

DATED March 16, 2020

**YF Life Trustees Limited
(formerly known as CRC Protective Trustees Limited)
(formerly known as MassMutual Trustees Limited)**

NINETEENTH DEED OF AMENDMENT

relating to

**MASS MANDATORY PROVIDENT FUND SCHEME
萬全強制性公積金計劃**

CERTIFIED TRUE COPY



**SUNG Yuen Ming
Solicitor, Hong Kong**

16 MAR 2020

TABLE OF CONTENTS

<u>Clause</u>	<u>Definition</u>	<u>Page</u>
1.	Interpretation	1
2.	Establishment of Trust	23
3.	Establishment of Participating Scheme	23
4.	Appointment, Removal and Retirement of Investment Manager	24
5.	Retirement of Trustee	24
6.	Functions and Duties of the Trustee	25
7.	General Powers of Trustee	26
8.	Liability of the Trustee	28
9.	Amendment	31
10.	Investment Powers and Restrictions	33
11.	Establishment of Constituent Funds	36
12.	Specific Investment Instruction	41
13.	MPF Conservative Fund	42
14.	Default Investment Strategy	44
15.	Switching between Constituent Funds, Suspension and Deferral in Dealings	46
16.	Valuation	49
17.	Issue of Units	55
18.	Redemption of Units	56
18A.	Income and Profits	58
19.	Suspension of Valuation and Pricing	58
20.	Termination of the Trust	59
21.	Fees and Charges	59
22.	Notices	61
23.	Provision of Information	64
24.	Governing Law	64
25.	Effective Date	64
	Appendix The Rules	A-1
	1. Interpretation	A-1
	2. Admission of Members	A-1
	3. Contributions	A-3
	4. Accounts	A-17
	5. Temporary Absence	A-24
	6. Transfers into the Scheme	A-25
	7. Vesting of Benefits	A-26
	8. Benefits on attaining Normal Retirement Age	A-28
	9. Benefits on attaining Early Retirement Age	A-29
	10. Benefits on Death	A-30
	11. Benefits on Permanent Departure from Hong Kong	A-30
	12. Benefits on Total Incapacity	A-31
	13. Benefits on Terminal Illness	A-31
	14. Benefits on Small Balance	A-32
	15. Benefits on Leaving Employment	A-33
	16. Benefits on Employer's Failure to make a Voluntary Contribution	A-34
	16A. Withdrawal of Employee's Non-Regular Voluntary Contribution	A-34
	16B. Withdrawal of Personal Account Member's Non-Regular Voluntary Contributions	A-35
	17. Withdrawal of Voluntary Contributions of SEP Member/Personal Account Member	A-35
	18. Preservation of Accrued Benefits derived from Mandatory Contributions	A-36
	19. Portability of Benefits	A-37
	20. Cessation of Participation in the Scheme	A-42
	21. Payment of Benefits	A-42
	22. Miscellaneous	A-43

THIS DEED OF AMENDMENT is made on the March 16, 2020 by **YF Life Trustees Limited (formerly known as CRC Protective Trustees Limited and MassMutual Trustees Limited)** whose registered office is at 27th Floor, 33 Lockhart Road, Wanchai, Hong Kong (the “Trustee”)

WHEREAS:

- S.2
1. By a trust deed dated 27 January 2000 (“Trust Deed”) executed by the Trustee, the Trustee established a master trust scheme under trust called the Mass Mandatory Provident Fund Scheme (or such other name as the Trustee may from time to time determine) whereby employers and their employees, self-employed persons and other eligible persons may participate.
 2. By a deed of amendment dated 24 October 2000, a second deed of amendment dated 15 August 2002, a third deed of amendment dated 27 February 2003, a fourth deed of amendment dated 20 January 2006, a fifth deed of amendment dated 1 March 2007, a sixth deed of amendment dated 30 September 2009, a seventh deed of amendment dated 1 May 2011, an eighth deed of amendment dated 15 November 2011, a ninth deed of amendment dated 13 June 2012, a tenth deed of amendment dated 31 January 2013, an eleventh deed of amendment dated 17 July 2013, a twelfth deed of amendment dated 27 August 2015, a thirteen deed of amendment dated 24 December 2015 and a fourteen deed of amendment dated 21 November 2016, a fifteenth deed of amendment dated 2 December 2016, a Sixteenth deed of amendment dated January 11, 2019, a Seventeenth deed of amendment dated March 14 ,2019 and a Eighteenth deed of amendment dated May 1 ,2019, certain provisions of the Trust Deed were amended.
 3. 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.
 4. The Trustee wishes to amend and restate the Trust Deed by the provisions set out in this Deed of Amendment.

NOW THIS DEED WITNESSES as follows:

1. **INTERPRETATION**

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

“Accrued Benefits” shall have the same meaning as given to it under the MPFS Ordinance;

“Age 65 Plus Fund” has the same meaning as given to it from time to time under Section 1 of Schedule 10 of the MPFS Ordinance;

R.6 **“APIF”** means an underlying 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;
R.98	“Application Form”	means the application form as may be prescribed by the Trustee from time to time to be completed and signed by the Employers, SEP Members and Personal Account Members (as the case may be) for providing relevant information to the Trustee for the purposes of 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 Schemes for the purposes of the MPFS Ordinance;
	“Basic Salary”	means an Employee Member’s basic monthly salary from his Employer, excluding overtime payments and all benefits and allowances;
	“Bid Spread”	means the bid spread (or an amount equivalent thereto) referred to in Clause 18. Bid Spread at the constituent fund level for a transfer of Accrued Benefits will only include Necessary Transaction Costs;
	“Business Day”	means any day (other than a Saturday, Sunday and public holiday) on which the banks are open for business in Hong Kong;
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;
	“Collective Investment Scheme”	has the same meaning as given to it in Schedule 1 to the Securities and Futures Ordinance;
S. 78	“Combined Balance”	(a) means, in relation to a Member in his capacity as an Employee Member, on a particular date, the aggregate of:

(aa) the total 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 Regular Voluntary Sub-Account;
- (v) Employee's Non-Regular Voluntary Sub-Account;
- (vi) Employee's Voluntary Transfer Sub-Account;
- (vii) such any other voluntary sub-account of the Employee Member as the Trustee considers appropriate or necessary to establish at the request of the Employee Member; and

(ab) the redemption proceeds as at that date of all the Units representing the Vested Balance of his :

- (i) Employer's Voluntary Sub-Account ; and
- (ii) such any other voluntary sub-account of the Employee Member as the Trustee considers appropriate or necessary to establish at the request of the Employer;

