.4 Subject to Clause 15.2 and the provisions of the MPFS Ordinance and the Regulation, the Issue Price per Unit of a particular class shall be determined as follows:

$$I = \frac{\text{NAV}}{(100\% - C)}$$

where:

I = Issue Price per Unit.

NAV = Net Asset Value per Unit of the relevant class to be issued on the Dealing Day.

C = Offer Spread, expressed as a percentage.

PROVIDED ALWAYS that:

- (i) the Issue Price should be rounded to 4 decimal places or such other number of decimal places or in such other manner as the Trustee shall determine from time to time;
- (ii) the number of Units issued shall be the number obtained when the Subscription Money is divided by the Issue Price of the Unit of the relevant class of the Constituent Fund in which the Subscription Money shall invest, such a number to be rounded down to 4

decimal places or such other number of decimal places as the Trustee shall determine from time to time; and

- (iii) no Unit of any class of the Constituent Funds shall be issued at a price higher than the Issue Price of the Unit of that class of the Constituent Fund on the relevant Dealing Day.

- 15.5 The Offer Spread shall not be levied in relation to a transfer of accrued benefits into the Scheme in accordance with Rule 6 unless permitted by the MPFS Ordinance, the Regulation and relevant guidelines as may from time to time be issued by the MPF Authority. Subject to the foregoing, the Offer Spread of each Constituent Fund at the rate as specified in the Principal Brochure shall be retained by or paid to the Trustee for its own absolute use and benefit PROVIDED THAT the Trustee may at any time reduce the Offer Spread for any Member or Employer as the Trustee considers appropriate. The Trustee may also increase the Offer Spread for any Constituent Fund by giving a three month notice (or such shorter period of notice as the MPF Authority and the SFC may approve) in writing to the SEP Members, the TVC Members, the Personal Account Members and the SPA Members and to the Employers who shall forward such notice to the Employee Members of their relevant Participation Plan PROVIDED THAT the Offer Spread shall not exceed the maximum level as set out in the Principal Brochure. Subject to the approval of the SFC and the MPF Authority, the maximum level of the Offer Spread may also be changed by giving a three month notice in writing to the SEP Members, the TVC Members, the Personal Account Members and the SPA Members and to the Employers who shall forward such notice to the Employee Members of their relevant Participation Plan.
- 15.6 Units of a Constituent Fund shall not be issued during any period when the determination of the Net Asset Value of the relevant Constituent Fund is suspended pursuant to Clause 17.
- 15.7 Subject to the approval of the MPF Authority and the SFC, the Trustee may change the methodology of determining the Issue Price as provided in this Clause 15 by giving a three month prior notice or such other shorter notice period, and in any case not less than the notice period as required under any applicable laws, regulations, rules, or guidelines or by the MPF Authority or the SFC, to the Scheme Participants.

16. REDEMPTION OF UNITS

- 16.1 Subject to the provisions of the MPFS Ordinance, the Regulation and the provisions of this Deed, the Trustee shall have the discretion to redeem the Units standing to the credit of the relevant Contribution Account, TVC Account, Personal Account and/or SPA Member Special Private Account including any sub-accounts therein. Before exercising such redemption, it shall be the duty of the Trustee to ensure that the relevant Constituent Fund has (or will have upon the completion of the sale of Investments agreed to be sold) cash sufficient to pay the amount payable upon the redemption of Units.
- 16.2 Subject to the provisions in the MPFS Ordinance and the Regulation and in respect of a Constituent Fund, the Redemption Price per Unit of a particular class on any Dealing Day shall be determined as follows:

$$R = NAV \times (100\% - D)$$

where:

- R = Redemption Price per Unit
- NAV = Net Asset Value per Unit of the relevant class to be redeemed on the Dealing Day

D = Bid Spread, expressed as a percentage

PROVIDED ALWAYS that:

- (i) the Redemption Price per Unit should be rounded to 4 decimal places or such other number of decimal places or in such other manner as the Trustee shall determine from time to time;
- (ii) the total redemption proceeds shall be the Redemption Price per Unit multiplied by the number of Units redeemed, such proceeds to be rounded to 4 decimal places or such other number of decimal places or in such manner as the Trustee shall determine from time to time; and
- (iii) no Unit of any class of the Constituent Funds shall be redeemed at a price lower than the Redemption Price of the Unit of that class of the Constituent Fund on the relevant Dealing Day.

MPF
Code
B1.17

16.3 The Bid Spread shall not be levied in relation to a transfer of accrued benefits out of the Scheme in accordance with Rule 18 unless permitted by the MPFS Ordinance, the Regulation and relevant guidelines as may from time to time be issued by the MPF Authority. Subject to the foregoing, the Bid Spread of each Constituent Fund at the rate as specified in the Principal Brochure shall be retained by or paid to the Trustee for its own absolute use and benefit PROVIDED THAT the Trustee may at any time reduce the Bid Spread for any Member or Employer as the Trustee considers appropriate. The Trustee may also increase the Bid Spreads for any Constituent Funds by giving a three month notice (or such shorter period of notice as the MPF Authority and the SFC may approve) in writing to the SEP Members, the TVC Members, the Personal Account Members and the SPA Members and to the Employers who shall forward such notice to the Employee Members of their relevant Participation Plan PROVIDED THAT the Bid Spread shall not exceed the maximum level as set out in the Principal Brochure. Subject to the approval of the SFC and the MPF Authority, the maximum level of the Bid Spread may also be changed by giving a three month notice in writing to the SEP Members, the TVC Members, the Personal Account Members and the SPA Members and to the Employers who shall forward such notice to the Employee Members of their relevant Participation Plan.

16.4 Where redemption is to be effected pursuant to this Clause 16, the Trustee shall proceed to effect any sales necessary to provide the cash required to pay the redemption proceeds. The Trustee shall then pay the redemption proceeds to the Member or such other relevant person pursuant to the relevant Rules or apply the redemption proceeds in accordance with the provisions of this Deed. The Trustee shall have the discretion to retain any redemption proceeds pending such payment or application in an interest bearing account and the interest generated therefrom shall be retained as income of the Scheme or for the payment of any administrative expenses of the Scheme for the benefits of the Members.

16.5 Units of a Constituent fund shall not be redeemed during any period when the determination of the Net Asset Value of the relevant Constituent Fund is suspended pursuant to Clause 17.

MPF
Code
B1.22

16.6 The Trustee shall have the discretion to limit the total number of Units of a Constituent Fund to be redeemed on any Dealing Day to 10 per cent of the total number of Units in issue (disregarding the number of Units to be issued on such Dealing Day). This limitation shall apply pro-rata to all cases where redemption of Units are required to be effected on the same Dealing Day pursuant to the provisions of this Deed. Any Units which, by virtue of the application of this Clause 16.6 fail to be redeemed shall be redeemed (subject to any further application of this Clause 16.6) on the immediately following Dealing Day.

- 16.7 Subject to the approval of the Authority and the SFC, the Trustee may change the methodology of determining the Redemption Price as provided in this Clause 16 by giving a three month prior notice or such other shorter notice period, and in any case not less than the notice period as required under any applicable laws, regulations, rules, or guidelines or by the MPF Authority or the SFC, to the Scheme Participants.

17. SUSPENSION OF VALUATION AND PRICING

- 17.1 The Trustee may, having regard to the interests of the Scheme Participants, declare a suspension of the dealing of the Units of any Constituent Fund and the determination of the Net Asset Value of any Constituent Fund for the whole or any part of any period during which:

- (a) there is a closure of or the restriction or suspension of trading on any Securities Market on which a substantial part of the Investments of the Constituent Fund is normally traded or a breakdown in any of the means normally employed by the Trustee in ascertaining the prices of Investments;
- (b) for any other reason, the prices of Investments held or contracted for by the Trustee for the account of the Constituent Fund cannot, in the opinion of the Trustee reasonably be ascertained;
- (c) circumstances exist as a result of which, in the opinion of the Trustee, it is not reasonably practicable or is prejudicial to the interests of the Members to realise any Investments held or contracted for the account of the Constituent Fund;
- (d) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, the Investments of the Constituent Fund or the subscription or redemption of any Unit of the Constituent Fund is delayed or cannot, in the opinion of the Trustee, be carried out promptly at normal rates of exchange; or
- (e) suspension is required for the purpose of implementing any transfer of units of one or more Constituent Funds to other Constituent Funds.

PROVIDED THAT the suspension shall not cause the Trustee to be unable to comply with its obligations under the MPFS Ordinance and any rules, guidelines, codes or regulations made thereunder.

- 17.2 The suspension referred to in Clause 17.1 shall take effect forthwith upon the declaration thereof and thereafter there shall be no dealing and no determination of the Net Asset Value until the Trustee shall declare the suspension at an end, except that the suspension shall terminate in any event on the day following the first Business Day on which:

- (a) the condition giving rise to the suspension shall have ceased to exist; and
- (b) no other condition under which suspension is authorised hereunder shall exist.

- 17.3 Whenever the Trustee shall declare a suspension of the dealing and the determination of the Net Asset Value of any Constituent Fund hereunder, the Trustee must notify the MPF Authority as soon as reasonably practicable after any such declaration and shall publish immediately following such declaration and at least once a month during the period of such suspension, a notice in all the newspapers in which the Issue Price and the Redemption Price of the Constituent Fund are normally published.

18. TERMINATION OF THE TRUST

- 18.1 Except as provided by section 34D of the MPFS Ordinance, the Scheme may be wound up only by the Court on application made by the MPF Authority in accordance with Section 34A of the

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MPFS Ordinance. The winding up of the Scheme must be conducted in accordance with the winding up rules made in accordance with Section 34A(7) of the MPFS Ordinance.

19. FEES AND CHARGES

- 19.1 (i) Subject to Clause 12.5, 12.6 and 12.9 and as remuneration for its services as Trustee of the Scheme, the Trustee shall be paid monthly in arrears a Trustee Fee within fourteen (14) days after each of the calendar month out of the assets of the Trust Fund at the rates specified in the Principal Brochure. The Trustee Fee may also be changed by giving a three month notice in writing, provided that where the changes are to reduce the Trustee Fee, the changes may be effective by immediate notice, to the SEP Members, the TVC Members, the Personal Account Members and the SPA Members and to the Employers who shall forward such notice to the Employee Members of their relevant Participation Plan PROVIDED THAT the Trustee Fee shall not exceed the maximum level as specified in the Principal Brochure. Notwithstanding that the remuneration to the Trustee shall be payable monthly in arrears, the calculation of such remuneration shall be accrued on each Dealing Day. The fee shall be pro-rated if the Trustee commences or ceases to act as the Trustee between two Dealing Days PROVIDED THAT the two Dealing Days are not consecutive days. The Trustee shall be entitled to any interest or other benefit in respect of any part of the fee accrued to the Trustee but not yet paid.
- (ii) Notwithstanding (i) above, the Trustee Fee may be paid to the Trustee:
- (a) by the respective Members and at such interval(s) as may be specified in the Principal Brochure, in which case, the Members shall redeem, at the respective Net Asset Values per Unit, the appropriate number of Units standing to the credit of such Members' accounts and pay to the Trustee such redemption proceeds; or
- (b) in such other manner as may be specified in the Principal Brochure.
- 19.2 (i) Subject to Clauses 12.5, 12.6 and 12.9, the Investment Manager appointed by the Trustee shall be paid monthly in arrears a Management Fee as remuneration for providing investment management services out of the assets of the Trust Fund at the rates set out in the Principal Brochure. The Management Fee may also be changed by giving a three month notice in writing, provided that where the changes are to reduce the Management Fee, the changes may be effective by immediate notice, to the SEP Members, the TVC Members, the Personal Account Members and the SPA Members and to the Employers who shall forward such notice to the Employee Members of their relevant Participation Plan PROVIDED THAT the Management Fee shall not exceed the maximum level as specified in the Principal Brochure. Notwithstanding that the foregoing fee is payable to the Investment Manager monthly in arrears, the calculation of such fee shall be accrued on each Dealing Day. The fee shall be pro-rated if the Investment Manager commences or ceases to act as an Investment Manager such between two Dealing Days PROVIDED THAT the two Dealing Days are not consecutive days. The Investment Manager shall be entitled to any interest or other benefit in respect of any part of the fee accrued to the Investment Manager but not yet paid.
- (ii) Notwithstanding (i) above, the Management Fee may be paid to the Investment Manager:
- (a) by the respective Members and at such interval(s) as may be specified in the Principal Brochure, in which case, the Members shall redeem, at the respective Net Asset Values per Unit, the appropriate number of Units standing to the

credit of such Members' accounts and pay to the Investment Manager such redemption proceeds; or

(b) in such other manner as may be specified in the Principal Brochure.

19.3 The Trustee shall, out of the remuneration payable to it pursuant to Clause 19.1, discharge the remuneration of any agents, bankers, brokers, advisers and others appointed or employed by it in the performance of its duties hereunder other than the fees and expenses expressly provided to be paid by an Employer or a Member or out of the assets of the Trust Fund pursuant to the provisions of this Deed, or any Participation Agreement applicable thereto.

19.4 In addition to the fees payable to the Trustee specified in Clause 19.1, the Trustee shall be entitled to be paid out of the assets of the Trust Fund such transaction costs, charges and expenses (including but not limited to tax, stamp duty, registration fee, custody and nominee charges), fees for providing valuation, accounting services, the cost of maintaining adequate insurance for the Scheme as required under the MPFS Ordinance and the Regulation and any other fees and charges referred to in Clause 14.6.11. Notwithstanding that, any such fees and charges may be paid:

(a) by the respective Members and at such interval(s) as may be specified in the Principal Brochure, in which case, the Members shall redeem, at the respective Net Asset Values per Unit, the appropriate number of Units standing to the credit of such Members' accounts and use the redemption proceeds to pay such fees and charges; or

(b) in such other manner as may be specified in the Principal Brochure.

19.5 19.5.1 Each Employer, SEP Member, the TVC Members, Personal Account Member and SPA Member shall pay or reimburse to the Trustee the following fees and expenses PROVIDED THAT, in the case of an Employer, all or part of such fees and expenses may by agreement between the Trustee and the relevant Employer be paid out of the assets representing the Forfeitures Account of such Employer's Participating Plan:

(a) a joining fee of such amount (if any) as may from time to time be fixed by the Trustee upon the execution of the Participation Agreement or the completion of the Application Form for such SEP Member's, such TVC Member's TVC Account, Personal Account Member's or SPA Member's Participating Plan (as the case may be);

(b) any costs incurred in registering or maintaining the registration of such Participating Plan with any government authority or other regulatory body, if necessary (including the costs of preparing any supporting documents and supplemental deeds);

(c) legal and other fees and expenses attributable to such Participating Plan;

(d) audit fees, including fees of the Employer's or SEP Member's own auditor in giving any certificate in connection with its participation in the Scheme and fees of the Auditors in preparing the audited accounts of such Participating Plan;

(e) the costs of amending the Participation Agreement and/or the Rules relating to such Participating Plan;

(f) any other costs, fees and expenses expressed to be payable by the Employers or SEP Members or TVC Members or Personal Account Members or SPA

Members in this Deed, the Rules and/or the Participation Agreement relating to the Participating Plan.

19.5.2 The Trustee shall from time to time notify each Employer, SEP Member, TVC Member, Personal Account Member and SPA Member in writing of the amount of the fees and expenses due hereunder, and the relevant Employer, SEP Member, TVC Member, the Personal Account Member and SPA Member shall forthwith pay to the Trustee the amount so notified.

19.6 [INTENTIONALLY DELETED]

19.7 Subject to the approval of the MPF Authority and the SFC, the Trustee may change the maximum levels of Trustee Fee or Management Fee or any other fees and charges specified in this Deed and/or the Principal Brochure by giving a three month notice in writing to the SEP Members, the TVC Members, the Personal Account Members and the SPA Members and to the Employers who shall forward such notice to the Employee Members of their relevant Participation Plan.

19.8 Notwithstanding the above, the Trustee may at any time in its sole discretion reduce or waive any fees and charges specified in this Deed and/or the Principal Brochure for any SEP Members, TVC Members, Personal Account Members, SPA Members, Employers or Employee Members.

19.9 The Trustee must ensure that:

- (i) no payment for the services specified in section 34DD(2) of the MPFS Ordinance may be charged to or imposed on a DIS Fund or a Member who invests in a DIS Fund, other than as permitted under section 34DD(3) of the MPFS Ordinance, subject to (ii) below; and
- (ii) the total amounts charged for payment of services and out-of-pocket expenses as described in section 34DD(5) of the MPFS Ordinance do not exceed the relevant limits specified in section 34DD(4) and Schedule 11 to the MPFS Ordinance.

20. NOTICES

R.206 20.1 20.1.1 Subject to the requirements of the MPFS Ordinance, any notice or document required to be served upon or lodged with the Scheme Participants for the purposes of the MPFS Ordinance, this Deed, or the Participation Agreement, may be delivered by hand, sent by prepaid post (airmail if overseas), facsimile, electronic mail or other similar means of communication.