(b) 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 voluntary sub-account of the SEP Member as the Trustee considers appropriate or necessary;
- (c) means, in relation to a Member in his capacity as a VC Employee Member, on a particular date, the aggregate of:
- (ca) the redemption proceeds as at that date of all the Units standing to the credit of his:
 - (i) VC Employee's Regular Voluntary Sub-Account;
 - (ii) VC Employee's Non-Regular Voluntary Sub-Account;
 - (iii) VC Employee's Voluntary Transfer Sub-Account; and
 - (iv) such any other voluntary sub-account of the VC Employee Member as the Trustee considers appropriate and necessary to establish at the request of the Employee Member; and
 - (cb) the redemption proceeds as at that date of all the Units representing the Vested Balance of his:
 - (i) VC Employer's Voluntary Sub-Account; and
 - (ii) such any other voluntary sub-account of the VC Employee Member as the Trustee considers appropriate or necessary to establish at the request of the Employer;
- (d) 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;
- (iii) such any other voluntary sub-account of the Personal Account Member as the Trustee considers appropriate or necessary, and
- (iv) Non - Regular Voluntary Contribution Account;

PROVIDED THAT if a Member has more than one capacity, the Combined Balance of the Member is the aggregate of the Combined Balance calculated on a particular date in relation to each of his capacities.

“Commencement Date”

means, in relation to a Participating Scheme, the day on which the Participating Scheme commences as specified in the Application Form;

“Connected Person”

in relation to any person (the “relevant person”) means:

- (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:
 - (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 any 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;

R.2

“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;

R.2

“Contribution Account”

means,

- (a) in relation to a Member in his capacity as an Employee Member, all of the following sub-accounts:
 - (i) Employer’s Sub-Account; Mandatory
 - (ii) Employee’s Sub-Account; Mandatory

- (iii) Employee's Mandatory Transfer Sub-Account;
- (iv) Employer's Voluntary Sub-Account;
- (v) Employee's Regular Voluntary Sub-Account;
- (vi) Employee's Non-Regular Voluntary Sub-Account;
- (vii) Employee's Voluntary Transfer Sub-Account;
- (viii) such any other voluntary sub-account of the Employee Member which the Trustee considers appropriate or necessary to establish at the request of the Employer; and
- (ix) such any other voluntary sub-account of the Employee Member as the Trustee considers appropriate or necessary to establish at the request of 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 voluntary sub-account which the Trustee has set up and maintained for the SEP Member;

(c) in relation to a Member in his capacity as a VC Employee Member all of the following sub-accounts:

- (i) VC Employer's Voluntary Sub-Account;
- (ii) VC Employee's Regular Voluntary Sub-Account;
- (ii) VC Employee's Non-Regular Voluntary Sub-Account;

- (iii) VC Employee’s Voluntary Transfer Sub-Account;
- (iv) such any other voluntary sub-account of the VC Employee Member as the Trustee considers appropriate or necessary to establish at the request of the Employer; and
- (vi) such any other voluntary sub-account of the VC Employee Member as the Trustee considers appropriate or necessary to establish at the request of the VC Employee Member;

(d) in relation to a Member in his capacity as a Personal Account Member, Non-Regular Voluntary Contribution Account;

PROVIDED THAT if a Member is an Employee Member and a 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 a SEP Member.

R.2

“Contribution Day”

- (a) in relation to a SEP Member, means the last day of the contribution period prescribed by Section 131 of the Regulation; and
- (b) in relation to an Employer, has the meaning given by Section 122(l) of the Regulation;

“Core Accumulation Fund”

has the meaning as given to it from time to time under Section 1 of Schedule 10 of the MPFS Ordinance;

MPF
Code
B1.16

“Dealing Day”

means the day specified as a Dealing Day in the MPF Scheme Brochure, 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;

	“Dealing Deadline”	in relation to any Dealing Day shall be the time specified as such in the MPF Scheme Brochure or such other time as the Trustee may from time to time determine generally or in relation to any particular Constituent Fund;
	“Default Investment Strategy”	means the default investment strategy provided in this Trust Deed under Section 34DB(1)(a) of the MPFS Ordinance;
	“DIS Constituent Fund”	means (a) an Age 65 Plus Fund as define above; or (b) a Core Accumulation Fund as define above.
	“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 18 years of age or over and below the Normal Retirement Age of an Employer who is not exempted from the provisions of the MPFS Ordinance;
s. 11(1)	“Eligible VC Employee”	means an employee under 18 years of age or is of or more than the Normal Retirement Age or is exempted from the provisions of the MPFS Ordinance by virtue of Section 4(3) of the MPFS Ordinance of an Employer who is not exempted from the provisions of the MPFS Ordinance;
s. 11(1)	“Employee Member”	means an Eligible Employee of an Employer who has joined the Scheme in accordance with the Rules or a VC Employee Member who has automatically become an Employee Member pursuant to Rule 2.1.1(e), and who has not ceased to be employed by that Employer;
	“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 Regular Voluntary Sub-Account”	means, in relation to an Employee Member, a sub-account as referred to in Rule 4.1(e);
	“Employee’s Non-Regular Voluntary Sub-Account”	means, in relation to an Employee Member, a sub-account as referred to in Rule 4.1(f);

“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 Scheme for its employees by executing a Participation Agreement;
“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) or Rule 4.1(h);
“Financial Options Contract”	has the same meaning as given to it in the Regulation;
“Financial Year”	means, in relation to the Scheme, each Constituent Fund and each Participating Scheme, 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, and in the case of each Participating Scheme, the first Financial Year thereof shall commence on the Commencement Date of such Participating Scheme and end on 31 December first falling after such Commencement Date;
“Forfeitures Account”	means, in relation to a Participating Scheme, an account to which the Trustee shall credit unvested benefits and forfeitures under that Participating Scheme;
“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);
“Guaranteed Fund”	means the Guaranteed Fund referred to in Clause 11.1.1(a);
“Guaranteed Rate of Return”	for an Interest Period means the rate of return higher than or equal to zero percent per annum which is declared by YF Life for such Interest Period;

“HK\$”	means the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Index-Tracking Collective Investment Scheme”	has the same meaning as given to it in Schedule 1 to the Regulation;
“Interest Period”	means the period of six months commencing on either 1 April or 1 October of each year;
“Investment”	<p>means any stock, share, debenture, debenture stock, loan stock, bond, insurance policy, unit share or other interest in a Collective Investment Scheme or an Index-Tracking 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:</p> <ul style="list-style-type: none"> (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 Management Fee”	means any sum to which the Investment Manager may become entitled pursuant to the provisions of Clause 21;

	“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 Policy”	means the investment policy for each Constituent Fund referred to in Clause 11.1;
	“Issue Price”	means the issue price (including any Offer Spread imposed) per Unit calculated pursuant to Clauses 16 and 17 at which Units are from time to time issued or to be issued;
S.2	“Mandatory Contribution”	means an amount that is required to be paid as a contribution to a Registered Scheme under Section 7A or 7C of the MPFS Ordinance or Minimum MPF Benefits to which Section 5(1) of Schedule 2 of the MPFS Exemption Regulation applies that have been transferred to the Scheme, or has such other meaning as is 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);
	“YF Life”	means YF Life Insurance International Limited (formerly known as MassMutual Asia Limited);
S.2	“Maximum Level of Relevant Income”	means the level of Relevant Income specified in Schedule 3 of the MPFS Ordinance above which a Mandatory Contribution is not required to be paid to a Registered Scheme, 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 VC Employee Member, a Personal Account Member or a TVC Member and includes any person participating in the Scheme in one or more of the capacities mentioned above;
S.2	“Minimum Level of Relevant Income”	means the level of Relevant Income specified in Schedule 2 of the MPFS Ordinance below which level an employee or Self-Employed Person has the option of not contributing to a Registered

	Scheme, 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 2 of the MPFS Exemption Regulation;
“month”	means calendar month;
“MPF Authority”	means the Mandatory Provident Fund Schemes Authority in Hong Kong;
“MPF Exempted ORSO Scheme”	means an occupational retirement scheme in respect of which an exemption certificate has been issued under the Mandatory Provident Fund Schemes (Exemption) Regulation;
“MPFS Exemption Regulation”	means the Mandatory Provident Fund Schemes (Exemption) Regulation as amended from time to time;
“MPFSAO”	means the Mandatory Provident Fund Schemes (Amendment) (No. 2) Ordinance 2002;
“MPFS Ordinance”	means the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) as amended from time to time;
“MPF Scheme Brochure”	means the latest offering document issued by the Trustee and approved by the MPF Authority and the SFC;
“Necessary Transaction Costs”	means the costs that are incurred, or reasonably likely to be incurred, by the Trustee in selling or purchasing investments in order to give effect to the transfer of Accrued Benefits, which are payable to a party other than the Trustee, and must be used to reimburse the relevant constituent fund, and may include, but are not limited to, items such as brokerage commissions, fiscal charges and levies, government charges, bank charges, exchange fees, costs and commissions, registration fees and charges, collection fees and expenses etc.
“Net Asset Value”	means in relation to a Constituent Fund, the net asset value of such Constituent Fund or, as the context may require, of a Unit of any Constituent

	Fund calculated pursuant to the provisions of Clause 16;
“Non-Regular Voluntary Contribution Account”	means an account as referred to in Rule 4.4A;
S.2 “Normal Retirement Age”	means, in relation to a Member, 65 years of age or, if the Regulation prescribes an earlier age, that earlier age;
“Notional Guaranteed Account”	means, in respect of monies contributed to the Guaranteed Fund by or for a Member, a notional account (with the necessary sub-accounts) maintained by the Trustee in respect of such Member, the account balance of which shall be the aggregate of: <ul style="list-style-type: none"> (i) the amount of all the monies invested in the Guaranteed Fund by or for such Member less any offer spreads against such investment ; and (ii) the amount of all interest which would have accrued on the net investment referred to in (i) above as if interest accrues thereon during each Interest Period at the applicable Guaranteed Rate of Return declared for such Interest Period (pro-rated for incomplete Interest Periods) ;
“Offer Spread”	means the offer spread (or an amount equivalent thereto) referred to in Clause 17. Offer Spread at the constituent fund level for a transfer of Accrued Benefits will only include Necessary Transaction Costs;
“Officer”	has the same meaning as given to it in Section 2 of the MPFS Ordinance;
“ORSO Exempted Scheme”	has the same meaning as given to it in Section 2 of the MPFS Exemption Regulation;
“ORSO Registered Scheme”	has the same meaning as given to it in Section 2 of the MPFS Exemption Regulation;
“Out-of-pocket Expenses”	has the same meaning as given to it in 34DA of the MPFS Ordinance;

“Participating Scheme”

means a notional sub-scheme under the Scheme established pursuant to the terms of this Deed by the execution of a Participation Agreement;

“Participation Agreement”

means in relation to a Participating Scheme,

(i) an agreement substantially in the form which has been approved by the Trustee and has been executed by the Trustee and an Employer whereby such Employer agrees to establish a Participating Scheme under trust upon the terms of:

(a) this Trust as amended from time to time; and

(b) the relevant Participation Agreement as from time to time modified by any further agreements executed by the Trustee and such Employer; or

(ii) an agreement substantially in the form which has been approved by the Trustee and has been executed by the Trustee and a SEP Member whereby such SEP Member agrees to establish a Participating Scheme under trust upon the terms of:

(a) this Trust as amended from time to time; and

(b) the relevant Participation Agreement as from time to time modified by any further agreements executed by the Trustee and such SEP Member; or

(iii) an agreement substantially in the form which has been approved by the Trustee and has been executed by the Trustee and a Personal Account Member whereby such Personal Account Member agrees to establish a Participating Scheme under trust upon the terms of:

(a) this Trust as amended from time to time; and

- (b) the relevant Participation Agreement as from time to time modified by any further agreements executed by the Trustee and such Personal Account Member;

“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 Account”

means an account (other than a Contribution Account) within the Scheme:

- (a) into which special contributions (if any) are paid in respect of a Member;
- (b) in which the Member’s Accrued Benefits (if any) in respect of any former employment or former self-employment of a Member are held;
- (c) in which the Member’s Accrued Benefits (if any) in respect of any current employment of the Member are held; and
- (d) in which the Member’s benefits (if any) transferred to the Scheme from an ORSO Exempted Scheme or an ORSO Registered Scheme are held,

and includes a former contribution account (if any) of the Member in which Accrued Benefits retained under section 147(6) of the Regulation are held and shall be divided into the following sub-accounts:

- (a) Mandatory Personal Sub-Account; and
- (b) Voluntary Personal Sub-Account.