20.1.2 Subject always to the MPFS Ordinance and the Regulation, and without limiting the generality of Clause 20.1.1, a notice or other document to be given, served or lodged for the purposes of the MPFS Ordinance, this Deed, or the Participation Agreement may be given, served or lodged

- (a) in the case of a Scheme Participant who is other than a body corporate or partnership -
 - (i) by delivering it to the Scheme Participant personally; or
 - (ii) by sending it by ordinary post in a letter addressed to the Scheme Participant at the Scheme Participant's usual place of residence or business or, if the Scheme Participant's address is unknown, addressed

to the Scheme Participant's last known place of residence or business;
or

- (b) in the case of a Scheme Participant which is a body corporate -
 - (i) by delivering it to any place in Hong Kong at which the Scheme Participant carries on business and giving it to a person apparently concerned with the management of, or apparently employed by, the Scheme Participant; or
 - (ii) by sending it by ordinary post addressed to the Scheme Participant at its registered office in Hong Kong or at any place in Hong Kong at which the Scheme Participant carries on business; or
- (c) in the case of a Scheme Participant which is a partnership -
 - (i) by delivering it to any place in Hong Kong at which the Scheme Participant carries on business and giving it to a person apparently concerned with the management of, or apparently employed by, the Scheme Participant; or
 - (ii) by sending it by ordinary post addressed to the Scheme Participant at any place in Hong Kong at which the Scheme Participant carries on business.

20.1.3 Any notice or other document referred to in Clause 20.1.1 shall be taken to have been given for the purposes of the MPFS Ordinance if the applicable requirements under Section 206 are met.

20.1.4 In any case where the Trustee considers it appropriate or satisfactory, notices to Employee Members or their legal personal representatives may be given, served or lodged through the relevant Employer in accordance with Clause 20.1.2, and in any such case such notice shall be deemed to have been duly given, served or lodged when appropriate details have been given to such Employer and such Employer has been advised to pass such notices to the relevant Employee Members.

R.58/59 20.1.5 In the event that a notice is to be given, served or lodged by the Trustee to the Scheme Participant for the purposes of Sections 58 and 59 of the Regulation, the Employer must ensure that the notice is given, served or lodged to the Employee Member within seven (7) Working Days after the Employer receives the notice.

20.2 Any notice or document sent by post to or left at an address as aforesaid in pursuance of this Clause shall notwithstanding that the addressee be then dead, or bankrupt, in liquidation or receivership and whether or not the Trustee has notice of such death, bankruptcy, liquidation or receivership be deemed to have been duly served or lodged.

20.3 All notices or documents sent by post by the Trustee or the Investment Manager shall be sent at the risk of the person entitled thereto.

20.4 Notwithstanding any other provisions in this Deed, the Trustee may at any time at its sole discretion waive or shorten any prior notice requirements to be given by any Scheme Participants to the Trustee as stipulated in this Deed.

21. PROVISION OF INFORMATION

Subject to sections 41 and 42AAB of the MPFS Ordinance, if the Trustee is requested by any department of any government or administration to provide such department with any

information regarding the Trust Fund and/or the Scheme Participants and/or the investments and income of the Trust Fund and/or the provisions of this Deed and complies with such request, whether or not it was in fact enforceable, the Trustee shall not incur any liability to the Scheme Participants or any of them or to any other person as a result of such compliance or in connection with such compliance PROVIDED THAT in so doing the Trustee shall also have complied with the provisions of the Personal Data (Privacy) Ordinance.

21A. TAX-RELATED FILINGS, REPORTING AND DISCLOSURES

- 21A.1 Subject to the applicable laws and regulations of Hong Kong and other jurisdictions, the Trustee and/or any of its authorised person(s) shall have the power to sign and/or file any returns, elections, and statement by the Scheme with any Tax Authorities, report or disclose Reportable Information regarding any person or entity considered to be Account Holder or Controlling Person of the Scheme under the AEOI to enable the Scheme to comply with applicable laws and regulations of Hong Kong and other jurisdictions.
- 21A.2 The Trustee may, to the extent not prohibited by applicable law including AEOI, engage, employ or authorise any individual or entity (including but not limited to third-party service providers, the Trustee's affiliates, subsidiaries, associated entities, and any of their branches and offices) (each, for the purposes of this Clause, an "**authorised person**") to:
- (a) assist the Scheme with the fulfilment of its obligations under AEOI; and/or
 - (b) act on the Scheme's behalf in relation to its obligations under AEOI.
- 21A.3 Each Member, Employer and any other individual or entity considered to be Account Holder or Controlling Person of an Account Holder (where applicable) of the Scheme must:
- (a) upon demand by the Trustee and/or any of its authorised person(s), provide any form, certification and other information that the Trustee and/or any of its authorised person(s) may at their sole discretion from time to time require (the "**Required Information**") in order to satisfy the Scheme's obligations under AEOI;
 - (b) update or replace any Required Information;
 - (c) comply with any reporting obligations imposed by Hong Kong or any other jurisdiction; and
 - (d) assist the Scheme in complying with any of the due diligence and reporting obligations imposed on the Scheme under AEOI.
- 21A.4 Notwithstanding any other provisions of this Deed, to the extent not prohibited by applicable law, each of the Trustee and its authorised persons shall have the power to:
- (a) demand from any Account Holder or Controlling Person of an Account Holder (where applicable) the information the Scheme needs in order to fulfil the Scheme's obligations under AEOI;
 - (b) refuse to accept any applicant to the Scheme;
 - (c) refuse or delay in making any payment to any Account Holder before receiving the Required Information from the applicant or Account Holder (as the case may be);
 - (d) share with any Tax Authority the information it has in respect of any Account Holder or Controlling Person of an Account Holder (where applicable);

- (e) take or refrain from taking any other actions with respect to the applicant or Account Holder (as the case may be), to the extent not prohibited by law; and
- (f) share the Required Information of any Account Holder or Controlling Person of an Account Holder (where applicable) of the Scheme with the Trustee or any of the Trustee's authorised persons.

22. GOVERNING LAW

- 22.1 This Deed and the Participation Agreement shall be governed by the laws of Hong Kong including, but not limited to, the MPFS Ordinance and the Regulation.
- 22.2 The Trustee and the Scheme Participants hereby submit to the non-exclusive jurisdiction of the Courts of Hong Kong.
- 22.3 This Deed and any Participation Agreement shall be interpreted in accordance with and subject to the MPFS Ordinance and any guidelines, codes and other requirements applicable to the Scheme and issued by the MPF Authority or the SFC from time to time provided always that no provision of the MPFS Ordinance or any such guidelines, codes and other requirements shall form part of this Deed or such Participation Agreement.

APPENDIX
THE RULES

1. INTERPRETATION

Words and expressions used in the Rules shall have the meanings given to them in the Deed.

2. ADMISSION OF MEMBERS

2.1 2.1.1 Subject to the MPFS Ordinance, Rules 2.1.1A, 2.1.1B, 2.1.1C and 2.1.2 and all applicable legislation and/or the direction from any regulatory or government body with respect to acceptance of any membership and/or contribution,

(a) an Eligible Employee of an Employer may become an Employee Member of the Scheme if the Employer enrolls the Eligible Employee in the Scheme by:

(i) providing the necessary information to the Trustee; or

(ii) completing an enrolment form,

as the Trustee may from time to time prescribe;

(b) a Self-Employed Person may become an SEP Member of the Scheme by completing an Application Form as the Trustee may from time to time prescribe; and

(c) a person who, having accrued benefits in another Registered Scheme or an ORSO Exempted Scheme or ORSO Registered Scheme, wishes to have those benefits transferred to a Personal Account of the Scheme may become a Personal Account Member of the Scheme by completing an Application Form as the Trustee may from time to time prescribe; and

(d) an Employee Member will automatically become a Personal Account Member if upon his cessation of employment he elects or pursuant to the provisions of this Deed is taken to have elected to transfer his benefits accrued under this Scheme to a separate Personal Account in the Scheme; and

(e) (i) an Employee Member, SEP Member or Personal Account Member may make SPCs in his capacity as a SPA Member; and (ii) an Other Eligible Person may become a SPA Member by completing an Application Form as the Trustee may from time to time prescribe. Notwithstanding any other provision of this Deed, the Trustee may reject (A) all or part of SPCs made by an Employee Member, SEP Member or Personal Account Member in his capacity as a SPA Member, or (B) any application to become a SPA Member and all or part of SPCs made by an Other Eligible Person, in each case of (A) and (B); and

(f) a person who is eligible to open a TVC Account in accordance with the MPFS Ordinance may become a TVC Member by completing an Application Form and providing the necessary information to the Trustee, as the Trustee may from time to time prescribe.

2.1.1.A In respect of Rules 2.1.1(a) and (b), the Trustee reserves the sole discretion to accept or reject any application for membership that is made by or on behalf of Eligible Employees or Self-Employed Persons who are below 18 years of age or at or above the Normal Retirement Age.

2.1.1.B Notwithstanding the preceding provision of this Rule 2, the Trustee may, to the extent permitted under applicable legislation or the direction from any regulatory or

government body, reject any application for membership that is made by or on behalf of (as the case may be) employers, Eligible Employees, Self-Employed Persons, Personal Account Applicants, TVC Applicants or any other person, to participate the Scheme and/or reject any corresponding payment or transfer of contribution or accrued benefits.

2.1.1.C Notwithstanding the foregoing, the Trustee may enrol any person, including but not limited to those referred to in Rule 2.1.1 and Rule 2.1.1A in the Scheme, in such other manner as the Trustee considers appropriate and to the extent permitted by applicable legislation.

2.1.2 The person referred to in Rule 2.1.1 must provide to the Trustee the required information (as specified in the Trustee's prescribed form or otherwise instructed by the Trustee to comply with legislation, regulatory requirements or directives, and/or industry standards) with respect to application for membership in the Scheme. If the application for membership made by or on behalf of the person is accepted by the Trustee but that person fails to provide the Trustee with the required information to establish a member record, no account will be established for the person and no Subscription Monies in respect of the person will be accepted. Any Subscription Monies received in respect of the person who fails to provide the required information may not be allocated to acquire Units of the Constituent Funds, but may, in the Trustee's sole discretion, be kept in an interest bearing account, or refunded to the Employer (in the case of an Eligible Employee) or the person, if applicable PROVIDED THAT the Trustee shall as soon as reasonably practicable notify the person concerned of the same and request him to provide the required information. Any interest generated from the interest bearing account shall be retained as income of the Scheme or for the payment of any administrative expenses of the Scheme for the benefits of the Members. Notwithstanding that, if the above required information has been provided but certain other information of the applicant is found to be incomplete or inaccurate such that the Trustee will not be able to invest the contribution monies in accordance with his investment mandate, the Trustee shall invest such monies into Default Investment Strategy PROVIDED THAT if the Trustee subsequently receives the complete information of the applicant concerned, the Trustee will within fourteen (14) business days of such receipt implement the investment mandate of the applicant with respect to his future contributions and no additional handling fee will be imposed. Notwithstanding the above provisions, any Investment Mandate given under this Rule shall be subject to the operation of Appendix 1.

R.31(2) 2.1.3 The Trustee or its delegates must disclose to a person who is considering making an application to become a Member or Employer:

- (a) the requirements and information required for application for membership of or participation in the Scheme;
- (b) the governing rules of the Scheme; and
- (c) Scheme information, including all of the fees and charges payable under the Scheme in accordance with the relevant guidelines issued by the MPF Authority and SFC.

R.31(4) 2.1.4 The person referred to in Rule 2.1.1 (whose application for membership is accepted by the Trustee) must be given a notice of participation within such timeframe as the MPFS Ordinance or the Regulation may from time to time prescribe. Such notice of participation shall evidence the acceptance of the person's application for membership

of the Scheme and the person's consent to comply with and be subject to the provisions of this Deed.

- 2.1.4A (a) At the Restructuring Date, an employer who participates in the Chamber Scheme immediately prior to the Restructuring Date shall automatically become an Employer under the Scheme and a Participation Plan shall be established in respect of such Employer.
- (b) At the Restructuring Date, a self-employed person who participates in the Chamber Scheme immediately prior to the Restructuring Date shall automatically become an SEP Member under the Scheme and a Participation Plan shall be established in respect of such SEP Member.
- (c) An employee member who participates in the Chamber Scheme immediately prior to the Restructuring Date shall automatically become an Employee Member under the Scheme at the Restructuring Date.
- (d) At the Restructuring Date, a preserved member who participates in the Chamber Scheme immediately prior to the Restructuring Date shall automatically become a Personal Account Member under the Scheme and a Participation Plan shall be established in respect of such Personal Account Member.
- 2.1.4B (a) For each:
- (i) Master Trust Employer;
 - (ii) Master Trust SEP Member; and
 - (iii) Master Trust Personal Account Member;
 - (iv) Basic Scheme Employer;
 - (v) Basic Scheme SEP Member;
 - (vi) Basic Scheme Personal Account Member;
 - (vii) Basic Scheme SPA Member;
 - (viii) Comprehensive Scheme Employer;
 - (ix) Comprehensive Scheme SEP Member;
 - (x) Comprehensive Scheme Personal Account Member; and
 - (xi) Comprehensive Scheme SPA Member,

who participates solely in the Master Trust or Basic Scheme and/or Comprehensive Scheme (and does not participate in the Scheme) immediately before the Master Trust Restructuring Date or the Basic and Comprehensive Scheme Restructuring Date (as the case may be), a Participation Plan shall be established and each of them shall become a participating Employer, SEP Member, Personal Account Member and SPA Member (as the case may be) under the Scheme pursuant to the Master Trust Restructure or the Basic and Comprehensive Scheme Restructure (as the case may be), and for each Master Trust Employee Member of such Master Trust Employer, Basic Scheme Employee Member of such Basic Scheme Employer and Comprehensive Scheme Employee Member of such Comprehensive Scheme Employer, such member shall automatically become an Employee Member under the Participation Plan of the Master Trust Employer, Basic Scheme Employer and Comprehensive Scheme Employer (as the case may be) pursuant to the Master Trust Restructure or the Basic and Comprehensive Scheme Restructure (as the case may be), and the following shall be applicable to each Master Trust Employer and its Master Trust Employee Members, Master Trust SEP Member, Master Trust Personal Account Member, Basic Scheme Employer

and its Basic Scheme Employee Members, Basic Scheme SEP Member, Basic Scheme Personal Account Member, Basic Scheme SPA Member, Comprehensive Scheme Employer and its Comprehensive Scheme Employee Members, Comprehensive Scheme SEP Member, Comprehensive Scheme Personal Account Member and Comprehensive Scheme SPA Member (where applicable):

- (i) for each reserve account and forfeiture account of the Master Trust Employer, Basic Scheme Employer and Comprehensive Scheme Employer under the Master Trust, Basic Scheme and Comprehensive Scheme (as the case may be):
 - (A) a new corresponding Forfeitures Account will be set up under the Scheme for such employer;
 - (B) all the balances in each of the reserve account and forfeiture account of the employer under the Master Trust, Basic Scheme and Comprehensive Scheme (as the case may be) shall be transferred to the new corresponding Forfeitures Account set up for the employer under the Scheme; and
 - (C) on or after the Master Trust Restructuring Date or the Basic and Comprehensive Scheme Restructuring Date (as the case may be), all the unvested benefits of the Master Trust Employee Members, Basic Scheme Employee Members and Comprehensive Scheme Employee Members (as the case may be) shall, pursuant to Rules 11.3, 12A.3, 13.3, 14.2 and 15.3, be credited to the relevant Forfeitures Account set up for their employer under the Scheme;
- (ii) new relevant accounts and sub-accounts will be set up under the Scheme for each (A) Master Trust Employee Member, Master Trust SEP Member and Master Trust Personal Account Member; (B) Basic Scheme Employee Members, Basic Scheme SEP Member, Basic Scheme Personal Account Member and Basic Scheme SPA Member; and (C) Comprehensive Scheme Employee Members, Comprehensive Scheme SEP Member, Comprehensive Scheme Personal Account Member and Comprehensive Scheme SPA Member, and all the accrued benefits in the accounts and sub-accounts of such members under the Master Trust, Basic Scheme and Comprehensive Scheme (as the case may be) shall be transferred to their new corresponding relevant accounts and sub-accounts set up under the Scheme;
- (iii) the information, instruction, investment mandate, Application Form and Participation Agreement that are relevant to such (A) Master Trust Employer and its Master Trust Employee Members, Master Trust SEP Member and Master Trust Personal Account Member under the Master Trust; (B) Basic Scheme Employer and its Basic Scheme Employee Members, Basic Scheme SEP Member, Basic Scheme Personal Account Member and Basic Scheme SPA Member under the Basic Scheme; and (C) Comprehensive Scheme Employer and its Comprehensive Scheme Employee Members, Comprehensive Scheme SEP Member, Comprehensive Scheme Personal Account Member and Comprehensive Scheme SPA Member under the Comprehensive Scheme (as the case may be) shall be adopted (to the extent applicable)

by the Trustee for the purpose of their respective participation in the Scheme (and where appropriate shall be treated as the information, instruction, investment mandate, Application Form and Participation Agreement under the Scheme) pursuant to the Master Trust Restructure or the Basic and Comprehensive Scheme Restructure (as the case may be), except where the investment mandate selects the Fund Cruiser under the Master Trust, such investment mandate shall cease to have any effect to the extent that the automatic switching on the basis of the age of the relevant member under the Fund Cruiser of the Master Trust shall cease; and