“Personal Account Member”

means,

- (a) a person who, having Accrued Benefits in another Registered Scheme, an ORSO Exempted Scheme or an ORSO Registered Scheme has joined the Scheme in accordance with the Rules other than as an Employee Member or a

SEP 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;

“Personal Data (Privacy) Ordinance”

means the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) as amended from time to time;

“practicable”

means reasonably practicable;

R.2

“PRC”

means the People’s Republic of China;

“Pre-existing Account”

means an account of a Member of the Scheme that was opened before the commencement date of Section 34DA of the MPFS Ordinance;

“Qualifying Event”

means, in respect of a Member, any one of the following events:

- (a) attainment of Normal Retirement Age;
- (b) attainment of Early Retirement Age;
- (c) death; or
- (d) Total Incapacity;

“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”	means the price per Unit calculated pursuant to Clause 18 at which Units 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 485A of the Laws of Hong Kong) as amended from time to time;
S.2	“Relevant Income”	means: <ul style="list-style-type: none"> (a) in the case of an Employee Member, any wages, salary, leave pay, fee, commission, bonus, gratuity, perquisite or allowance, expressed in monetary terms, paid or payable by an Employer (directly or indirectly) to that Employee Member in consideration of his employment under that contract, but does not include severance payments or long service payments under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong); (b) in the case of a SEP Member, income of that person as ascertained in accordance with the Regulation including without limitations the provisions contained in Division 3 of Part XI of the Regulation, or has such other meaning given to it from time to time in Section 2 of the MPFS Ordinance;
	“Rule(s)”	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 Scheme shall be governed;
	“Scheme”	means the Mass Mandatory Provident Fund Scheme which is established under the terms of this Deed;

	“Scheme Participants”	means Employers and Members;
	“Securities”	has the meaning given to such term 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 Investment Manager 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) as amended from time to time;
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;
	“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;	
“Specific Investment Instructions”	means the instructions given by the Member to the Trustee to invest his/her Accrued Benefits in the account according to the members’ selection as permitted under this Trust Deed;	
“Subscription Monies”	means any Mandatory Contribution or Voluntary Contribution or any Accrued Benefits to be transferred from another Registered Scheme into a Personal Account or Contribution Account of the Scheme or any 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;	
“Switching Instruction Form”	means a form prescribed by the Trustee from time to time to be completed by a Member to enable instructions be given to the Trustee to vary or otherwise deal with the terms of the Member’s Specific Investment Instruction from time to time;	
“Terminal Illness”	means a terminal illness within the meaning of Section 158(3) of the Regulation;	
S.2	“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 YF Life Trustees 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 21;
	“Tax Deductible Voluntary Contributions” or “TVC”	means the contributions that are paid into a TVC Account under section 11A(2)(a) of the MPFS Ordinance;
	“TVC Account”	means an account opened under section 11A(1) of the MPFS Ordinance;
	“TVC Member”	means an eligible person who admitted to participate in the Scheme as TVC Member in accordance with the Rules;
	“Unit”	means an undivided share in a Constituent Fund including any fraction thereof permitted under this Deed and (except where used in relation to a particular Constituent Fund) includes Units linked to any Constituent Fund;
	“UTMF Code”	means the SFC’s Code on Unit Trusts and Mutual Funds, as amended from time to time;
S. 11(1)	“VC Employee Member”	means an Eligible VC 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;
S. 11(1)	“VC Employee’s Non-Regular Voluntary Sub-Account”	means in relation to a VC Employee Member, a sub-account as referred to in Rule 4.3(c);
S. 11(1)	“VC Employee’s Regular Voluntary Sub-Account”	means in relation to a VC Employee Member, a sub-account as referred to in Rule 4.3(b);
S. 11(1)	“VC Employee’s Voluntary Transfer Sub-Account”	means in relation to a VC Employee Member, a sub-account as referred to in Rule 4.3(d);
S. 11(1)	“VC Employer’s Voluntary Sub-Account”	means in relation to a VC Employee Member, a sub-account as referred to in Rule 4.3(a) or Rule 4.3(e);
	“Vested Balance”	means in relation to an Employee Member or a VC Employee Member on a particular date the number of Units or percentage of the balance of

his Employer's Voluntary Sub-Account or VC Employer's Voluntary Sub-Account (as the case may be) which have been vested in the Employee Member or the VC Employee Member (as the case may be) according to Rule 7.2 or Rule 7.3 or Rule 7.4;

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;

“Voluntary Personal Sub-Account”

means a sub-account as referred to in Rule 4.4(b);

“Working Day”

has the same meaning as given to it in Section 2 of the Regulation;

“Year”

means calendar year;

“Years of Service”

means, in relation to an Employee Member or a VC Employee Member, the total years (including a fraction thereof) of continuous employment with his Employer (whether or not as a Member of the Scheme). In respect of a Member whose Contribution Account consists of an Employer's Voluntary Sub-Account and/or such other sub-account which holds Voluntary Contributions made by the Employer of the Member, 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 Scheme 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 Unless the context requires otherwise, references herein to Clauses, Rules and Appendix are to clauses and rules in, and appendices to, this Deed. The appendices 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 27 January 2000, the Trustee established a master trust scheme under trust called the Mass Mandatory Provident Fund Scheme 萬全強制性公積金計劃 whereby employers, Self-Employed Persons, and other relevant persons may participate in the Scheme. By a deed of amendment dated 24 October 2000, a second deed of amendment dated 15 August 2002, a third deed of amendment dated 27 February 2003, a fourth deed of amendment dated 20 January 2006, a fifth deed of amendment dated 1 March 2007, a sixth deed of amendment dated 30 September 2009, a seventh deed of amendment dated 1 May 2011, an eighth deed of amendment dated 15 November 2011, a ninth deed of amendment dated 13 June 2012, a tenth deed of amendment dated 31 January 2013, an eleventh deed of amendment dated 17 July 2013, a twelfth deed of amendment dated 27 August 2015, a thirteen deed of amendment dated 24 December 2015 and a fourteen deed of amendment dated 21 November 2016, a fifteenth deed of amendment dated 2 December 2016, a Sixteenth deed of amendment dated 11 January 2019, a Seventeenth deed of amendment dated March 14, 2019 and a Eighteenth deed of amendment dated May 1, 2019, certain provisions of the Trust Deed were amended.
- 2.2 With effect from the date of this Deed, 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 involved in the Trust Deed (as amended) 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. ESTABLISHMENT OF PARTICIPATING SCHEME

- 3.1 An employer (as defined in the MPFS Ordinance) will establish a Participating Scheme by completing an Application Form (unless otherwise waived by the Trustee) and executing a Participation Agreement.
- 3.2 A Self-Employed Person will establish a Participating Scheme by completing an Application Form.
- 3.3 An Employee Member will establish a Participating Scheme 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 other person will establish a Participating Scheme by completing an Application Form if such person wishes to transfer his benefits accrued in another Registered Scheme or occupational retirement scheme to a Personal Account of the Scheme.

4. **APPOINTMENT, REMOVAL AND RETIREMENT OF INVESTMENT MANAGER**

Sch 2
R.46

- 4.1 Subject to the approval of the SFC, the Trustee shall have 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, the custodian of the Scheme and the delegate of the custodian (as defined in Section 2 of the Regulation) in accordance with Section 46 of the Regulation.