- (iv) for the avoidance of doubt, no application form, participation agreement or consent is required from any of such employers or members for the purpose of their participation in the Scheme pursuant to the Master Trust Restructure or the Basic and Comprehensive Scheme Restructure (as the case may be).
- (b) For each Master Trust Employer, Basic Scheme Employer and Comprehensive Scheme Employer who participates in both the Master Trust or Basic Scheme and/or Comprehensive Scheme on the one hand and the Scheme on the other immediately before the Master Trust Restructuring Date or the Basic and Comprehensive Scheme Restructuring Date (as the case may be), their participation under the Scheme shall continue and their participation under the Master Trust or Basic Scheme and/or Comprehensive Scheme (as the case may be) shall be merged and combined into their participation under the Scheme pursuant to the Master Trust Restructure or the Basic and Comprehensive Scheme Restructure (as the case may be) in the following manner:
 - (i) for each reserve account and forfeiture account of the Master Trust Employer, Basic Scheme Employer and Comprehensive Scheme Employer under the Master Trust or Basic Scheme and/or Comprehensive Scheme (as the case may be):
 - (A) a new corresponding Forfeitures Account will be set up under the Scheme for such employer;
 - (B) all the balances in each of the reserve account and forfeiture account of the employer under the Master Trust or Basic Scheme and/or Comprehensive Scheme (as the case may be) shall be transferred to the new corresponding Forfeitures Account set up for the employer under the Scheme; and
 - (C) on or after the Master Trust Restructuring Date or the Basic and Comprehensive Scheme Restructuring Date (as the case may be), all the unvested benefits of the Master Trust Employee Members, Basic Scheme Employee Members and Comprehensive Scheme Employee Members (as the case may be) shall, pursuant to Rules 11.3, 12A.3, 13.3, 14.2 and 15.3, be credited to the relevant Forfeitures Account set up for their employer under the Scheme;
 - (ii) for each Master Trust Employee Member, Basic Scheme Employee Member and Comprehensive Scheme Employee Member:
 - (A) in addition to the existing accounts set up under the Scheme pursuant to Rule 4.1, a new separate set of accounts and sub-

accounts will be set up under the Scheme in accordance with Rule 4.1 and all the accrued benefits in the corresponding accounts and sub-accounts of such employee member under the Master Trust or Basic Scheme and/or Comprehensive Scheme (as the case may be) shall be transferred to such new accounts and sub-accounts set up under the Scheme;

- (B) for the original set of accounts and sub-accounts of the Master Trust Employee Member, Basic Scheme Employee Member and Comprehensive Scheme Employee Member (as the case may be), his original Investment Mandate under the Scheme shall continue to apply;
 - (C) for the new set of accounts and sub-accounts of the Master Trust Employee Member, Basic Scheme Employee Member and Comprehensive Scheme Employee Member (as the case may be), his investment mandate under the Master Trust Scheme or Basic Scheme and/or Comprehensive Scheme (as the case may be) shall apply, except where the investment mandate selects the Fund Cruiser under the Master Trust, such investment mandate shall cease to have any effect to the extent that the automatic switching on the basis of the age of the relevant member under the Fund Cruiser of the Master Trust shall cease;
- (iii) the information, other instruction, Application Form and Participation Agreement that are relevant to such Master Trust Employer and its Master Trust Employee Members, Basic Scheme Employer and its Basic Scheme Employee Members and Comprehensive Scheme Employer and its Comprehensive Scheme Employee Members under the Master Trust or Basic Scheme and/or Comprehensive Scheme (as the case may be) shall be adopted (to the extent applicable) by the Trustee in respect of the participation of such employers and such members in the Scheme (and where appropriate shall be treated as the information, instruction, Application Form and Participation Agreement under the Scheme) pursuant to the Master Trust Restructure or the Basic and Comprehensive Scheme Restructure (as the case may be);
 - (iv) no application form, participation agreement or consent is required from any of such employers or employee members for the purpose of their participation in the Scheme pursuant to the Master Trust Restructure or the Basic and Comprehensive Scheme Restructure (as the case may be); and
 - (v) for the avoidance of doubt, none of the above shall affect the participation of those Employee Members of the Master Trust Employer, Basic Scheme Employer and Comprehensive Scheme Employer who participate in the Scheme immediately before the Master Trust Restructuring Date or the Basic and Comprehensive Scheme Restructuring Date (as the case may be), other than as specified in this Rule 2.1.4B (b) (ii) (C) above.
- (c) For each Master Trust SEP Member, Basic Scheme SEP Member, Basic Scheme SPA Member, Comprehensive Scheme SEP Member and

Comprehensive SPA Member who participates in both the Master Trust or Basic Scheme and/or Comprehensive Scheme on the one hand and the Scheme on the other immediately before the Master Trust Restructuring Date or the Basic and Comprehensive Scheme Restructuring Date (as the case may be), their participation under the Scheme shall continue and a new Participation Plan shall be established for the Master Trust SEP Member, Basic Scheme SEP Member, Basic Scheme SPA Member, Comprehensive Scheme SEP Member and Comprehensive SPA Member (as the case may be) in addition to his existing Participation Plan under the Scheme, and the following shall be applicable:

- (i) new relevant accounts and sub-accounts will be set up under the new Participation Plan for each Master Trust SEP Member, Basic Scheme SEP Member, Basic Scheme SPA Member, Comprehensive Scheme SEP Member and Comprehensive SPA Member and all the accrued benefits in the corresponding accounts and sub-accounts of such member under the Master Trust or Basic Scheme and/or Comprehensive Scheme (as the case may be) shall be transferred to their new relevant accounts and sub-accounts set up under the new Participation Plan, and segregated from the accrued benefits in the relevant accounts and sub-accounts of the member under the existing Participation Plan;
- (ii) for the original Participation Plan, the original Investment Mandate of the Master Trust SEP Member, Basic Scheme SEP Member, Basic Scheme SPA Member, Comprehensive Scheme SEP Member and Comprehensive SPA Member (as the case may be) under the Scheme shall continue to apply;
- (iii) (iii) for the new Participation Plan, the investment mandate of the Master Trust SEP Member, Basic Scheme SEP Member, Basic Scheme SPA Member, Comprehensive Scheme SEP Member and Comprehensive SPA Member under the Master Trust Scheme or Basic Scheme and/or Comprehensive Scheme (as the case may be) shall apply, except where the investment mandate selects the Fund Cruiser under the Master Trust, such investment mandate shall cease to have any effect to the extent that the automatic switching on the basis of the age of the relevant member under the Fund Cruiser of the Master Trust shall cease;
- (iv) the information, other instruction, Application Form and Participation Agreement that are relevant to him under the Master Trust or Basic Scheme and/or Comprehensive Scheme (as the case may be) shall be adopted (to the extent applicable) by the Trustee in respect of his new Participation Plan in the Scheme (and where appropriate shall be treated as the information, instruction, Application Form and Participation Agreement under his new Participation Plan) pursuant to the Master Trust Restructure or the Basic and Comprehensive Scheme Restructure (as the case may be);
- (v) no application form, participation agreement or consent is required from any of such member for the purpose of his new Participation Plan in the Scheme pursuant to the Master Trust Restructure or the Basic and Comprehensive Scheme Restructure (as the case may be); and

- (vi) for the avoidance of doubt, none of the above shall affect the participation of those Master Trust SEP Members, Basic Scheme SEP Member, Basic Scheme SPA Member, Comprehensive Scheme SEP Member and Comprehensive SPA Member who participate in the Scheme immediately before the Master Trust Restructuring Date or the Basic and Comprehensive Scheme Restructuring Date (as the case may be), other than as specified in this Rule 2.1.4B (c) (iii) above .
- (d) For each Master Trust Personal Account Member, Basic Scheme Personal Account Member and Comprehensive Scheme Personal Account Member who participates in both the Master Trust or Basic Scheme and/or Comprehensive Scheme on the one hand and the Scheme on the other immediately before the Master Trust Restructuring Date or the Basic and Comprehensive Scheme Restructuring Date (as the case may be), their participation under the Scheme shall continue and their participation under the Master Trust or Basic Scheme and/or Comprehensive Scheme (as the case may be) shall be merged and combined into their participation under the Scheme pursuant to the Master Trust Restructure or the Basic and Comprehensive Scheme Restructure (as the case may be), and the following shall be applicable:
 - (i) all the accrued benefits in the relevant accounts and sub-accounts of such member under the Master Trust or Basic Scheme and/or Comprehensive Scheme (as the case may be) shall be transferred to the Scheme, and where appropriate merged and combined with the accrued benefits in the corresponding relevant accounts and sub-accounts of the member under the Scheme;
 - (ii) the information, instruction, investment mandate (including any investment mandate that selects the Fund Cruiser under the Master Trust), Application Form and Participation Agreement that are relevant to them under the Master Trust or Basic Scheme and/or Comprehensive Scheme (as the case may be) shall cease to have any effect, and their information, instruction, Investment Mandate, Application Form and Participation Agreement that are given to the Trustee under their participation in the Scheme immediately prior to the Master Trust Restructure or the Basic and Comprehensive Scheme Restructure (as the case may be) shall be adopted (to the extent applicable) by the Trustee in respect of their continual participation in the Scheme after the Master Trust Restructure or the Basic and Comprehensive Scheme Restructure (as the case may be), except where the Investment Mandate selects the Fund Cruiser under the Scheme, in certain specified circumstances as prescribed in the Principal Brochure, such Investment Mandate shall cease to have any effect to the extent that the automatic switching on the basis of the age of the relevant member under the Fund Cruiser of the Scheme shall cease.

2.1.5 The membership of a Member may be terminated by the Trustee only in accordance with the Rules of the Scheme and:

- (a) in the case of an Employee Member who is 18 years of age or over and below the Normal Retirement Age, with the written agreement of that Employee Member or the Employer of that Employee Member given not earlier than 60 days before the termination; or

- (b) in the case of an SEP Member or former SEP Member who is 18 years of age or over and below the Normal Retirement Age, with the written agreement of that SEP Member or former SEP Member given not earlier than 60 days before the termination.
- 2.1.6 The participation of an Employer may be terminated by the Trustee only in accordance with the Rules of the Scheme and with the written agreement of the Employer given not earlier than 60 days before the termination.
- 2.1.7 Notwithstanding 2.1.5 and 2.1.6, the Trustee may, to the extent permitted under the applicable legislation or under the direction of any regulatory or government body, terminate the participation of an Employer and membership of a Member, by giving notice to the Employer or Member in writing.
- 2.2 2.2.1 The Trustee must, within sixty (60) days after a person becomes a Member, provide the Member with a document containing the following information:
 - (a) a general description of the Scheme, including its terms and the fees and charges payable under the Scheme;
 - (b) particulars of the Constituent Funds; and
 - (c) the person, if any, designated by the Trustee as the contact person for the Scheme, either by name or by reference to the person's position or job description, and the means by which the person can be contacted.
- 2.2.2 In relation to an Employee Member, the Trustee may arrange to give to the Member's Employer the document referred to in Rule 2.2.1. In that case, that Employer must ensure that the document is given to the Employee Member within seven (7) Working Days after the Employer receives it.

3. CONTRIBUTIONS

S.7A(1)(a)/
(2)(a)

3.1 Mandatory Contributions

- (a) Except to the extent that such payment is not required by the MPFS Ordinance, every Employer shall pay to the Trustee, in respect of each Employee Member employed by it, for each contribution period after the Commencement Date, out of the Employer's own funds, a Mandatory Contribution required to be made by an employer (the "Employer's Mandatory Contribution") in respect of a relevant employee under Section 7A of the MPFS Ordinance. For the avoidance of doubt, notwithstanding that the Relevant Income of the Employee Member is below the Minimum Level of Relevant Income, the Employer of such Employee Member shall also be required to pay the Employer's Mandatory Contribution pursuant to this Rule 3.1(a).
- S.7A(3) (b) Subject to the MPFS Ordinance and the Regulation as may be amended from time to time, the Employer's Mandatory Contribution is equal to 5% (or such other percentage prescribed by the MPFS Ordinance or the Regulation from time to time) of the relevant Employee Member's Relevant Income for the relevant contribution period PROVIDED THAT if the relevant Employee Member's Relevant Income is more than the Maximum Level of Relevant Income, the Employer is not required to contribute in respect of the excess Relevant Income.
- S.10
- S.7A(1)(b)/
(2)(b) (c) Except to the extent that such payment is not required by the MPFS Ordinance, every Employer shall, in respect of each Employee Member employed by it and for each contribution period after the Commencement Date, deduct from the relevant Employee

Member's Relevant Income for that contribution period and pay to the Trustee a Mandatory Contribution required to be made by a relevant employee (the "Employee's Mandatory Contribution") under Section 7A of the MPFS Ordinance.

- S.7A(4) (d) Subject to the MPFS Ordinance and the Regulation, the Employee's Mandatory Contribution is equal to 5% (or such other percentage prescribed by the MPFS Ordinance or the Regulation from time to time) of the relevant Employee Member's Relevant Income for the relevant contribution period PROVIDED THAT:
- S.9 (i) an Employee Member whose Relevant Income is less than the Minimum Level of Relevant Income is not required to make an Employee's Mandatory Contribution; and
- S.10 (ii) an Employee Member whose Relevant Income is more than the Maximum Level of Relevant Income is not required to make an Employee's Mandatory Contribution in respect of the excess Relevant Income.
- R.122(3) (e) Every Employer shall, for each contribution period, pay the Employer's Mandatory Contribution and the Employee's Mandatory Contribution as referred to in Rules 3.1(a) and (c) to the Trustee in respect of each Employee Member employed by it on or before the Contribution Day or such other day as prescribed by the MPFS Ordinance or the Regulation from time to time.
- S.7B (f) Notwithstanding anything contained herein:
- (i) no Mandatory Contribution is required to be made in respect of an Employee Member (except in the case of a Casual Employee) who is employed by an Employer for less than 60 days;
- S.7A(7) (ii) an Employer shall not, in respect of each Employee Member employed by it and who is not a Casual Employee whose wage period:
- (A) is not more than 1 month, make a deduction under Rule 3.1(c) in respect of the relevant Employee Member's Relevant Income earned for any wage period that commences on or before the 30th day of that Employee's employment after the relevant time; or
- (B) is more than 1 month, make a deduction under Rule 3.1(c) in respect of the relevant Employee Member's Relevant Income earned for the period commencing from the relevant time and ending on the last day of the calendar month in which the 30th day of that Employee's employment after the relevant time falls.
- S.7C (g) Except to the extent that such payment is not required by the MPFS Ordinance, every SEP Member shall in accordance with the provisions of the Regulation, before the end of each contribution period, pay to the Trustee from his own funds a Mandatory Contribution required to be made by a Self-Employed Person (the "SEP Mandatory Contribution") under Section 7C of the MPFS Ordinance.
- S.7C (h) Subject to the MPFS Ordinance and the Regulation, the SEP Mandatory Contribution is equal to 5% (or such other percentage prescribed by the MPFS Ordinance or the Regulation from time to time) of the relevant SEP Member's Relevant Income for the relevant contribution period PROVIDED THAT:
- S.9 (i) a SEP Member whose Relevant Income is less than the Minimum Level of Relevant Income is not required to make a SEP Mandatory Contribution; and

S.10 (ii) a SEP Member whose Relevant Income is more than the Maximum Level of Relevant Income is not required to make a SEP Mandatory Contribution in respect of the excess Relevant Income.

(i) For the avoidance of doubt, Mandatory Contributions referred to in Rule 3.1 should be made only to the Trustee.

(j) For the purposes of Rules 3.1 and 3.2:

S.7A(10) "contribution period":

(a) in relation to an Employer of an Employee Member (not being a Casual Employee), means each period for which the Employer pays or should pay Relevant Income to the Employee Member, and includes such a period occurring within, or that coincides with, the first 60 days of employment after the relevant time;

(b) subject to the operation of Rule 18A.2, in relation to an Employee Member (not being a Casual Employee) whose wage period:

(i) is not more than 1 month, means each period for which the Employer pays or should pay Relevant Income to the Employee Member, but does not include any wage period commencing on or before the 30th day of employment after the relevant time;

(ii) is more than 1 month, means each period for which the Employer pays or should pay Relevant Income to the Employee Member, but does not include the period commencing from the relevant time and ending on the last day of the calendar month in which the 30th day of employment after the relevant time falls;

(c) in relation to an Employer and an Employee Member who is a Casual Employee, means each period for which the Employer pays or should pay Relevant Income to the Employee Member;

R.131 (d) in relation to a SEP Member who contributes to the Scheme on a yearly basis, means the year that coincides with each Financial Year; and

(e) in relation to a SEP Member who contributes to the Scheme on a monthly basis, means each period commencing on the day in each month specified by the relevant SEP Member in a written notice to the Trustee as the commencing day and ending on:

(i) the day before the corresponding day in the following month; or

(ii) if there is no corresponding day in the following month or if the commencing day is the last day of a month, the last day of the following month;

or has such other meaning as may be given to it under the MPFS Ordinance or the Regulation;

S.7(3) "relevant time" means

(i) in the case of an Employer who is employing an Employee Member at the commencement of Section 7 of the MPFS Ordinance, the time of that commencement; and

- (ii) in the case of an Employer who enters into a contract of employment with an Employee Member after that commencement, the beginning of the date on which the employment begins.

or has such other meaning as may be given to it under the MPFS Ordinance or the Regulation; and

"wage period", in relation to an Employee Member and his Employer, means the period for which the Employee Member is paid, or should be paid, Relevant Income by the Employer; or has such other meaning as may be given to it in the MPFS Ordinance.

3.2 Voluntary Contributions

S.11

- (a) Subject to the provisions of the relevant Participation Agreement, every Employer may, in respect of each Employee Member employed by it, elect to pay to the Trustee out of the Employer's own funds,

- (i) for each contribution period after the Commencement Date; or

- (ii) in a lump sum during any contribution period after the Commencement Date,

a Voluntary Contribution (the "Employer's Voluntary Contribution") under Section 11 of the MPFS Ordinance.

- (b) (i) If an Employer elects to pay an Employer's Voluntary Contribution as referred to in Rule 3.2(a)(i) in respect of the Employee Members employed by such Employer, the Employer shall specify the amount of the Employer's Voluntary Contribution in the Application Form for each relevant contribution period and incorporate a relevant provision in the Participation Agreement, which amount shall be equal to any one of the following (the "Employer's Voluntary Contribution Rate"):

- (aa) a specified percentage of the Employee Member's Relevant Income or Basic Salary (whether or not adjustment shall be made for the Mandatory Contribution referred to in Rule 3.1(a));

- (ab) a specified percentage of the part of the Employee Member's Relevant Income which exceeds the Maximum Level of Relevant Income, if any; or

- (ac) any other specified percentage or defined amount or formula set out by the Employer, subject to the consent of the Trustee or any restrictions or limitations as the Trustee may impose from time to time.

PROVIDED THAT the Employer shall pay the Employer's Voluntary Contribution to the Trustee in respect of the relevant Employee Member on or before the Contribution Day of such contribution period and at the same time when Mandatory Contributions made by or in respect of the Employee Member under Rule 3.1(a) are paid to the Trustee, or if no such Mandatory Contribution is required to be made by the Employer, on a specified day of each contribution period as set out in the Participation Agreement (or in such other notification as the Trustee may approve).

(ii) If an Employer elects to pay an Employer's Voluntary Contribution in a lump sum as referred to in Rule 3.2(a)(ii) in respect of the Employee Members employed by such Employer, the Employer shall specify in the Application Form the lump sum amount of the Employer's Voluntary Contribution and the contribution period in which the lump sum amount shall be paid and incorporate a relevant provision in the Participation Agreement.

S.11

(c) Subject to the provisions of the relevant Participation Agreement, every Employee Member may elect to pay to the Trustee,

(i) for each contribution period after the Commencement Date; or

(ii) in a lump sum during any contribution period after the Commencement Date,

a Voluntary Contribution out of the Employee Member's Relevant Income (the "Employee's Voluntary Contribution") under Section 11 of the MPFS Ordinance.

R.59

(d) (i) If an Employee Member elects to pay an Employee's Voluntary Contribution as referred to in Rule 3.2(c)(i), he shall notify his Employer and the Trustee in writing of the amount of the Employee's Voluntary Contribution for each relevant contribution period which amount shall be equal to any one of the following (the "Employee's Voluntary Contribution Rate"):

(aa) a specified percentage of the Employee Member's Relevant Income or Basic Salary; (whether or not adjustment shall be made for the Mandatory Contribution referred to in Rule 3.1(c))

(ab) a specified percentage of the part of the Employee Member's Relevant Income which exceeds the Maximum Level of Relevant Income, if any; or

(ac) any other specified percentage or defined amount or formula advised to the Trustee in writing by the Employee Member, subject to the consent of the Trustee or any restrictions or limitations as the Trustee may impose from time to time.

PROVIDED THAT the Employee Member must arrange to give any written instructions in relation to the Employee's Voluntary Contribution Rate to the Trustee through his Employer but such written instructions must be signed by the Employee Member. Notwithstanding that, the Trustee may accept an Investment Mandate given by an Employee Member in such other manner as the Trustee may consider appropriate.

(ii) If an Employee Member elects to pay an Employee's Voluntary Contribution in a lump sum as referred to in Rule 3.2(c)(ii), he shall notify his Employer and the Trustee in writing of the lump sum amount of the Employee's Voluntary Contribution and the contribution period in which the lump sum amount shall be paid.

R.33(2)

(e) If an Employee Member elects to pay an Employee's Voluntary Contribution as referred to in Rule 3.2(c), his Employer shall deduct the Employee's

Voluntary Contribution from the relevant Employee Member's Relevant Income for each relevant contribution period and pay the Employee's Voluntary Contribution to the Trustee on or before the Contribution Day of each contribution period and at the same time when Mandatory Contributions made by and in respect of the Employee Member under Rule 3.1(c) are paid to the Trustee, or if no such Mandatory Contribution is required to be made by the Employee Member, on a specified day of each contribution period as set out in the Participation Agreement (or in such other notification as the Trustee may approve).

- (f) An Employer may change the Employer's Voluntary Contribution Rate in respect of any Employee Member and an Employee Member may change his Employee's Voluntary Contribution Rate PROVIDED THAT unless otherwise agreed with the Trustee:
 - (i) changes to the Employer's Voluntary Contribution Rate and to the Employee's Voluntary Contribution Rate must take effect on the same date;
 - (ii) the Trustee must be given at least one (1) month's (or such shorter notice as agreed by the Trustee) prior written notice of any changes to the Employer's Voluntary Contribution Rate or the Employee's Voluntary Contribution Rate;
 - (iii) the Employer will give at least three (3) months' prior written notice (or such shorter notice as agreed by the Trustee) to the relevant Employee Member of any changes to the Employer's Voluntary Contribution Rate;
 - (iv) any notice in relation to changes to Employee's Voluntary Contribution Rate must either be (1) signed by the relevant Employee Member and given to the Trustee through the Employee Member's Employer; or (2) given to the Trustee in such other manner as the Trustee considers appropriate;
 - (v) any notice for changes to the Employer's Voluntary Contribution Rate and changes to the Employee's Voluntary Contribution Rate must be given to the Trustee at the same time; and
 - (vi) the Trustee shall be entitled to require the Employer and the Employee Member to execute any document or give any confirmation as may be prescribed by the Trustee from time to time to confirm the above changes before the changes take effect.
- (g) Every SEP Member may elect to pay to the Trustee, for each contribution period after the Commencement Date, a Voluntary Contribution (the "SEP Voluntary Contribution") under Section 11 of the MPFS Ordinance.
- (h) If a SEP Member elects to pay a SEP Voluntary Contribution, he shall give the Trustee at least one (1) month prior written notice (or such shorter notice as agreed by the Trustee) in a form prescribed by the Trustee of the amount of the SEP Voluntary Contribution. The SEP Voluntary Contribution for each contribution period must be paid to the Trustee on or before the relevant Contribution Day and at the same time when Mandatory Contributions of the SEP Member under Rule 3.1(g) are paid to the Trustee, or if no such Mandatory Contribution is required to be made by the SEP Member, on such days as

specified by the SEP Member in the Application Form. The SEP Voluntary Contribution made by a SEP Member shall be credited to the SEP Member's Voluntary Sub-Account of that SEP Member.

- (i) A SEP Member may change the SEP Voluntary Contribution PROVIDED THAT unless otherwise agreed with the Trustee, one (1) month (or such shorter notice as agreed by the Trustee) prior notice in writing for that change has been given to the Trustee.
- (j) Notwithstanding 3.2(a) to 3.2(i) above, the Trustee may reject any application from employers, employees or self-employed persons to participate in the Scheme and/or reject any payment of voluntary contributions.

3.2A Special Contributions

The Trustee may exercise any discretion or power conferred by this Deed in relation to any Special Contribution, PROVIDED THAT such Special Contribution shall be dealt with in accordance with the MPFS Ordinance and the Regulation. The Trustee shall be entitled to take such actions as may be required under the MPFS Ordinance or the Regulation in relation to Special Contributions, including but not limited to the provision of information, and shall not incur any liability to any Employer or Member or any other person as a result of so doing, unless expressly provided for in this Deed or under applicable laws.

3.2B Special Private Contributions (SPCs)

- (a) Subject to such conditions and restrictions as the Trustee may impose, whether generally or in a particular case, a SPA Member may make SPCs to the Scheme. Upon submitting an Application Form in respect of making SPCs to the Scheme, a SPA Member shall make SPCs in accordance with such Application Form and may continue to make SPCs to the Scheme by virtue of being a SPA Member.
- (b) Subject to applicable laws and regulations, SPCs shall be made (i) in such manner as indicated on the Application Form or as otherwise specified by the Trustee from time to time; and (ii) as a result of the transfer of special private contributions or similar types of contributions from the Basic Scheme and Comprehensive Scheme to the Trustee pursuant to the Basic and Comprehensive Scheme Restructure.
- (c) A SPA Member may change the way in which SPCs shall be paid (including the frequency and amount of regular SPCs) by giving one month's prior notice (or such other period as the Trustee may agree) in writing (in a specified form).
- (d) Without prejudice to the generality of the foregoing, if a SPA Member is permitted to make a SPC under this Rule 3.2B, the Trustee may specify the minimum amount (as may be determined by the Trustee from time to time) below which a SPC may not be made. Where the Trustee determines that any conditions or requirements in relation to SPCs shall be changed, one month's prior notice in writing shall be given to relevant SPA Members.
- (e) The SPCs made by a SPA Member shall be credited to the SPA Member Special Private Account of that SPA Member unless otherwise determined by the Trustee.
- (f) Notwithstanding the foregoing, the Trustee reserves the right not to accept any payment of SPCs at any time by giving to the relevant SPA Members fourteen days' prior notice in writing.

3.2C TVC

- (a) A TVC Member may, subject to the appropriate provisions of the MPFS Ordinance and the Regulation, contribute to the Scheme in such manner, at such times and on such terms as the TVC Member may agree with the Trustee from time to time. Such TVC shall immediately vest in the TVC Member.
- (b) Notwithstanding any other provisions of this Deed, the Trustee may reject all or part of the TVC otherwise payable by a TVC Member without providing reasons.
- (c) Any refund of any contributions rejected under Rule 3.2C(b) shall be made in such manner and at such time (which in any event shall not exceed [45] days of receipt of any such contributions unless for some exceptional regulatory reasons the Trustee is unable to effect a refund within such timeframe) as the Trustee may consider appropriate.
- (d) No interest is payable on any contributions refunded under Rule 3.2C(c)

R.36

3.3

- 3.3.1 A Member may submit to the Trustee an Investment Mandate at the time when the application for membership of the Scheme is made, in which case, the Subscription Monies of the Member shall be invested in accordance with such Investment Mandate and the provisions of this Deed.
- 3.3.2 If the Member fails to submit to the Trustee an Investment Mandate under Rule 3.3.1 (whether due to his failure to submit an Investment Mandate or his submitting an instruction not meeting the requirements for an Investment Mandate), the Trustee may at any time in its sole discretion use any of the Subscription Monies to acquire Units in the Default Investment Strategy PROVIDED THAT,
 - (i) the Trustee shall as soon as reasonably practicable notify the Member concerned of such acquisition and request him to provide an Investment Mandate; and
 - (ii) if the Trustee subsequently receives an Investment Mandate from the relevant Member concerned, the Trustee shall implement such Investment Mandate with respect to the future contributions of the Member within fourteen (14) Business Days of such receipt and no handling fee as provided in Clause 13.5.2 shall be imposed.
- 3.3.2.A A Notwithstanding Rules 3.3.1 and 3.3.2, any Investment Mandate given under this Rule shall be subject to the operation of Appendix 1.
- 3.3.3 A Member is entitled to change his Investment Mandate by submitting a new Investment Mandate to the Trustee PROVIDED ALWAYS THAT a Member shall be entitled to apply, through an Investment Mandate, 100 per cent of the Subscription Money to acquire Units of any Constituent Fund.
- 3.3.4 For the purposes of Rules 3.3.1 and 3.3.2 and subject to Clause 3.3.5, each of the Employee Members must arrange to forward his Investment Mandate to the Trustee through his Employer but the Investment Mandate must be completed and signed by the relevant Employee Member.

3.3A Subject to the provisions specified in the sub-section "***Circumstances for accrued benefits to be invested in the DIS***" of the DIS Section in the Principal Brochure, each Member may elect to invest contributions in either one of the following combinations:

- (i) invest in the Age 65 Plus Fund and/or the Core Accumulation Fund according to the Default Investment Strategy, as supplemented in the Principal Brochure; or
 - (ii) invest in the "Fund Cruiser" as specified in section 4.8 of the Principal Brochure; or
 - (iii) invest in any Constituent Fund, including without limitation the Age 65 Plus Fund and the Core Accumulation Fund, in such proportion as the Member may determine, provided that investments in the Age 65 Plus Fund and the Core Accumulation Fund shall not be subject to the Default Investment Strategy.
- 3.3B
- (i) Any de-risking under the Default Investment Strategy in respect of a Member will generally take place on the birthday of that Member, subject to the provisions specified in the sub-section "*De-risking of the DIS*" of the DIS Section in the Principal Brochure.
 - (ii) Any switching in and out of the Default Investment Strategy will be subject to the provisions specified in the section "*Switching in and out of the DIS*" of the DIS Section in the Principal Brochure.
- 3.3C Notwithstanding Rule 3.3A:
- (i) in respect of a Member whose age the Trustee is not aware of, the Trustee must invest the Accrued Benefits of the Member solely in the Age 65 Plus Fund;
 - (ii) in respect of an account of a Member which set up on or before the DIS Effective Date which is not subject to the Default Investment Arrangement per (ii) of the sub-section "*Circumstances for accrued benefits to be invested in the DIS*" of the DIS Section in the Principal Brochure, then, notwithstanding any other provisions of this Deed, that account shall be treated in accordance with (ii) of the sub-section "*Circumstances for accrued benefits to be invested in the DIS*" of the DIS Section in the Principal Brochure.
- 3.4 The Trustee shall as soon as reasonably practicable after the Subscription Money in cleared funds has been received, reconciled and validated by the Trustee, deduct any sums which may be deducted therefrom in accordance with the terms of this Deed. The Trustee shall retain such cleared funds in an interest-bearing account until the acquisition of Units of the Constituent Fund in accordance with the provisions of this Rule 3 on the relevant Dealing Day and the interest generated therefrom shall be retained as income of the Scheme or for the payment of any administrative expenses of the Scheme for the benefits of the Members. The Trustee shall then apply the remaining balance to acquire Units of the Constituent Fund in accordance with the provisions of this Rule 3. Units shall be acquired by converting the monetary value of the Subscription Money to Units of the relevant Constituent Fund at the Issue Price of such Constituent Fund as at the Dealing Day as soon as reasonably practicable after the Subscription Money in cleared funds has been received, reconciled and validated by the Trustee.
- The Units acquired shall be rounded down to 4 decimal places or such other number of decimal places as the Trustee may determine from time to time and be credited to the relevant Contribution Account, TVC Account, Personal Account or SPA Member Special Private Account and the respective sub-accounts of such Contribution Account, TVC Account, Personal Account or SPA Member Special Private Account, as the case may be.
- 3.5 At the request of an Employer, the Trustee may accept a transfer of payment (whether in cash or assets in specie or a combination of both) from the Employer's existing occupational retirement scheme and the Trustee shall in accordance with the Mandatory Provident Fund Schemes (Exemption) Regulation and/or the Regulation regard such payment as a Mandatory

Contribution and/or Voluntary Contribution so far as the relevant Participating Plan is concerned. The Employer shall give instructions to the Trustee as to how such transfer payment should be allocated to the Employer's Mandatory Sub-Account, Employee's Mandatory Sub-Account, Employee's Mandatory Transfer Sub-Account, Employer's Voluntary Sub-Account, Employee's Voluntary Sub-Account, Employer's Voluntary Transfer Sub-Account or any other sub-account of the respective Employee Members of the relevant Participating Plan. The Trustee shall have no obligation to inquire into the appropriateness or accuracy of the allocation, basis of allocation or any other matter in relation to the portion of transfer payment specified by the Employer to be allocated to the Employer's Mandatory Sub-Account, Employee's Mandatory Sub-Account, Employee's Mandatory Transfer Sub-Account, Employer's Voluntary Sub-Account, Employee's Voluntary Sub-Account, Employer's Voluntary Transfer Sub-Account or any other sub-account of the respective Employee Members of the relevant Participating Plan. Unless an Investment Mandate in respect of such transfer payment has been submitted to the Trustee by the Member concerned, the Trustee may at any time in its sole discretion use any such transfer payment to acquire Units in accordance with Rule 3.3.2 PROVIDED THAT,

- (i) the Trustee shall as soon as reasonably practicable notify the Member concerned of such acquisition and request him to provide an Investment Mandate; and
- (ii) if the Trustee subsequently receives an Investment Mandate in respect of the transfer payment from the relevant Member concerned, the Trustee shall implement such Investment Mandate with respect to the future transfer payments of the Member within fourteen (14) Business Days of such receipt and no handling fee as provided in Clause 13.5.2 shall be imposed.