SFC
Code
6.11

- 4.2 An Investment Manager is subject to removal upon immediate notice in writing being given by the Trustee upon the happening of 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 as provided for in the agreement entered into between the Trustee and the Investment Manager for the investment of the Trust Fund (or any portion thereof) which stipulate that the Investment Manager must be removed,

PROVIDED THAT the Trustee shall also have the power to remove the Investment Manager by immediate notice in writing without giving any reason.

- 4.3 The Trustee shall, as soon as 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.

- 4.4 Clause 4.2 shall not prejudice any right of the Trustee to terminate the Trust in accordance with this Deed.

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 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.

- 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 Constituent Funds are invested in different investments so as to minimize the risk of losses of those Constituent Funds, 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 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.56, R.56A 6.1.9A ensure that each of the TVC Members, who fulfil the requirements as mentioned in Section 56A(1) of the Regulation, is provided with a separate TVC summaries with respect to TVC Accounts setting out information as required under Section 56(A) of the Regulation before the end of a period of 40 days from the beginning of the next financial year as required under Section 56A(3) and 56A(4) of the Regulation.
- 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 any 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.44(1) 6.1.12 ensure that, subject to Section 44(2) of the Regulation, an Investment Manager is appointed to manage the investment of the Trust Fund and the contract for the appointment of the Investment Manager complies with Schedule 2 of the Regulation;
- R.50 6.1.13 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 Schedule 3 of the Regulation and prohibits the custodian from delegating or entering into an agreement with a person providing for the delegation of any of its functions as a custodian to a person who is not a eligible person to be a delegate of the custodian under Section 71(1) of the Regulation, and that the Trust Fund is kept by, or is under the control of such custodian;
- R. 71 & 72
- R.61 6.1.14 ensure that if any Officer of the Trustee makes a disclosure in accordance with Section 61 of the Regulation, the disclosure will be dealt with in accordance with that Section; and
- 6.1.15 such other functions and duties as are imposed on the Trustee by the MPFS Ordinance, the Regulation and all other applicable law and regulations.
- 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 Schemes. 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 a corporate 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.96/
99 7.3 The Trustee shall have the 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 Scheme including without limitation an administrator to administer the Scheme.

R. 71(2)(b) 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 Scheme, save where the Trustee is the custodian for the time being of the Scheme assets in accordance with Section 50(2) of the Regulation, the Trustee shall not delegate its function as a custodian to a person who is not eligible to be a delegate of a custodian under Section 71(1) of the Regulation.

R.50/69 7.6 The Trustee shall have the 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 Schedule 3 of the Regulation and prohibits the custodian from delegating or entering into an agreement with a person providing for the delegation of any of its functions as a custodian to a person who is not a eligible person to be a delegate of the custodian under Section 71(1) of the Regulation, and any nominee appointed shall be eligible to be a delegate of a custodian under Section 71(1) 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. 71(2)(a)

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 Subject to the provisions of the MPFS Ordinance and Regulation, 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 (provided that such person has valid authority) shall be a complete discharge to the Trustee.

7.9 The Trustee shall have the 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.

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 Scheme 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 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 including restructuring by the merger or division of the Scheme with or into other Registered Schemes 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. **LIABILITY 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 failing to do (as the case may be) 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) the Trustee 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 redemption, endorsement or other document affecting the title to or transmission of Units in a Constituent Fund 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 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 or (except as specified in this Deed) of the Investment Manager. 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 it 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 not be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.
- 8.9 Nothing herein shall prevent the Trustee or any of its Associates from contracting or entering into any financial, banking or other transaction with an Investment Manager 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 for any profit or benefit made or derived thereby or in connection therewith without prejudice to the rights of the Scheme Participants in respect of any breach of trust and the applicable statutory requirements as imposed on the Trustee.

- 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 an owner of Units in a Constituent Fund 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 its 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 to the Scheme Participants 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 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 as the Trustee shall actually receive and in no event shall the Trustee 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 any 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.

MPF
Code
B1.1
S.26

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; 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 or the MPF Scheme Brochure including without limitation the Guaranteed Rate of Return. 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, SEP Member or Personal Account Member, 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.

and further PROVIDED THAT no such alteration shall be made which would cause the main purpose of the Trust, the Scheme, or any Participating Schemes affected by such modification to be other than the provision of retirement and other benefits for employees of Employers, Self-Employed Persons 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 have been complied with.

MPF
Code
B1.19

PROVIDED ALWAYS THAT at least one (1) month's notice (or such shorter notice as agreed by the MPF Authority and the SFC) shall be given to Scheme Participants before any proposed alteration to the method of dealing in a Constituent Fund shall take effect.

R.63 9.3 9.3.1 Subject to Clause 9.3.3, 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 MPF Scheme Brochure and lodge with the MPF Authority and, if necessary, the SFC, a copy of the proposed amendment.

9.3.2 Subject to Clause 9.3.3, an amendment to this Deed or the MPF Scheme 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 applicable, the SFC have approved the amendment.

R.63(2A) 9.3.3 In respect of an amendment proposed to be made or made to the Rules in respect of or by a Participation Agreement:

9.3.3.1 Subject to Clause 9.3.3.2, Clauses 9.3.1 and 9.3.2 shall not apply unless the amendment relates to Mandatory Contributions or Voluntary Contributions;

9.3.3.2 Clauses 9.3.1 and 9.3.2 shall not apply if the amendment is in a form approved by MPF Authority for the purposes of Section 63 of the Regulation.

9.3.4 Any amendment to this Deed and the MPF Scheme Brochure shall not be made available to Members, prospective Members, Employers and prospective Employers until the MPF Authority has given written notice to the Trustee that the MPF Authority has approved such amendment.

10. INVESTMENT POWERS AND RESTRICTIONS

10.1 Subject to Clauses 10.2 to 10.7 and the provisions of the MPFS Ordinance and the Regulation, the Trustee shall have and may from time to time exercise all or any of the following powers:

10.1.1 for so long as the Scheme is a Registered Scheme, power to invest the Trust Fund in accordance with this Deed.

10.1.2 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 their actual state so long as the Trustee may in its absolute discretion think fit;

10.1.3 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;

10.1.4 power as the Trustee may in its absolute discretion thinks fit 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;

(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 Part IV and Part V and Schedule 1 of the Regulation as amended from time to time. The Trustee is required to comply with Part IV and Part V and Schedule 1 of the Regulation and any guidelines relating to investment practices issued by the MPF Authority PROVIDED ALWAYS THAT:

- (a) if a Constituent Fund is a feeder fund, it must not enter into any financial futures and option contracts;
- (b) if a 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 any one underlying 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 include 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.