3.5A Notwithstanding Rule 3.5, any Investment Mandate given under this Rule shall be subject to the operation of Appendix 1.

3.6 The amount of any contribution otherwise required to be made by an Employer may be offset against any amount standing to the credit of the Forfeitures Account of the relevant Participating Plan.

3.7 All contributions made in accordance with the Rules 3.1 and 3.2 above shall, unless the Trustee otherwise agrees, be paid in Hong Kong and in Hong Kong dollars.

4. ACCOUNTS

4.1 The Trustee shall in respect of each Employee Member arrange for the Employee Member's Contribution Account to be divided into the following sub-accounts:

- (a) "Employer's Mandatory Sub-Account" – specifying
 - (i) the contributions paid in respect of the Employee Member by the Employee Member's current Employer as Mandatory Contributions;
 - (ii) any contribution surcharges paid by the Employee Member's Employer on arrears if the Relevant Income of the Employee Member is less than the Minimum Level of Relevant Income and such Employee Member does not have an Employee's Mandatory Sub-Account;
 - (iii) the Employee Member's Minimum MPF Benefits (if any), to which Section 5(1) of Schedule 2 to the Exemption Regulation applies, transferred to the Scheme which are attributable to the current Employer's contributions;

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- (iv) the income or profits arising from any investments of the contributions, surcharges and benefits mentioned in any of the sub-paragraphs (i), (ii) and (iii), but taking into account any losses in respect thereof
- (b) "Employee's Mandatory Sub-Account" – specifying
- (i) the Employee Member's contributions paid by the Employee Member's current Employer on behalf of the Employee Member as Mandatory Contributions;
 - (ii) any contribution surcharges paid by the Employee Member's Employer on arrears if
 - (A) the Relevant Income of the Employee Member is not less than the Minimum Level of Relevant Income;
 - (B) the contributions have been made under sub-paragraph (i) in respect of the Employee Member; or
 - (C) the Minimum MPF Benefits have been transferred under sub-paragraph (iii) in respect of the Employee Member;
 - (iii) the Employee Member's Minimum MPF Benefits (if any), to which Section 5(1) of Schedule 2 to the Exemption Regulation applies, transferred to the Scheme which are attributable to the Employee Member's contributions of the current employment;
 - (iv) the income or profits arising from any investments of the contributions, surcharges and benefits mentioned in any of the sub-paragraphs (i), (ii) and (iii), but taking into account any losses in respect thereof;
- (c) "Employee's Mandatory Transfer Sub-Account" – specifying
- (i) all Mandatory Contributions paid by or in respect of the Employee Member that are attributable to the Employee Member's former employments or former self-employments and transferred to the Employee Member's Contribution Account in accordance with Part XII of the Regulation, and any contribution surcharges paid in respect of any such Mandatory Contributions;
 - (ii) the Employee Member's Minimum MPF Benefits (if any), to which Section 5(1) of Schedule 2 to the Exemption Regulation applies, transferred to the Scheme which are attributable to his former employments;
 - (iia) all Mandatory Contributions paid by or in respect of the Employee Member that are attributable to the Employee Member's former employments or former self-employments, and any contribution surcharges paid in respect of any such Mandatory Contributions, other than Mandatory Contributions or contribution surcharges mentioned in subparagraph (i) or (ii);
 - (iii) the income or profits arising from any investments of the contributions, surcharges and benefits mentioned in any of the sub-paragraphs (i), (ii) and (iia), but taking into account any losses in respect thereof;
 - (iv) the Special Contributions (if any) paid in respect of the Employee Member and the income or profits arising from any investments of those contributions, but taking into account any losses in respect thereof;
- (d) "Employer's Voluntary Sub-Account" – specifying

- (i) the Voluntary Contributions (if any) paid in respect of the Employee Member by the Employee Member's current Employer;
 - (ii) the amount (other than Minimum MPF Benefits to which Section 5(1) of Schedule 2 to the Exemption Regulation applies), if any, transferred to the Scheme in respect of the Employee Member from an ORSO Exempted Scheme or an ORSO Registered Scheme which are attributable to the current Employer's contributions
 - (iii) the income or profits arising from any investments of the contributions and amount mentioned in any of the sub-paragraphs (i) and (ii), but taking into account any losses in respect thereof;
- (e) "Employee's Voluntary Sub-Account" – specifying
- (i) the Voluntary Contributions (if any) paid by the Employee Member while employed by the Employee Member's current Employer;
 - (ii) the amount (other than Minimum MPF Benefits to which Section 5(1) of Schedule 2 to the Exemption Regulation applies), if any, transferred to the Scheme in respect of the Employee Member from an ORSO Exempted Scheme or an ORSO Registered Scheme which are attributable to the Employee Member's contributions of the current employment;
 - (iii) the income or profits arising from any investments of the contributions and amount mentioned in any of the sub-paragraphs (i) and (ii), but taking into account any losses in respect thereof;
- (f) "Employer's Voluntary Transfer Sub-Account" - specifying
- (i) all Voluntary Contributions paid by the Employer of the Employee Member that are attributable to the Employee Member's former employments and transferred to the Employee Member's Contribution Account;
 - (ia) all Voluntary Contributions paid by the Employer of the Employee Member that are attributable to the Employee Member's former employments, other than Voluntary Contributions mentioned in subparagraph (i);
 - (ii) the amount (other than Minimum MPF Benefits to which Section 5(1) of Schedule 2 to the Exemption Regulation applies), if any, transferred to the Scheme in respect of the Employee Member from an ORSO Exempted Scheme or an ORSO Registered Scheme which are attributable to the Voluntary Contributions made by the employer of the Employee Member under the former employments;
 - (iii) the income or profits arising from any investments of the contributions mentioned in sub-paragraph (i), (ia) and (ii), but taking into account any losses in respect thereof;
- (g) "Employee's Voluntary Transfer Sub-Account" – specifying
- (i) all Voluntary Contributions paid by the Employee Member that are attributable to the Employee Member's former employments or former self-employments and transferred to the Employee Member's Contribution Account;

- (ia) all Voluntary Contributions paid by the Employee Member that are attributable to the Employee Member's former employments or former self-employments, other than Voluntary Contributions mentioned in subparagraph (i);
 - (ii) the amount (other than Minimum MPF Benefits to which Section 5(1) of Schedule 2 to the Exemption Regulation applies), if any, transferred to the Scheme in respect of the Employee Member from an ORSO Exempted Scheme or an ORSO Registered Scheme which are attributable to the Employee Member's Voluntary Contributions under the former employments;
 - (iii) the income or profits arising from any investments of the contributions and amount mentioned in any of the sub-paragraphs (i), (ia) and (ii), but taking into account any losses in respect thereof;
- (h) such any other sub-account as the Trustee shall consider appropriate or necessary.
- 4.1A Where Rules 18A.1 and 18A.2 are applicable in the case of an Employer and an Employee Member, then, for the purposes of that case:
- (a) any reference to "current Employer" in Rule 4.1(a), (b), (d) or (e) shall include the previous employer mentioned in Rule 18A.1;
 - (b) any reference to "current employment" in Rule 4.1(b) or (e) shall include employment with the previous employer mentioned in Rule 18A.1;
 - (c) any reference to "former employments" in Rule 4.1(c), (f) or (g) shall not include employment with the previous employer mentioned in Rule 18A.1;
 - (d) any reference to "former employer" in Rule 4.1(c), (f) or (g) shall not include the previous employer mentioned in Rule 18A.1.
- R.78(7) 4.2 The Trustee shall in respect of each SEP Member arrange for the SEP Member's Contribution Account to be divided into the following sub-accounts:
- (a) "SEP Member's Mandatory Sub-Account" – specifying
 - (i) the SEP Member's Mandatory Contributions paid by the SEP Member while self-employed, any contribution surcharges paid by the SEP Member on arrears, and the income or profits arising from any investments of those contributions and surcharges, but taking into account any losses in respect thereof;
 - (b) "SEP Member's Mandatory Transfer Sub-Account" – specifying
 - (i) all Mandatory Contributions paid by or in respect of the SEP Member that are attributable to the SEP Member's former employments or former self-employments and transferred to the SEP Member's Contribution Account in accordance with Part XII of the Regulation, and any contribution surcharges paid in respect of any such Mandatory Contributions;
 - (ii) the SEP Member's Minimum MPF Benefits (if any), to which Section 5(1) of Schedule 2 to the Exemption Regulation applies, transferred to the Scheme;
 - (ia) all Mandatory Contributions paid by or in respect of the SEP Member that are attributable to the SEP Member's former employments or former self-employments, and any contribution surcharges paid in respect of any such

Mandatory Contributions, other than Mandatory Contributions or contribution surcharges mentioned in subparagraph (i) or (ii);

- (iii) the income or profits arising from any investments of the contributions, surcharges and benefits mentioned in any of the sub-paragraphs (i), (ii) and (iia), but taking into account any losses in respect thereof;
- (iv) the Special Contributions (if any) paid in respect of the SEP Member and the income or profits arising from any investments of those contributions, but taking into account any losses in respect thereof;
- (c) "SEP Member's Voluntary Sub-Account" – specifying the Voluntary Contributions (if any) paid by the SEP Member while self-employed and the income or profits arising from any investments of those contributions, but taking into account any losses in respect thereof;
- (d) "SEP Member's Voluntary Transfer Sub-Account" – specifying
 - (i) all Voluntary Contributions paid by or in respect of the SEP Member and transferred to the SEP Member's Contribution Account;
 - (ia) all Voluntary Contributions paid by or in respect of the SEP Member that are attributable to the SEP Member's former employments or former self-employments, other than Voluntary Contributions mentioned in subparagraph (i);
 - (ii) the amount (other than Minimum MPF Benefits to which Section 5(1) of Schedule 2 to the Exemption Regulation applies), if any, transferred to the Scheme in respect of the SEP Member from an ORSO Exempted Scheme or an ORSO Registered Scheme;
 - (iii) the SEP Member's income or profits arising from any investments of the contributions and amount mentioned in any of the sub-paragraphs (i), (ia) and (ii), but taking into account any losses in respect thereof;
- (e) such any other sub-account as the Trustee shall consider appropriate or necessary.

R.78(8) 4.3 In the case of a Member who holds a Personal Account in the Scheme, the Trustee shall arrange for the Member's Personal Account to be divided into the following sub-accounts:

- (a) "Mandatory Personal Sub-Account" – specifying
 - (i) all Mandatory Contributions paid by or in respect of the Personal Account Member that are attributable to the Personal Account Member's current employments or former employments or former self-employments and transferred to the Personal Account Member's Personal Account in accordance with Part XII of the Regulation, and any contribution surcharges paid in respect of any such Mandatory Contributions;
 - (ii) the Personal Account Member's Minimum MPF Benefits (if any), to which Section 5(1) of Schedule 2 to the Exemption Regulation applies, transferred to the Scheme;
 - (iia) all Mandatory Contributions paid by or in respect of the Personal Account Member that are attributable to the Personal Account Member's former employments or former self-employments, and any contribution surcharges

paid in respect of any such Mandatory Contributions, other than Mandatory Contributions or contribution surcharges mentioned in subparagraph (i) or (ii);

- (iii) the income or profits arising from any investments of the contributions, surcharges and benefits mentioned in any of the sub-paragraphs (i), (ii) and (ia), but taking into account any losses in respect thereof;
 - (iv) the Special Contributions (if any) paid in respect of the Personal Account Member and the income or profits arising from any investments of those contributions, but taking into account any losses in respect thereof;
- (b) "Voluntary Personal Sub-Account" – specifying
- (i) all Voluntary Contributions paid by or in respect of the Personal Account Member and transferred to the Personal Account Member's Personal Account;
 - (ia) all Voluntary Contributions paid by or in respect of the Personal Account Member that are attributable to the Personal Account Member's former employments or former self-employments, other than Voluntary Contributions mentioned in subparagraph (i);
 - (ii) the amount (other than Minimum MPF Benefits to which Section 5(1) of Schedule 2 to the Exemption Regulation applies), if any, transferred to the Scheme in respect of the Personal Account Member from an ORSO Exempted Scheme or an ORSO Registered Scheme;
 - (iii) the Personal Account Member's income or profits arising from any investments of the contributions and amount mentioned in any of the sub-paragraphs (i), (ia) and (ii), but taking into account any losses in respect thereof;
- (c) such any other sub-account as the Trustee shall consider appropriate or necessary.

4.4 The Trustee shall in respect of each SPA Member arrange for the SPA Member's SPA Member Special Private Account to be kept and to specify:

- (i) all SPCs paid by or in respect of the SPA Member;
- (ii) the SPA Member's income or profits arising from any investments of the contributions and account mentioned in sub-paragraph (i) above, but taking into account any losses in respect thereof;

PROVIDED THAT the Trustee may create and keep SPCs in any other sub-account(s) as the Trustee shall from time to time consider appropriate or necessary.

4.5 The Trustee shall in respect of each TVC Member arrange for the TVC Member's TVC Account to be kept and to specify:

- (a) all TVC paid by the TVC Member;
- (b) any accrued benefits transferred to the Scheme under Rule 6;
- (c) any amount transferred from the Scheme to another Registered Scheme in accordance with Rule 18, and any amounts paid to or in respect of the TVC Member; and
- (d) the TVC Member's income or profits arising from any investments of the amounts mentioned in sub-paragraphs (a) and (b) above, but taking into account any losses in respect thereof.

5. TEMPORARY ABSENCE

5.1 Subject to the provisions of the Participation Agreement, if an Employee Member is temporarily absent from work for the following reasons:

- (i) service with the approval of the Employer in any of the naval, military or air forces of the government or other government or other organisation of national importance; or
- (ii) absence due to ill-health, pregnancy or accident not exceeding 12 months prior to termination of the employment by the Employer in accordance with the terms and conditions of employment; or
- (iii) leave of absence for the purposes of attending a course of studies at a university, college or other educational institutions or enabling a Member to obtain any professional, academic or other qualification or absence due to other special circumstances, in every case for such period as the Employer may approve;

the Employee Member's employment shall be deemed not to be interrupted and accordingly to be continuous. The Employee Member's Years of Service shall be deemed to include the approved period of absence PROVIDED THAT if at the expiration of an approved period an Employee Member has not returned to work his employment will be deemed to have terminated at the date such approved period of absence expired except that in the case of an Employee Member having reached Normal Retirement Age during such period of approved absence, he shall be deemed to have retired at the date he reached Normal Retirement Age.

5.2 Subject to the provisions of the Participation Agreement, if an Employee Member is temporarily absent from work for any reason other than those set out in Rule 5.1 and the Employer and the Employee Member are not required under the MPFS Ordinance or other applicable law and regulations to make contributions to the Scheme during the period of temporary absence, the Employee Member may choose to continue to contribute to the Scheme at the rate prescribed in the Rules. The Employee Member's Employer may at his sole discretion agree that the Employee Member's Years of Service shall continue to accumulate during the period of temporary absence. Notwithstanding that the Employee Member chooses to continue to contribute to the Scheme during the absence period, the Employer shall not be obliged to make any contribution unless the relevant Participation Agreement so specifies.

6. TRANSFER INTO THE SCHEME

R.145
R.34 6.1 Subject to applicable law and regulations, at the request of a Member, the Trustee may accept a transfer payment (whether in cash or assets in specie or a combination of both, and whether from within Hong Kong or from a pension arrangement overseas) from any scheme or arrangement of which a Member is or was a member. Any such transfer payment will be held by the Trustee in the relevant Contribution Account, TVC Account or Personal Account of that Member.

R.145(1)
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R.147(1) 6.2 Without limiting the generality of Rule 6.1, an employee who was formerly a member of an employer sponsored scheme (referred to in Rule 6 as "Former Employer Sponsored Scheme"), a member of another master trust scheme (referred to in Rule 6 as a "Former Master Trust Scheme") or a member of an industry scheme (referred to in Rule 6 as a "Former Industry Scheme") may upon cessation of employment, join the Scheme as a Personal Account Member by submitting a Transfer Notice to the Trustee requesting the Trustee to accept a transfer of his accrued benefits from the Former Employer Sponsored Scheme, the Former Master Trust Scheme or the Former Industry Scheme concerned and to hold such accrued benefits in the Personal Account Member's Mandatory Personal Sub-Account and/or Voluntary Personal Sub-

Account in such proportion as specified by the Personal Account Member in the Transfer Notice.

R.148 6.3 Without limiting the generality of Rule 6.1, a self-employed person who was formerly a member of a Former Master Trust Scheme or a Former Industry Scheme, may at any time, join the Scheme as a Personal Account Member by submitting a Transfer Notice to the Trustee requesting the Trustee to accept a transfer of his accrued benefits from the Former Master Trust Scheme or the Former Industry Scheme concerned and to hold such accrued benefits in the Personal Account Member's Mandatory Personal Sub-Account and/or Voluntary Personal Sub-Account in such proportion as specified by the Personal Account Member in the Transfer Notice.

R.145(8) 6.4 In the event that a member of a Former Employer Sponsored Scheme fails to make an election as to which scheme his accrued benefits should be transferred within three (3) months after the approved trustee of the Former Employer Sponsored Scheme concerned has been notified that such member had ceased to be employed by his former employer, the Transfer Notice referred to in Rule 6.2 may be completed and given by the approved trustee of the Former Employer Sponsored Scheme.

6.5 The Trustee shall have no obligation to inquire into the appropriateness or accuracy of the proportion specified in a Transfer Notice as to the respective proportion of the accrued benefits to be held in the Personal Account Member's Mandatory Personal Sub-Account and the Voluntary Personal Sub-Account.

6.5A Without limiting the generality of Rule 6.1, a person who has accrued benefits in a master trust scheme, an employer-sponsored scheme or an industry scheme may, in accordance with Part XII of the Regulation, join the Scheme as a TVC Member or a Personal Account Member and/or request the Trustee to accept a transfer of his accrued benefits from the master trust scheme, employer-sponsored scheme or an industry scheme concerned and hold such accrued benefits in the Member's relevant accounts and sub-accounts in the Scheme correspondingly, by submitting a Transfer Notice to the Trustee.

6.5B Notwithstanding the foregoing, the Trustee may in its discretion refuse any amounts in respect of SPCs to be transferred to the Scheme.

R.34 6.6 For the avoidance of doubt, no fees will be charged for transferring the accrued benefits of the Member to the Scheme other than amounts representing the necessary transaction costs as permitted under section 34 of the Regulation and the relevant guidelines issued by the MPF Authority.

R.155 6.7 Upon receipt of any accrued benefits transferred into the Scheme in accordance with this Rule 6, the Trustee, must, as soon as reasonably practicable after receiving those benefits, give to the relevant Member a written notice confirming the transfer and stating the amount (expressed in monetary terms) of those benefits.

7. VESTING OF BENEFITS

S.12 7.1 Each Employee Member shall be fully vested at all times with the balance of his:

- (a) Employer's Mandatory Sub-Account;
- (b) Employee's Mandatory Sub-Account;
- (c) Employee's Mandatory Transfer Sub-Account;
- (d) Employee's Voluntary Sub-Account; and

- (e) Employee's Voluntary Transfer Sub-Account;
- 7.2 The balances of the Employer's Voluntary Sub-Account and Employer's Voluntary Transfer Sub-Account of each Employee Member shall be vested in the Employee Member in accordance with the respective vesting scales and other terms as set out in the relevant Participation Agreement. Subject to the provisions of the relevant Participation Agreement, each Employee Member shall become fully vested with the balances of his Employer's Voluntary Sub-Account and his Employer's Voluntary Transfer Sub-Account on the first to happen of his:
- (a) attaining Normal Retirement Age;
 - (b) attaining Early Retirement Age and the conditions in a Rule 9 are met;
 - (c) termination of employment due to Total Incapacity and the conditions in Rule 12 are met; and
 - (d) death.
- 7.3 Each SEP Member shall be fully vested at all times with the balance of his:
- (a) SEP Member's Mandatory Sub-Account;
 - (b) SEP Member's Mandatory Transfer Sub-Account;
 - (c) SEP Member's Voluntary Sub-Account;
 - (d) SEP Member's Voluntary Transfer Sub-Account;
 - (e) Mandatory Personal Sub-Account;
 - (f) Voluntary Personal Sub-Account; and
 - (g) other sub-accounts which the Trustee has set up.
- 7.4 Each Personal Account Member shall be fully vested at all times with the balance of his:
- (a) Mandatory Personal Sub-Account;
 - (b) Voluntary Personal Sub-Account;
 - (c) other sub-accounts which the Trustee has set up.
- 7.4A Each SPA Member shall be fully vested at all times with the balance of his SPA Member Special Private Account and any other account(s) or sub-account(s) which the Trustee has set up for the SPA Member for maintaining SPCs.
- 7.4B Each TVC Member shall be fully vested at all times with the balance of his TVC Account.
- 7.5 The provisions of Rules 7.1, 7.2, 7.3, 7.4, 7.4A and 7.4B are subject to the provisions of Rule 21.

8. BENEFITS ON ATTAINING NORMAL RETIREMENT AGE

- 8.1 Subject to the provisions of the MPFS Ordinance, the Regulation (including without limitation Section 15(1) of the MPFS Ordinance and Section 159 of the Regulation) and the provisions of the relevant Participation Agreement (so far as accrued benefits attributable to the Voluntary Contributions are concerned), a Member who has attained Normal Retirement Age shall be

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R.159

entitled to receive a lump sum benefit equal in value to the amount of his Combined Balance in accordance with this Rule 8.

8.1A Notwithstanding Rule 8.1, a Member who is entitled to claim benefits under Rule 8.1 or Rule 8.2 may elect to receive his Combined Balance in the form of payment by instalments (in such form and on such terms as the Trustee may require from time to time, subject to the provisions of the MPFS Ordinance and the Regulation). This Rule shall not apply to a Member who falls under Rule 8.3.

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8.2 If a Member remains in the continuous employment of his Employer (in the case of an Employee Member) or self-employment (in the case of a SEP Member) after his Normal Retirement Age, he may elect to remain as a Member and continue to make Voluntary Contributions to the Scheme PROVIDED THAT the Member shall, through his Employer, notify the Trustee in writing of his election by submitting a notice in a form as prescribed by the Trustee. Notwithstanding that an Employee Member elects to remain as an Employee Member of the Scheme and continue to pay Voluntary Contribution to the Scheme, the Employer of the Employee Member is not obliged to make Voluntary Contribution after the Employee Member reaches Normal Retirement Age unless the Participation Agreement of the relevant Participating Plan so specifies. Subject to the provisions of the relevant Participation Agreement (so far as accrued benefits attributable to the Voluntary Contributions are concerned), the Member shall be entitled to receive on his retirement a lump sum benefit equal in value to the amount of his Combined Balance as at the later of the following dates:

- (a) the Dealing Day immediately following the date of cessation of employment or self-employment; or
- (b) if the Trustee receives the duly completed notice of cessation of employment or self-employment only after the actual cessation of employment or self-employment, the Dealing Day immediately following the date of receipt of such notice.

8.3 If a Member remains in the continuous employment of his Employer (in the case of an Employee Member) or self-employment (in the case of a SEP Member) after his Normal Retirement Age, he may elect to terminate his membership of the Scheme at his Normal Retirement Age PROVIDED THAT the Member shall notify the Trustee in writing of his election by submitting a notice in a form as prescribed by the Trustee and FURTHER PROVIDED THAT if the Member is an Employee Member, such notice should be given to the Trustee through his Employer. In this event, subject to the provisions of the relevant Participation Agreement (so far as accrued benefits attributable to the Voluntary Contributions are concerned), he shall be entitled to receive a lump sum benefit equal in value to the amount of his Combined Balance as at the later of the following

- (a) the Dealing Day immediately following the date on which the Member reaches the Normal Retirement Age; or
- (b) if the Trustee receives the duly completed notice that the Member has reached the Normal Retirement Age only after the date on which the Member reaches such age, the Dealing Day immediately following the date of receipt of such notice

and no future contributions shall be payable by or in respect of such Member who shall also cease to be entitled to any future benefits.

8.4 For the purposes of this Rule, the provisions of the MPFS Ordinance (sections 12, 13, 14 and 15(1) to (3) excepted) and the Regulation shall apply to the accrued benefits derived from Voluntary Contributions in the same way as they apply to the accrued benefits derived from Mandatory Contributions.

9. BENEFITS ON ATTAINING EARLY RETIREMENT AGE

- S.15/
R.160
- 9.1 Subject to the provisions of the MPFS Ordinance and the Regulation (including without limitation Section 15(2) of the MPFS Ordinance and Section 160 of the Regulation) and the provisions of the relevant Participation Agreement (so far as accrued benefits attributable to the Voluntary Contributions are concerned), a Member who has not attained Normal Retirement Age but has attained Early Retirement Age and certifies to the Trustee by statutory declaration in a form approved by the MPF Authority that he has permanently ceased his employment or self-employment within the meaning of the MPFS Ordinance and the Regulation shall be entitled to receive a lump sum benefit equal in value to the amount of his Combined Balance as at the later of the following dates PROVIDED THAT the Member shall notify the Trustee in writing of his claim by submitting a form as prescribed by the Trustee and FURTHER PROVIDED THAT if the Member is an Employee Member, such notice should be given to the Trustee through his Employer:
- (a) the Dealing Day immediately following the date on which the Member reaches the Early Retirement Age; or
 - (b) if the Trustee receives the duly completed claim form and statutory declaration under this Rule 9.1 only after the date on which the Member reaches the Early Retirement Age, the Dealing Day immediately following the date of receipt of such claim form and declaration.
- 9.1A Notwithstanding Rule 9.1, a Member who is entitled to claim benefits under Rule 9.1 may elect to receive his Combined Balance in the form of payment by instalments (in such form and on such terms as the Trustee may require from time to time, subject to the provisions of the MPFS Ordinance and the Regulation).
- 9.2 For the purposes of this Rule, the provisions of the MPFS Ordinance (sections 12, 13, 14 and 15(1) to (3) excepted) and the Regulation shall apply to the accrued benefits derived from Voluntary Contributions in the same way as they apply to the accrued benefits derived from Mandatory Contributions.

10. BENEFITS ON DEATH

- S.16/
R.161
- 10.1 Subject to the provisions of the MPFS Ordinance and the Regulation (including without limitation Section 15(4) of the MPFS Ordinance and Section 161 of the Regulation) and the provisions of the relevant Participation Agreement (so far as accrued benefits attributable to the Voluntary Contributions are concerned), if a Member dies before his benefit has been paid, the Trustee shall pay a lump sum benefit to the Member's personal representative equal in value to the amount of the Member's Combined Balance as at the Dealing Day immediately following the date of approval by the Trustee of a claim under this Rule 10.1 submitted by the personal representative of the Member and the Trustee may, in its sole discretion, redeem on that Dealing Day all the Units standing to the credit of the Member's sub-accounts attributable to his Combined Balance. If there are no personal representatives of the Member's estate or if they are unwilling to act, the Trustee may treat the Member's accrued benefits as unclaimed benefits.
- 10.2 For the purposes of this Rule, the term "personal representatives" has the same meaning as in the MPFS Ordinance, and the provisions in the MPFS Ordinance (sections 12, 13, 14 and 15(1) to (3) excepted) and the Regulation shall apply to the accrued benefits derived from Voluntary Contributions in the same way as they apply to the accrued benefits derived from Mandatory Contributions.

11. Benefits on Permanent Departure from Hong Kong

- S.15/
R.162/
163
- 11.1 Subject to the provisions of the MPFS Ordinance and the Regulation (including without limitation Sections 15(2) and (3) of the MPFS Ordinance and Sections 162 and 163 of the Regulation) and the provisions of the relevant Participation Agreement (so far as accrued benefits attributable to the Voluntary Contributions are concerned), a Member who has departed or is about to depart from Hong Kong permanently within the meaning of the MPFS Ordinance and the Regulation shall be entitled to receive a lump sum benefit equal in value to the amount of his Combined Balance as at the later of the following dates PROVIDED THAT the Member shall notify the Trustee in writing of his claim by submitting a form as prescribed by the Trustee and FURTHER PROVIDED THAT if the Member is an Employee Member, such notice should be given to the Trustee through his Employer:
- (a) the Dealing Day immediately following the date of cessation of employment or self-employment; or
 - (b) if the Trustee receives the duly completed claim form under this Rule 11.1 only after the Member has departed from Hong Kong, the Dealing Day immediately following the date of approval of such claim form.
- 11.2 For the purposes of this Rule, the provisions in the MPFS Ordinance (sections 12, 13, 14 and 15(1) to (3) excepted) and the Regulation shall apply to the accrued benefits derived from Voluntary Contributions in the same way as they apply to the accrued benefits derived from Mandatory Contributions.
- 11.3 The balances of any Units standing to the credit of the Employer's Voluntary SubAccount and Employer's Voluntary Transfer Sub-Account which are in excess of their respective Vested Balances because of the effect of Rule 7.2 shall be credited to the Forfeitures Account. Any interest generated therefrom shall be retained as income of the Scheme or for the payment of any administrative expenses of the Scheme for the benefits of the Members.

12. BENEFITS ON TOTAL INCAPACITY

- S.15/
R.162/
164
- 12.1 Subject to the provisions of the MPFS Ordinance and the Regulation (including without limitation Sections 15(2) and (3) of the MPFS Ordinance and Sections 162 and 164 of the Regulation) and the provisions of the relevant Participation Agreement (so far as accrued benefits attributable to the Voluntary Contributions are concerned), a Member who retires on the ground of Total Incapacity shall be entitled to receive a lump sum benefit equal in value to the amount of his Combined Balance as at the Dealing Day immediately following the date of approval by the Trustee of a claim under this Rule 12 submitted by or on behalf of the Member and the Trustee may, in its sole discretion, redeem on that Dealing Day all the Units standing to the credit of the Member's sub-accounts attributable to his Combined Balance.
- 12.2 For the purposes of this Rule, the provisions in the MPFS Ordinance (sections 12, 13, 14 and 15(1) to (3) excepted) and the Regulation shall apply to the accrued benefits derived from Voluntary Contributions in the same way as they apply to the accrued benefits derived from Mandatory Contributions.

12A. BENEFITS ON OTHER GROUNDS SPECIFIED UNDER THE MPFS ORDINANCE AND/OR THE REGULATION

- 12A.1 Subject to the provisions of the MPFS Ordinance and the Regulation and the provisions of the relevant Participation Agreement (so far as accrued benefits attributable to the Voluntary Contributions are concerned), a Member meeting one of the grounds of entitlement of accrued benefits under the MPFS Ordinance and/or the Regulation (other than the grounds under Rules 8 to 13) shall be entitled to receive a lump sum benefit equal in value to the amount of his

Combined Balance as at the Dealing Day immediately following the date of approval of the Trustee of a claim under this Rule 12A and the Trustee may, in its sole discretion, redeem on that Dealing Day all the Units standing to the credit of the Member's sub-accounts attributable to his Combined Balance.

12A.2 For the purposes of this Rule, the provisions of the MPFS Ordinance (sections 12, 13, 14, 15(1) to (3) excepted) and the Regulations as defined in the Regulations, shall apply to the accrued benefits derived from Voluntary Contributions in the same way as they apply to the accrued benefits derived from Mandatory Contributions.

12A.3 The balance of any Units standing to the credit of the Employer's Voluntary SubAccount and Employer's Voluntary Transfer Sub-Account which are in excess of their respective Vested Balances because of the effect of Rule 7.2 shall be credited to the Forfeitures Account. Any interest generated therefrom shall be retained as income of the Scheme or for the payment of any administrative expenses of the Scheme for the benefits of the Members.

13. BENEFITS ON SMALL BALANCE

13.1 Subject to the provisions of the MPFS Ordinance and the Regulation (including without limitation Section 15(2) of the MPFS Ordinance and Sections 162 and 165 of the Regulation) and the provisions of the relevant Participation Agreement (so far as accrued benefits attributable to the Voluntary Contributions are concerned), if:

- (i) a Member's accrued benefits kept in the Scheme as at the date of the claim for payment of those benefits made by him do not exceed HK\$5,000 (or such other amount as prescribed from time to time by Section 162(2) of the Regulation);
- (ii) as at the date of the claim, at least 12 months have elapsed since the Contribution Day in respect of the latest contribution period for which a Mandatory Contribution is required to be made to the Scheme or to any other Registered Scheme by or in respect of the Member; and
- (iii) the Member does not have accrued benefits kept in any other Registered Scheme,

the Member shall be entitled to receive as a lump sum benefit equal in value to the amount of his Combined Balance as at the Dealing day immediately following the date of approval by the Trustee of a claim (in a form as prescribed by the Trustee) under this Rule 13 submitted by or on behalf of the Member.