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, or lent to, as applicable, the Trustee, any Investment Manager, or any 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 Collective Investment Scheme, either authorised under Section 104 of the Securities Ordinance or recognised jurisdiction schemes pursuant to Section 1.2 of the UTMF Code.

10.5 Subject to Schedule 1 of the Regulation and any statutory requirements and restrictions for the time being in force, the Trustee may borrow or arrange to borrow monies in any currency for the account of any Constituent Fund for the purpose of enabling Accrued Benefits in the Constituent Fund to be paid or a transaction relating to the acquisition of securities or other investment in respect of the Constituent Fund to be settled. Where borrowing may be undertaken for the account of a Constituent Fund subject to the relevant provisions of the Regulation, 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, the Trustee must ensure that:

- (a) any Investment Manager appointed in respect of the Scheme or any Constituent Fund, or any delegate of that Investment Manager, acts 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 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.

10.8 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.

10.9 Subject to 6.1.14, 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 their acting in any capacity for any other person.

10.10 All the provisions relating to the dealing of Units of any Constituent Fund may be changed by the Trustee PROVIDED THAT:

MPF
Code
B1.18

- (a) a permanent change in the method of dealing may only be effected after giving one (1) month's notice (or such longer notice not exceeding three months as may be imposed by the MPF Authority and the SFC) 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 interests of the Scheme Participants;
 - (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 MPF Scheme Brochure; and
 - (iii) with the approval of the approved trustee.

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 current Constituent Funds are the following:

- (a) *Guaranteed Fund*

The Guaranteed Fund is an unitized Constituent Fund. A statement of the Investment Policy of the Guaranteed Fund prepared in accordance with Part IV of the Regulation is set out in the MPF Scheme Brochure. The funds of the Guaranteed Fund may be invested in one underlying APIF approved by the MPF Authority and the SFC or any Permissible Investments.

(b) *Global Growth Fund*

The Global Growth Fund is an unitized Constituent Fund. A statement of the Investment Policy of the Global Growth Fund prepared in accordance with Part IV of the Regulation is set out in the MPF Scheme Brochure. The funds of the Global Growth Fund may be invested in one or more underlying APIFs approved by the MPF Authority and the SFC or any Permissible Investments.

(c) *Global Stable Fund*

The Global Stable Fund is an unitized Constituent Fund. A statement of the Investment Policy of the Global Stable Fund prepared in accordance with Part IV of the Regulation is set out in the MPF Scheme Brochure. The funds of the Global Stable Fund may be invested in one or more underlying APIFs approved by the MPF Authority and the SFC or any Permissible Investments.

(d) *MPF Conservative Fund*

The MPF Conservative Fund is an unitized constituent fund. A statement of the Investment Policy of the MPF Conservative Fund prepared in accordance with Part IV of the Regulation is set out in the MPF Scheme Brochure. The funds of the MPF Conservative Fund may be invested in an underlying APIF approved by the MPF Authority and the SFC or any Permissible Investments as prescribed in Clause 13.1(a).

(e) *Global Equity Fund*

The Global Equity Fund is an unitized constituent fund. A statement of the Investment Policy of the Global Equity Fund prepared in accordance with Part IV of the Regulation is set out in the MPF Scheme Brochure. The funds of the Global Equity Fund may be invested in an underlying APIF approved by the MPF Authority and the SFC or any Permissible Investments.

(f) *Global Bond Fund*

The Global Bond Fund is an unitized constituent fund. A statement of the Investment Policy of the Global Bond Fund prepared in accordance with Part IV of the Regulation is set out in the MPF Scheme Brochure. The funds of the Global Bond Fund may be invested in an underlying

MPF
Code
B2.16

MPF
Code
B2.16

MPF
Code
B2.16

APIF approved by the MPF Authority and the SFC or any Permissible Investments.

(g) *Asian Balanced Fund*

MPF
Code
B2.16

The Asian Balanced Fund is an unitized constituent fund. A statement of the Investment Policy of the Asian Balanced Fund prepared in accordance with Part IV of the Regulation is set out in the MPF Scheme Brochure. The funds of the Asian Balanced Fund may be invested in an underlying APIF approved by the MPF Authority and the SFC or any Permissible Investments.

h) *Asian Pacific Equity Fund*

MPF
Code
B2.16

The Asian Pacific Equity Fund is an unitized constituent fund. A statement of the Investment Policy of the Asian Pacific Equity Fund prepared in accordance with Part IV of the Regulation is set out in the MPF Scheme Brochure. The funds of the Asian Pacific Equity Fund may be invested in an underlying APIF approved by the MPF Authority and the SFC or any Permissible Investments.

i) *European Equity Fund*

MPF
Code
B2.16

The European Equity Fund is an unitized constituent fund. A statement of the Investment Policy of the European Equity Fund prepared in accordance with Part IV of the Regulation is set out in the MPF Scheme Brochure. The funds of the European Equity Fund may be invested in an underlying APIF approved by the MPF Authority and the SFC or any Permissible Investments.

j) *US Equity Fund*

MPF
Code
B2.16

The US Equity Fund is an unitized constituent fund. A statement of the Investment Policy of the US Equity Fund prepared in accordance with Part IV of the Regulation is set out in the MPF Scheme Brochure. The funds of the US Equity Fund may be invested in an underlying APIF approved by the MPF Authority and the SFC or any Permissible Investments.

k) *Hong Kong Equities Fund*

MPF
Code
B2.16

The Hong Kong Equities Fund is an unitized constituent fund. A statement of the Investment Policy of the Hong Kong Equities Fund prepared in accordance with Part IV of the Regulation is set out in the MPF Scheme Brochure. The funds of the Hong Kong Equities Fund may be invested in an underlying APIF approved by the MPF Authority and the SFC or any Permissible Investments.

l) *Greater China Equity Fund*

The Greater China Equity Fund is an unitized constituent fund. A statement of the Investment Policy of the Greater China Equity Fund prepared in accordance with Part IV of the Regulation is set out in the MPF Scheme Brochure. The funds of the Greater China Equity Fund may be invested in an underlying APIF approved by the MPF Authority and the SFC or any Permissible Investments.

j) *Age 65 Plus Fund*

The Age 65 Plus Fund is an unitized constituent fund. A statement of the Investment Policy of the Age 65 Plus Fund prepared in accordance with Part 2 of the Schedule 10 of the MPFS Ordinance and Part IV of the Regulation is set out in the MPF Scheme Brochure. The Age 65 Plus Fund may be invested in an underlying APIF approved by the MPF Authority and the SFC or any Permissible Investments.

k) *Core Accumulation Fund*

The Core Accumulation Fund is an unitized constituent fund. A statement of the Investment Policy of the Core Accumulation Fund prepared in accordance with Part 2 of the Schedule 10 of the MPFS Ordinance and Part IV of the Regulation is set out in the MPF Scheme Brochure. The Core Accumulation Fund may be invested in an underlying APIF approved by the MPF Authority and the SFC or any Permissible Investments.