13.2 For the purposes of this Rule, the provisions in the MPFS Ordinance (sections 12, 13, 14 and 15(1) to (3) excepted) and the Regulation shall apply to the accrued benefits derived from Voluntary Contributions in the same way as they apply to the accrued benefits derived from Mandatory Contributions.

13.3 The balances of any Units standing to the credit of the Employer's Voluntary SubAccount and Employer's Voluntary Transfer Sub-Account which are in excess of their respective Vested Balances because of the effect of Rule 7.2 shall be credited to the Forfeitures Account. Any interest generated therefrom shall be retained as income of the Scheme or for the payment of any administrative expenses of the Scheme for the benefits of the Members.

13A. CLAIMS BY COMMITTEE OF ESTATE APPOINTED UNDER MENTAL HEALTH ORDINANCE, CHAPTER 136 OF THE LAWS OF HONG KONG

If a committee of the estate is appointed under the Mental Health Ordinance in relation to the property and affairs of a Member, the committee of estate may, as if it were the Member, lodge

S.15/
R.162/
165

with the Trustee a claim for payment of the accrued benefits of the Member or continue with a claim initiated by the Member. This Rule shall not apply to a claim under Rule 10.

13B. PAYMENT OF BENEFITS IN THE TVC ACCOUNT

Rules 8, 9, 10, 11, 12, 12A, 13 and 13A shall apply to a TVC Member's TVC Balance in the same way as they apply to that part of the Combined Balance of a Member that is attributable to the Mandatory Contributions.

14. BENEFITS OF VOLUNTARY CONTRIBUTIONS ON LEAVING EMPLOYMENT

14.1 Subject to the provisions of the relevant Participation Agreement, an Employee Member who ceases to be employed by his Employer (other than in circumstances as referred to in Rule 8, 9, 10, 11 or 12) shall be entitled to a lump sum benefit equal to the aggregate of the total balance of his Employee's Voluntary Sub-Account, Employee's Voluntary Transfer Sub-Account and Voluntary Personal Sub-Account and the Vested Balances of his Employer's Voluntary Sub-Account and Employer's Voluntary Transfer Sub-Account as at the later of the following dates PROVIDED THAT the Employee Member shall, through his Employer, notify the Trustee in writing of his cessation of employment by submitting a notice as prescribed by the Trustee:

- (a) the Dealing Day immediately following the date of cessation of employment or self-employment; or
- (b) if the Trustee receives the duly completed notice of cessation of employment only after the actual cessation of employment, the Dealing Day immediately following the date of receipt of such notice.

14.2 The balances of any Units standing to the credit of the Employer's Voluntary SubAccount and Employer's Voluntary Transfer Sub-Account which are in excess of their respective Vested Balances because of the effect of Rule 7.2 shall be credited to the Forfeitures Account. Any interest generated therefrom shall be retained as income of the Scheme or for the payment of any administrative expenses of the Scheme for the benefits of the Members.

14.3 Notwithstanding any other provisions of this Deed, an Employee Member may, subject to the written approval of his Employer, at any time during his employment with his Employer, apply to the Trustee for withdrawal of such part of the total balance of his Employee's Voluntary Sub-Account and Employee's Voluntary Transfer Sub-Account, in such manner and on such conditions as the Trustee may from time to time prescribe. The Trustee shall have the right to reject any such application.

15. BENEFITS ON EMPLOYER'S FAILURE TO MAKE A VOLUNTARY CONTRIBUTION

R.33(3) 15.1 If an Employer has failed, in respect of an Employee Member, to make the required Employer's Voluntary Contribution to the Scheme within six (6) months after,

- (i) if the amount of the Voluntary Contributions required to be made by the Employer is determined by reference to the income derived from the Employee Member's employment with the Employer, the end of the period covered by the payment of such income;
- (ii) if the amount of the relevant contributions required to be made by the Employer is determined by reference to a period of employment of the Employee Member with the Employer, the end of such period,

the relevant Employee Member shall be entitled to request the Trustee to pay him a lump sum benefit equal to the aggregate of the total balance of his Employee's Voluntary Sub-Account,

the Employee's Voluntary Transfer Sub-Account and Voluntary Personal Sub-Account and the Vested Balances of his Employer's Voluntary Sub-Account and Employer's Voluntary Transfer Sub-Account as at the Dealing Day immediately following the receipt by the Trustee of a written request for such payment in a form as may be prescribed by the Trustee from time to time PROVIDED THAT such request can be submitted to the Trustee only after the expiry of such 6-month period.

- 15.2 Any Employee Member who requests payment of accrued benefits pursuant to Rule 15.1 shall be responsible for all the tax consequences arising therefrom.
- 15.3 The balances of any Units standing to the credit of the Employer's Voluntary SubAccount and Employer's Voluntary Transfer Sub-Account which are in excess of their respective Vested Balances because of the effect of Rule 7.2 shall be credited to the Forfeitures Account. Any interest generated therefrom shall be retained as income of the Scheme or for the payment of any administrative expenses of the Scheme for the benefits of the Members.

**16. WITHDRAWAL OF VOLUNTARY CONTRIBUTIONS OF SEP MEMBER/
PERSONAL ACCOUNT MEMBER**

- 16.1 Subject to the provisions or information contained in the relevant Application Form, a SEP Member and a Personal Account Member may withdraw the balance of the SEP Member's Voluntary Sub-Account, SEP Member's Voluntary Transfer Sub-Account and Voluntary Personal Sub-Account (as the case may be) once in each Financial Year (or more than once in a Financial Year if the Trustee so determines) by giving one month's prior notice to the Trustee and in respect of such withdrawal, pay a withdrawal fee to the Trustee as may be prescribed by the Trustee from time to time. Such withdrawal fee shall be deducted from the redemption proceeds and be retained by the Trustee for its own use and benefit.
- 16.2 Any redemption under this Rule 16.1 shall be effected in accordance with the provisions of Clause 16.

16A. WITHDRAWAL OF SPC BY SPA MEMBER

- 16A.1 Subject to the provisions of the relevant Application Form and such other conditions and restrictions as the Trustee may from time to time determine (including without limitation the number and frequency of requests during any one calendar year, any minimum withdrawal amount, any minimum remaining balance in the relevant account(s) and any fee payable to the Trustee or its Associates), a SPA Member may withdraw the balance attributable to SPCs by giving not less than one month's notice in writing (in a specified form) to the Trustee requesting payment of all or part only of such balance.
- 16A.2 In addition to Rule 16A.1, a SPA Member shall be entitled to payment of the balance attributable to SPCs upon expiry of the notice given by a SPA Member in accordance with Rule 19.3A or upon termination of membership in accordance with Rule 19.3B.
- 16A.3 The aforesaid balances in Rule 16A.1 or 16A.2 above (or the relevant portion of such balance) shall be calculated as at such valuation date as the Trustee may determine and paid in a lump sum payment within such period as the Trustee may determine and specify in the Principal Brochure. For the avoidance of doubt, Rule 20.1 does not apply to accrued benefits attributable to SPC.
- 16A.4 Any request for withdrawal under this Rule 16A shall be made in the form specified by the Trustee from time to time. Notwithstanding any other provisions of this Deed, accrued benefits attributable to SPCs shall be paid only if a valid request for withdrawal under this Rule 16A has been submitted to the Trustee, or upon termination of membership of the relevant SPA Member.

16A.5 Upon making a payment pursuant to this Rule, the SPA Member shall have no claim under the Scheme in respect of the benefits to which the payment relates and the Trustee and the Trust Fund shall be discharged of all liability for payment of those benefits to such SPA Member and any other person.

17. PRESERVATION OF ACCRUED BENEFITS DERIVED FROM MANDATORY CONTRIBUTIONS

S.13

Notwithstanding anything contained in this Deed and/or the Participation Agreement, for the purposes of preserving accrued benefits derived from Mandatory Contributions and/or TVC in the Scheme:

- (a) the Trustee shall not pay or otherwise dispose of any part of those accrued benefits derived from Mandatory Contributions and/or TVC to any Member or any other person otherwise than in accordance with the provisions of the MPFS Ordinance or the Regulation;
- (b) no Member shall have any right or entitlement to those accrued benefits derived from Mandatory Contributions and/or TVC otherwise than in accordance with the provisions of the MPFS Ordinance and the Regulation.

18. PORTABILITY OF BENEFITS

R.146
S.14

18.1 18.1.1 Subject to the operation of Rules 14 and 18A and the provisions of the MPFS Ordinance and the Regulation (including without limitation Sections 12A and 14 of the MPFS Ordinance and Sections 146 and 150A of the Regulation), if accrued benefits of an Employee Member are held in a Contribution Account in the Scheme and the Employee Member ceases to be employed by an Employer, the Employee Member may elect to have those benefits transferred to:

- (a) a Personal Account in the Scheme; or
- (b) an account in another master trust scheme nominated by the Employee Member; or
- (c) an existing account of the Employee Member in an industry scheme; or
- (d) if the Employee Member subsequently becomes employed by another employer, the contribution account in the Registered Scheme in which the new employer is participating in relation to that Employee Member.

R.146(10)

18.2 Subject to the operation of Rule 18A and the provision of the MPFS Ordinance and the Regulation, if an Employee Member fails to notify an election in accordance with Section 146 of the Regulation within 3 months after the Trustee has been notified that the Employee Member has ceased to be employed by the former Employer:

- (a) the Employee Member is taken at the end of that period to have elected to have his accrued benefits held in the Contribution Account concerned in the Scheme transferred to a separate Personal Account in the Scheme; and
- (b) the Trustee is taken at the end of that period to have been notified of the election.

R.148

18.3 Subject to Rule 19.1, the provision of the MPFS Ordinance and the Regulation (including without limitation Section 14 of the MPFS Ordinance and Section 148 of the Regulation), if accrued benefits of a SEP Member are held in a Contribution Account in the Scheme, the SEP Member may, at any time, elect to have those benefits transferred to:

- (a) an account in another master trust scheme nominated by the SEP Member; or
- (b) an existing account of the SEP Member in an industry scheme; or
- (c) an account in an industry scheme to which the SEP Member is eligible to belong; or
- (d) if the SEP Member subsequently becomes employed by an employer, to the contribution account in the Registered Scheme in which the employer is participating in relation to the SEP Member.

R.148(8) 18.4 If a SEP Member fails to elect in accordance with Section 148 of the Regulation within 3 months after the Trustee has been notified that the SEP Member has ceased to be self-employed:

- (a) the SEP Member is taken at the end of that period to have elected not to have his accrued benefits held in his Contribution Account transferred under this Rule 18.4 but to retain the benefits in that account; and
- (b) the Trustee is taken at the end of that period to have been notified of the election.

R.148A 18.5 Subject to the provisions in the MPFS Ordinance and the Regulation, if accrued benefits of an Employee Member are held in one or more than one sub-account referred to in Rule 4.1(b) Employee's Mandatory Sub-Account within the Scheme, the Employee Member may, at any time, subject to this Rule 18, elect to have all accrued benefits in the sub-account, or in any one or more than one of those subaccounts, transferred to:

- (a) a Personal Account of the Employee Member within the Scheme nominated by the Employee Member; or
- (b) a Personal Account of the Employee Member within another Registered Scheme, which is a master trust scheme or an industry scheme, nominated by the Employee Member;

PROVIDED THAT an Employee Member may only make an election under this Rule 18.5 in respect of each of the sub-accounts once per calendar year (or as the Trustee shall otherwise determine).

R.148B 18.6 Subject to the provisions in the MPFS Ordinance and the Regulation, if accrued benefits of an Employee Member are held in one or more than one sub-account referred to in Rule 4.1(c) - Employee's Mandatory Transfer Sub-Account - within the Scheme, the Employee Member may, at any time, elect to have all accrued benefits in the sub-account, or in any one or more than one of those sub-accounts, transferred to:

- (a) another Contribution Account of the Employee Member within the Scheme nominated by the Employee Member;
- (b) a Contribution Account of the Employee Member within another Registered Scheme, nominated by the Employee Member;
- (c) a Personal Account of the Employee Member within the Scheme nominated by the Employee Member; or
- (d) a Personal Account of the Employee Member within another Registered Scheme, which is a master trust scheme or an industry scheme, nominated by the Employee Member.

R.149 18.7 Subject to the provisions in the MPFS Ordinance and the Regulation, if accrued benefits of a Member are held in one or more than one Personal Account of the Member within the Scheme,

the Member may, at any time, elect to have all accrued benefits in the account, or in any one or more than one of those accounts, transferred to:

- (a) a Contribution Account of the Member within the Scheme nominated by the Member;
- (b) a Contribution Account of the Member within another Registered Scheme, nominated by the Member;
- (c) another Personal Account of the Member within the Scheme nominated by the Member; or
- (d) a Personal Account of the Member within another Registered Scheme, which is a master trust scheme or an industry scheme, nominated by the Member.

18.7A A TVC Member may elect to have all of his TVC Balance transferred to another Registered Scheme in accordance with Section 14(2A) of the MPFS Ordinance and Part XII of the Regulation.

18.8 Subject to the provisions of Sections 156 and 157 of the Regulation and PROVIDED THAT all the information requested by the Trustee in relation to the transfer has been given to the Trustee, the Trustee shall, pursuant to Section 153 of the Regulation, take all reasonably practicable steps to ensure that all the accrued benefits concerned are transferred in accordance with the election.

18.9 After the making of a transfer payment under the Rules or otherwise under the MPFS Ordinance and/or the Regulation, the Members concerned, the Employer of such Members and any other person who would receive a benefit in respect of the Members shall have no claim under the Scheme in respect of the benefits to which the payment relates and the Trustee and the Trust Fund shall be discharged of all liability for payment of those benefits to the Member and any other person.

R.151 18.10 An election made under this Rule 18 must be in a form specified or approved by the MPF Authority. An election made under this Rule 18 shall take effect at such time as the MPFS Ordinance or the Regulation prescribes.

18.11 Amounts in respect of SPCs by a SPA Member may not be transferred.

R.34 18.12 For the avoidance of doubt, no fees shall be charged and no financial penalties shall be imposed for transfer made in accordance with this Rule 18, other than amounts representing the necessary transaction costs as permitted under section 34 of the Regulation and the relevant guidelines issued by the MPF Authority.

18A. INTRA-GROUP TRANSFER AND CHANGE OF BUSINESS OWNERSHIP

18A.1 Where

- (a) Section 12A(6)(a) or (b) of the MPFS Ordinance applies to a person;
- (b) the new owner (in the case of Section 12A(6)(a)) or associated company (in the case of Section 12A(6)(b)) ("new employer") has assumed the liability of the previous owner or company ("previous employer") for severance payment or long service payment in respect of the person;
- (c) the new employer has agreed to recognize the person's length of employment with the previous employer for the purposes of that severance payment or long service payment; and

- (d) no accrued benefits held in a Registered Scheme in respect of the person have been paid in accordance with Section 12A of the MPFS Ordinance to the person or the previous employer,

then the new employer may elect, in accordance with the Regulation and the Rules hereof, to have the accrued benefits of the person held in a contribution account in that scheme transferred to an account in a Registered Scheme:

- (a) in which the new employer is a participant; and
- (b) by giving a written notice of the election to the trustee of the last-mentioned Registered Scheme within the permitted period.

For the purpose of this Rule 18A.1, "permitted period" has the meaning as given to it in Section 7(3) of the MPFS Ordinance.

18A.2 Where a new employer has made an election under Rule 18A.1, then, for the purposes of that election, Rule 3.1(f)(ii) shall not apply to the new employer and paragraph (b) of the definition of "contribution period" in Rule 3.1(j) shall be construed as if it read as follows:

- "(b) in relation to an Employee Member (not being a Casual Employee), means each period for which the Employer pays or should pay Relevant Income to the Employee Member".

19. CESSATION OF PARTICIPATION IN THE SCHEME

19.1 Any Employer may cease to participate in the Scheme by giving a prior written notice to the Trustee.

19.2 Any SEP Member and Personal Account Member may at any time cease to participate in the Scheme by giving a written notice to the Trustee.

19.3 Notwithstanding the above, the membership of an Employee Member or SEP Member or the participation of an Employer may be terminated by the Trustee in accordance with Rules 2.1.5 and 2.1.6.

19.3A Any SPA Member may at any time cease to participate in the Scheme by giving not less than one month written notice (in a specified form) to the Trustee.

19.3B Notwithstanding the above, the membership of a SPA Member may be terminated, by giving one month's prior notice in writing to the SPA Member, if (i) the aggregate of the total balance attributable to SPCs falls below an amount determined by the Trustee from time to time or (ii) no SPC is paid to the relevant SPA Member Special Private Account for such period as determined by the Trustee from time to time.

R.150 19.4 Subject to Rules 19.1 and 19.3, the relevant provisions of the MPFS Ordinance and the Regulation, an Employer who ceases to participate in the Scheme under Rule 19.1 or 19.3 shall have the right to elect to have the accrued benefits of its Employee Members held in the Contribution Accounts of such Employee Members in respect of the Employee Member's employment with the Employer transferred to another Registered Scheme in which the Employer is a participant, provided that any accrued benefits derived from SPCs shall be retained in the Scheme unless the Member elects to withdraw such benefits.

19.4A Where any of the circumstances under Section 31(5)(c) or Section 31(5A) of the Regulation occurs in respect of a TVC Member, that TVC Member will cease to be a Member of the Scheme as from such date as the Trustee may decide.

- 19.5 An Employee Member, SEP Member or Personal Account Member who ceases to participate in the Scheme under Rule 19.2 or 19.3 or any TVC Member who ceases to participate in the Scheme under Rule 19.4A shall have the right to elect to have his benefits kept in the Scheme transferred in accordance with Part XII of the Regulation.
- 19.6 Subject to Rule 20.1.3, the Trustee shall, upon transfer of the assets attributable to a Participating Plan to another Registered Scheme, have no further liabilities or obligations whatsoever in relation to the Employer, Employee Members, TVC Member, the Personal Account Member or the SEP Member of the relevant Participating Plan or TVC Account (as the case may be) or to any other person who is entitled to make a claim under that Participating Plan or the Scheme and the relevant Participation Agreement shall be automatically terminated.

20. PAYMENT OF BENEFITS

- 20.1 20.1.1 Subject to Section 167 of the Regulation and PROVIDED THAT all of the following conditions are satisfied, the Trustee must ensure that the relevant accrued benefits are paid to the claimant within the timeframe as prescribed by the MPFS Ordinance and the Regulation (including without limitation section 166 of the Regulation),

- (a) a claim for the payment of a Member's accrued benefits is lodged with the Trustee in accordance with Part XIII of the Regulation;
- (b) the claimant satisfies the Trustee that the claimant is entitled to be paid those benefits; and
- (c) at the time of the lodgement of the claim, no contribution or contribution surcharge is outstanding in respect of the Member.

- 20.1.2 Subject to Section 167 of the Regulation and PROVIDED THAT all of the following conditions are satisfied, the Trustee must ensure that, within the timeframe as prescribed by the MPFS Ordinance and the Regulation (including without limitation section 166 of the Regulation), the relevant accrued benefits are paid to the claimant together with all outstanding contributions and contribution surcharges paid to the Trustee in respect of the Member since the lodgement of the claim,

- (a) a claim for the payment of a Member's accrued benefits is lodged with the Trustee in accordance with Part XIII of the Regulation;
- (b) the claimant satisfies the Trustee that the claimant is entitled to be paid those benefits; and
- (c) at the time of the lodgement of the claim, there are outstanding contributions or contribution surcharges in respect of the Member.

- R.169 20.1.3 If after paying accrued benefits to a claimant in accordance with Rule 20.1.1 or 20.1.2, the Trustee receives an outstanding contribution or contribution surcharge for the benefit of the claimant, the Trustee must pay the contribution or surcharge to the claimant as soon as reasonably practicable after receiving it.

- R.168 20.2 When the Trustee pays accrued benefits to a claimant in accordance with Part XIII of the Regulation, the Trustee must ensure that the claimant is provided with a benefit payment statement containing the following information:

- (a) the name of the Trustee, the name of the Scheme and the account number of the account from which the payment is made;
- (b) the name and address of the Member concerned;

- (c) the total amount of the accrued benefits paid to the claimant and the date on which the benefits were paid to the claimant;
 - (d) an itemised statement of any expenses relating to the payment of the accrued benefits that were deducted from those benefits by the Trustee before making the payment; and
 - (e) if any contribution or contribution surcharge was outstanding at the time of the payment:
 - (i) the fact that a contribution or surcharge is outstanding; and
 - (ii) the amount of the contribution or surcharge if known to the Trustee; and
 - (iii) if the contribution or surcharge was irrecoverable, the fact that it is irrecoverable and the amount concerned if known to the Trustee; and
 - (f) any other information as the Trustee may determine including without limitation any other information as may be specified by the applicable regulatory requirements or guidelines.
- 20.3 The Trustee may deduct from the payment of benefits made under the Rules the amount it is required or entitled under the prevailing law to deduct in respect of any income taxes or other taxes, duties, charges or assessments whatsoever.
- 20.4 The Trustee shall not be liable to account to any Employer or Member or otherwise for any payment made or suffered by the Trustee in good faith to any duly empowered fiscal authority of Hong Kong or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under this Deed and the Participation Agreement notwithstanding that any such payment ought not to be or need not have been made or suffered.
- 20.5 Subject to any prevailing legal restrictions, the Trustee shall make payment of moneys due to an Employer or Member in accordance with the provisions of the Scheme in Hong Kong dollars or such other currency as the Trustee sees fit or in such other currency as may be agreed between the relevant recipient and the Trustee. Payment shall be made in Hong Kong or such other place as may be agreed between the Trustee and the recipient. In the event of payment being requested in a currency other than Hong Kong dollars or in a place outside Hong Kong, the Trustee may deduct the costs of conversion and transmission (as the case may be) from the moneys payable. The applicable rate of exchange for such conversion shall be such prevailing rate as the Trustee considers appropriate. Any moneys payable by the Trustee shall as the Trustee thinks fit be paid by cheque or warrant or by telegraphic transfer to the recipient. Any cheque or warrant may be sent through the post to the address of the recipient as shown in the records of the Trustee. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant shall be deemed satisfaction of the moneys payable. Where payment is by telegraphic transfer, the Trustee shall be entitled to deduct the costs thereof from the moneys and payment shall be made to such account as designated by the recipient.
- 20A Notwithstanding any other provisions of this Deed (including without limitation Rules 18 and 20), where payment of certain accrued benefits to any claimant or transfer of certain accrued benefits out of the Scheme to another Registered Scheme requires redemption of units of any Terminating Constituent Fund(s), the Trustee may effect the redemption of any such units at such time as the Trustee may consider appropriate, provided that, in any case any such payment or transfer must be completed within the timeframe as provided in this Deed or the applicable legislation.

21. MISCELLANEOUS

- S.16 21.1 Subject to the provisions of the Participation Agreement and Rule 21.3.1, any benefit under the Scheme shall be strictly personal and non-assignable. No part of any accrued benefits derived from Mandatory Contributions kept under the Scheme shall be taken in execution of a judgment debt or be the subject of any charge, pledge, lien, mortgage, transfer, assignment or alienation by or on behalf of a Member and any purported disposition to the contrary is void. Subject to the provisions of the Participation Agreement, Rule 21.3.1 and Rule 21.3.3, if any attempt is made to alienate any benefit derived from Voluntary Contributions or SPCs kept under the Scheme or if it becomes payable to any person other than the person entitled to it under the Scheme (including where the benefit derived from Voluntary Contributions or SPCs becomes payable to any official receiver, trustee-in-bankruptcy or any other person other than the person entitled to it under the Scheme in cases where that person is adjudicated bankrupt), it shall be forfeited to the Trustee unless the Trustee in its discretion decides to pay it in case of hardship to the Member or to his spouse or dependant and no payment shall be made to a purported assignee, mortgagee or chargee. For the avoidance of doubt, in no event shall this clause prejudice or affect any right of the Employer to set-off against any severance payment or long service payment pursuant to Clause 21.3.3. For the avoidance of doubt, where in any particular circumstances any part (or the whole) of Rule 21.1 is void in law then the words "benefit derived from Voluntary Contributions or SPCs" in Rule 21.1 shall, for the purpose of the circumstance in question, mean that part of the benefits capable of being validly forfeited in law.
- S.16(1A) 20.1A If a Member is adjudicated bankrupt, the right or entitlement of the Member to any accrued benefits derived from Mandatory Contributions kept under the Scheme shall be excluded from the property of the Member for the purposes of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong).
- R.170-174
- 21.2 Any benefit which is not claimed after the date on which it becomes payable shall be treated in accordance with the provisions in Part XIII of the Regulation relating to unclaimed benefits.
- S.16 21.3 21.3.1 The interest of any Employee Member or any other person derived from the Employer's Voluntary Contributions kept under the Scheme shall stand charged with the payment of any debts or liabilities to an Employer arising out of any criminal, negligent or fraudulent act or omission of the Employee Member. The Trustee may rely on a certificate from the Employer.
- 21.3.2 Where any liability arises to pay any tax or other expense in respect of any benefit under a Scheme, the Trustee may deduct the amount payable from the benefit.
- S.12A 21.3.3 The Trustee may, at the request of the Employer and to the extent allowed by laws, reduce any benefit payable under the Scheme to an Employee Member to take account of any severance payment or long service payment payable to that Member under the Employment Ordinance. In such case, the Trustee would first apply such reduction to the Employer's Voluntary Sub-Account, and, if this is not sufficient to cover the offset, would make a further reduction to the Employer's Mandatory Sub-Account. The Trustee may pay the amount of any such reduction to the Employee Member's Employer.
- 21.3.4 The Trustee may, at the request of the Employer and to the extent allowed by law, forfeit to the Employer's Forfeiture Account any benefit (i) which derives from the Employer's Voluntary Contributions to the Scheme; or (ii) standing to the credit of the Employer's Voluntary Transfer Sub-Account, in respect of an Employee Member who has been dismissed by the Employer (or who has resigned to avoid dismissal) because of fraud, dishonesty or gross misconduct against the Employer. The Trustee may rely

on a certificate of the Employer, and may pay the amount of any such reduction to the Employee Member's Employer.

21.4 Mis-statement of Information

If any mis-statement is made by a Member as to any relevant matter under this Deed, including without limitation his or her age, the Trustee shall be entitled to make adjustments to the benefits payable in respect of the Member.

APPENDIX 1

1. This Appendix 1 shall apply to:
 - (a) any Investment Mandate given in accordance with Clauses 13.1 and 13.2, Rules 2.1.2, 3.2, 3.3 or 3.5 and requiring acquisition of Units of one or more Terminating Constituent Funds or cessation of acquiring Units of one or more Terminating Constituent Funds, which are to be transferred to the corresponding Transferee Constituent Funds (each, a "**Relevant Investment Mandate**");
 - (b) any Switching Instruction Form given in accordance with Clause 13.3 and contains an instruction necessitating acquisition or redemption of Units of one or more Terminating Constituent Funds, which are to be transferred to the corresponding Transferee Constituent Funds, whether or not such instruction is the only instruction in the Switching Instruction Form (each, a "**Relevant Switching Instruction**").
2. The following shall apply to a Relevant Investment Mandate:
 - (a) Where:
 - (i) the Relevant Investment Mandate is received by the Trustee at any time before the Investment Mandate Cut-off Time; and
 - (ii) the Relevant Date provided in the Relevant Investment Mandate occurs before the Investment Mandate Cut-off Time, or, where no Relevant Date is specified, the 14 Business Days' period as set out in Clause 13.1.1, Rule 2.1.2, Rule 3.3.2 or Rule 3.5 expires on a day before the Investment Mandate Cut-off Time,the Trustee shall implement the Relevant Investment Mandate before the Investment Mandate Cut-off Time.
 - (b) For cases not falling within Clause 2(a) above, the Relevant Investment Mandate shall be deemed to have instructed the Trustee to apply the future contributions paid to the Scheme at and from the Investment Mandate Cut-off Time to acquire Units of the Transferee Constituent Fund(s) corresponding to the relevant Terminating Constituent Fund(s), and the Trustee shall implement such deemed instructions accordingly.
 - (c) "**Investment Mandate Cut-off Time**" shall mean such time as the Trustee may from time to time determine and notify each Member as the cut-off time for implementing the Relevant Investment Mandate according to Clause 2(a) above.
3. The following shall apply to a Relevant Switching Instruction:
 - (a) Where:
 - (i) the Relevant Switching Instruction is received by the Trustee before the Switching Instruction Cut-off Time, and
 - (ii) the Specified Dealing Day provided in the Relevant Switching Instruction occurs before the Switching Instruction Cut-off Time, or where no Specified Dealing Day is provided, the 14 Business Days' period as set out in Clause 13.3 expires on a day before the Switching Instruction Cut-off Time,the Trustee shall implement the instructions specified in the Relevant Switching Instruction on the day on which the Relevant Switching Instruction is received.
 - (b) For cases not falling within Clause 3(a) above, the Relevant Switching Instruction shall be deemed invalid and not be processed.

- (c) The Member shall be notified of the arrangement set out in this Clause 3(b) in such manner as the Trustee considers appropriate.
 - (d) "**Switching Instruction Cut-off Time**" shall mean such time as the Trustee may from time to time determine and notify each Member as the cut-off time for implementing the Relevant Switching Instruction according to Clause 3(a) above.
4. For the avoidance of doubt, any deemed instructions in the Relevant Investment Mandate (as referred to in Clause 2(b) above) or in the Relevant Switching Instruction (as referred to in Clause 3(b) above) shall be treated as a valid Investment Mandate or a valid Switching Instruction Form (as the case may be) for all the purposes of this Decd.

SCHEDULE 1
PART A: PARTICIPATION AGREEMENT

THIS PARTICIPATION AGREEMENT is made on _____ (date)

BETWEEN:

- (1) **SUN LIFE TRUSTEE COMPANY LIMITED**, whose registered office is at 12th Floor, Sun Life Tower, The Gateway, 15 Canton Road, Kowloon, Hong Kong (the "Trustee");
- (2) the **EMPLOYER**, whose registered office is at [●]

RECITALS:

- (A) The Trustee is the Trustee of the Sun Life Rainbow MPF Scheme (the "Scheme"), which was established by a deed dated 31st January 2000 made by the Trustee (as amended from time to time, the "Deed").
- (B) The Employer wishes to join the Scheme in order to establish a retirement benefits scheme (the "Participating Plan") for the benefit of its employees.
- (C) The Participating Plan shall be governed by the Deed and this Participation Agreement.

PROVISIONS

1. Unless otherwise stated, words and expressions used in this Participation Agreement shall have the meanings given to them in the Deed.
2. The Employer hereby establishes a Participating Plan with effect from [●], to be governed by the terms of the Deed and this Participation Agreement. The Employer acknowledges that any Application Form completed by the Employer and enrolment form completed by the employees of the Employer in respect of application for participation in the Scheme shall form part of this Participation Agreement and the details provided therein shall apply for the purposes of the Participating Plan.
3. The Employer hereby covenants with the Trustee to comply with and be bound by the provisions of the Deed and this Participation Agreement and all applicable laws and regulations.
4. The Employer warrants that the information from time to time to be provided by the Employer in the Application Form and any other information regarding contributions and as to the age, salary, length of service, benefits, Investment Mandates, Switching Instruction Forms (to the extent where such Investment Mandates and Switching Instruction Forms are sent to the Trustee through the Employer) and otherwise in relation to each Employee Member will be correct in all respects.
5. Subject to the provisions of the Deed and this Participation Agreement, the Employer undertakes and agrees to hold the Trustee indemnified against any and all proceeding, costs, charges, liabilities and expenses occasioned by any and all actions, claims, demands or proceedings in connection with the Scheme or the Participating Plan either:
 - (a) arising out of the breach by the Employer of the warranty referred to in paragraph 4; or
 - (b) as a result of any failure or omission on the part of the Employer to duly and punctually perform or observe any obligations pursuant to the Deed, the Rules and this Participation Agreement or otherwise so far as they relate to the Employer and Employee Members of the Participating Plan (whether they relate to the Employer and such Employee Members alone or together with another Employer and Employee Members of other Participating Plans).

6. The Employer undertakes and agrees to pay all fees and expenses which are payable by it under the terms of the Deed and this Participation Agreement.

[Insert any provisions relating to the making, vesting and withdrawal of the Voluntary Contribution as may be agreed by the Employer and the Trustee.]

7. The Employer undertakes and agrees to make Voluntary Contributions in respect of its Employee Members in accordance with the provisions of the Deed and the terms as specified in the Application Form completed by the Employer. All such Voluntary Contributions made by the Employer shall vest in the respective Employee Members in accordance with the vesting scale(s) as set out in the Application Form. If there is any inconsistency between the provisions of the Deed and the terms specified in the Application Form, the terms specified in the Application Form shall prevail to the extent of such inconsistency.
8. This Participation Agreement shall be terminated in accordance with Rule 19.1 of the Deed.
9. This Participation Agreement shall be governed by the laws of Hong Kong.

IN WITNESS whereof this Participation Agreement has been entered into the day and year first above written.

SIGNED BY)
)
for and on behalf of)
SUN LIFE TRUSTEE COMPANY)
LIMITED)

SIGNED BY)
)
for and on behalf of)
[EMPLOYER])

IN WITNESS WHEREOF this Deed has been executed by the Trustee on the day and year first above written.

SEALED with the Common Seal of
**SUN LIFE TRUSTEE COMPANY
LIMITED**
in the presence of:

)
)
) *W. J. G. Y. Z.*
)