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 one (1) month's notice (or such longer notice not exceeding three months as may be imposed by the MPF Authority and the SFC) in writing to the SEP Members and the Personal Account Members and to the Employers who shall forward such notice to Employee Members and VC Employee Members of their relevant Participating Schemes.

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 the Constituent Funds. Monies forming part of the Constituent Funds shall from time to time be invested in accordance with the provisions of this Deed. 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.

11.1.4 A Member shall not have or acquire any rights against the Trustee in respect of Units other than:

- (i) those Units credited to the Contribution Account or Personal Account of such Member;
- (ii) the contributions made to the Scheme by or in respect of the Member which are pending for acquisition of Units; and

- (iii) assets transferred to the Scheme in respect of the Member which are pending for acquisition of Units.

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 Scheme or any Constituent Fund. For the avoidance of doubt, nothing in this Clause shall prejudice a Member's right for his accrued benefit under the Scheme permitted by law.

MPF
Code
B1.9

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

R.36
MPF
Code
B2.7

- 11.2 The Trustee may, at any time, with the approval of the MPF Authority, establish a new Constituent Fund. Upon the establishment of a new Constituent Fund, the Trustee shall send a notice to the SEP Members, the Personal Account Members and the Employers as soon as practicable setting out the name and the Investment Policy of the new Constituent Fund and the Employers shall forward such notice to the Employee Members of their relevant Participating Schemes.

MPF
Code
B1.25
B1.26

- 11.3 11.3.1 Subject to the prior approval of the MPF Authority, the Trustee may terminate a Constituent Fund other than the MPF Conservative Fund, (referred to in this Clause 11.3 as a "Terminating Constituent Fund") by giving at least three (3) months' notice (or such shorter notice as may be agreed by the MPF Authority and the SFC) to the Scheme Participants PROVIDED THAT the 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 The Members whose Contribution Account or Personal Account holds Units in that Terminating Constituent Fund must submit a new Specific Investment Instruction to the Trustee and give the Trustee at least fourteen (14) Business Day prior written notice (or any other form of notice acceptable to the Trustee) expiring on a Dealing Day to implement such new Specific Investment Instruction. Upon receipt of the new Specific Investment Instruction, the Trustee shall redeem all the Units of the Terminating Constituent Fund standing to the credit of the Contribution Account or Personal 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 new Constituent Fund specified in the new Specific Investment Instruction on the same date when Units in the Terminating Constituent Fund are redeemed PROVIDED ONLY THAT such date is a Dealing Day of the new Constituent Fund and if not, on the Dealing Day of the new Constituent Fund immediately following the date on which Units of the Terminating Constituent Fund are redeemed.

- 11.3.3 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 (with allocation to the relevant sub-accounts) or Personal Account (with allocation to the relevant sub-accounts) of the Member concerned.
- 11.4 If a relevant Member fails to notify the Trustee of his new Specific Investment Instruction 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 Contribution Account or Personal Account and the percentage of any future contributions to his Contribution Account originally allocated to invest in the Terminating Constituent Fund to be invested according to Default Investment Strategy (to the extent practically possible) and the Trustee shall notify the relevant Member of such investments after the investments have been effected. Notwithstanding the above, the relevant Member shall have the right to:
- (i) redeem any Units in any of the Constituent Funds so invested by submitting a Switching Instruction Form in accordance with Clause 13.3.1 PROVIDED THAT Clauses 13.3.2, 13.3.3, 13.4 to 13.7 shall be applicable and that no additional fee may be imposed by the Trustee for the implementation of the switching instructions; and
 - (ii) submit a new Specific Investment Instruction in accordance with Clause 13.1.1 with respect to future contributions.
12. **Specific Investment Instruction**
- 12.1 Specific Investment Instruction is considered to be valid if the following conditions are met:
- (a) total allocation percentages of the selected constituent funds for each account and each sub-account (if applicable) are equal to 100%; and
 - (b) the Member's signature of the submitted form is matched with Trustee's records (if applicable);
- 12.2 If a Member does not give any Specific Investment Instruction to the Trustee before the prescribed time as specified by the Trustee from times to time, The Trustee will invest the Accrued Benefits of a Member according to the Default Investment Strategy.
- 12.3 Upon enrollment, if Specific Investment Instruction provided by a Member is not valid and no clarification is received, the Trustee will invest the future contributions and Accrued Benefits transferred from another scheme of the Member according to the Default Investment Strategy if no further valid Specific Investment Instruction is received from that Member.
- 12.4 For new enrollment, Member's Specific Investment Instructions will apply to all sub-accounts excluded non-regular voluntary contribution for which a separate Specific Investment Instruction has to be given. For switching and/or change of investment mandate, a Member needs to specify Specific Investment Instructions for

different accounts and sub-accounts under the form of “Fund Switching Form”. If Specific Investment Instruction is only provided for one sub-account under switching and/or change of investment mandate, the Specific Investment Instructions will be carried out for such specified sub-account only. No switching and/or change of investment mandate will be conducted for the remaining account and sub-accounts.

13. **MPF CONSERVATIVE FUND**

R.37
MPF
Code
B2.14

13.1 The asset of the 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 Constituent Fund, as measured by the effective currency exposure, in accordance with Section 16 of Schedule 1 of the Regulation.

13.2 After taking into account any losses arising from the investment of the funds comprising the 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.

13.3 Notwithstanding anything contained in this Deed, administrative expenses may be deducted from the account of a Member whose Accrued Benefits form part of the MPF Conservative Fund only as provided by Clauses 13.4 to 13.6.

13.4 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 MPF Conservative Fund. The amount is to be calculated as follows:

$$A = L \times \underline{\text{MAB}}$$

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 MPF Conservative Fund;

CPA represents the total funds comprising the MPF Conservative Fund.

13.5 If the amount of income and profits derived from the investment of the funds of the 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 as scheme administrative expenses for that month.

13.6 If for a particular month no amount is deducted as administrative expenses under Clause 13.5, or the amount of administrative expenses that is deducted under Clause 13.5 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.

13.7 Notwithstanding any other provision of this Deed, neither Offer Spread nor Bid Spread shall be imposed on any issue or redemption of Units of the MPF Conservative Fund. Units in the MPF Conservative Fund shall be issued and redeemed at the Net Asset Value of such Unit.

SFC
Code
5.39

13.8 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 or a Personal Account will be redeemed at the price at which such Units are originally issued.

13.9 For the purposes of this Clause 13:

(a) "authorised financial institution" means an authorised financial institution belonging to a class specified by the MPF 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.

14. **Default Investment Strategy**

14.1 Default Investment Strategy is a strategy that uses the DIS Constituent Funds to automatically manage the risk exposure of a Member depending on his age.

14.2 14.2.1 The investment relation to Default Investment Strategy accords with the requirements under Section 34DB and Part 2 of Schedule 10 of the MPFS Ordinance;

14.2.2 Subject to subsection (2), (3) and (4) of Section 34DB and Section 34DC the MPFS Ordinance, the Trustee invests the Accrued Benefits of a Member according to the Default Investment Strategy;

14.2.3 The Default Investment Strategy is available for selection by Members;

14.3 14.3.1 The Trustee will invest the Accrued Benefits in the Pre-existing Account of a Member according to the Default Investment Strategy if the condition as mentioned in Section 34DG of the MPFS Ordinance is fulfilled;

14.3.2 The Trustee will not invest the Accrued Benefits in the Pre-existing Account of a Member according to the Default Investment Strategy if the Member has reached 60 years of age before the commencement date of Section 34DB of the MPFS Ordinance. The Accrued Benefits in the Pre-existing Account of the Member will continue to invest according to existing investment instruction unless the Trustee has received Specific Investment Instructions from the Member for those benefits.

14.3.3 The Trustee will not invest the Accrued Benefits in the Pre-existing Account of a Member according to the Default Investment Strategy if:

- (a) the Member is below 60 years of age, or becomes 60 years of age, on the commencement date of Section 34DB of the MPFS Ordinance; and
- (b) immediately before on the commencement date of Section 34DB of the MPFS Ordinance, part of the Accrued Benefits in a Pre-existing Account of the Member have been invested according to the default investment arrangement (i.e. invest in all the Constituent Funds of the Scheme in equal shares).

The Accrued Benefits in the Pre-existing Account of the Member will continue to invest according to existing investment instruction unless the Trustee has received Specific Investment Instructions from the Member for those benefits.

- 14.3.4 The Trustee will not invest the Accrued Benefits invested in the Guaranteed Fund in the Pre-existing Account of a Member according to the Default Investment Strategy if:
- (a) those benefits are invested according to the default investment arrangement (i.e. invest in all the Constituent Funds of the Scheme in equal shares); and
 - (b) On the expiry date as specified from time to time in Section 34DI(3) of the MPFS Ordinance, the market value of those benefits is less than the value guaranteed by the Guaranteed Fund to be paid to the Member on that day.

The Accrued Benefits invested in the Guaranteed Fund in the Pre-existing Account of the Member will continue to invest according to existing investment instruction unless the Trustee has received Specific Investment Instructions from the Member for those benefits.

The valuation methodology is disclosed in MPF Scheme Brochure. Member could obtain the valuation result via contacting the Trustee by mail or by person.

- 14.3.5 The Trustee will not invest the Accrued Benefits in the Pre-existing Account of a Member according to the Default Investment Strategy under Section 34DC of the MPFS Ordinance if all or any of the Accrued Benefits in an account of a Member of the Scheme are transferred to another account of the Member within the Scheme. The transferred benefits remain invested in the same manner as they were invested immediately before the transfer unless the Trustee has received Specific Investment Instructions from the Member for those benefits.

- 14.4 14.4.1 The following combination between the Default Investment Strategy and other non- DIS Constituent Funds is available for enrollment of new members or set up a new account in the Scheme joining the Scheme on or after [April 1, 2017]:
- (a) invest in Default Investment Strategy (with de-risking); or
 - (b) invest in the standalone DIS Constituent Funds (without de-risking) and non-DIS Constituent Funds

- 14.4.2 The following combination between the Default Investment Strategy and other non- DIS Constituent Funds is available for switching or change of investment mandate on or after [April 1, 2017]:
- (a) DIS (with de-risking);and/or
 - (b) One or more constituent funds under the Scheme of member's own choice (including the CAF and A65F) and according to member's assigned allocation percentage(s) to relevant fund(s) of member's choice.

- 14.5 14.5.1 Accrued Benefits invested through the Default Investment Strategy will be invested in a way that adjusts risk depending on a Member age. Such de-risking is to be achieved by annual adjustments of assets allocation according to the allocation percentages as shown in Section 4(3) of Part 2 of the MPFS Ordinance.

14.5.2 The annual de-risking for a Member is automatically carried out on the following dates:

- (a) on a Member's birthday;
- (b) on the last calendar day of the birth month, if only the year and month of birth is available; or
- (c) on the last calendar day of the birth year, if only the year of birth is available.

If the above mentioned date is not a dealing day, the de-risking will be conducted in next dealing day.

14.5.3 When one or more of the Specified Investment Instructions, including but not limited to subscription, redemption or switching instructions, are being processed on the annual date of de-risking for a relevant Member, the annual de-risking will only take place after completion of these instructions where necessary.

14.5.4 If the Trustee receives instruction from a member on switching or transferring all of the Accrued Benefits out from DIS to standalone DIS Constituent Funds or non-DIS Constituent Funds, the de-risking is discontinued.

14.6 14.6.1 Subject to Section 34DD(3) of the MPFS Ordinance, no payment for the services specified in Section 34DD(2) of the MPFS Ordinance may be charged to or imposed on a DIS Constituent Funds of the Scheme or a Member who invests in the DIS Constituent Funds other than those specified under Section 34DD(3) of the MPFS Ordinance.

14.6.2 The aggregate of the total amounts charged for payment of services specified in Section 34DD(4)(a) of the MPFS Ordinance does not, in a single day, exceed the percentage specified in Section 1 of Schedule 11 of the MPFS Ordinance. The total amount of out-of-pocket expenses specified in Section 34DD4(b) of the MPFS Ordinance, does not, in a single year, exceed the percentage specified in Section 2 of Schedule 11 of the MPFS Ordinance.

14.7 The Units switched under annual de-risking shall be rounded off to 4 decimal places, or such other number of decimal places as the Trustee may determine from time to time.

15. **SWITCHING BETWEEN CONSTITUENT FUNDS, SUSPENSION AND DEFERRAL IN DEALINGS**

15.1 15.1.1 Subject to Clauses 15.1.2, 15.2 to 15.7 and any other limitations as the Trustee may impose from time to time as set out in the MPF Scheme Brochure, a Member is entitled to change his Specific Investment Instruction by submitting a new Specific Investment Instruction to the Trustee. The Member may instruct the Trustee to apply any future contributions paid to the Member's Contribution Account after a specified date (referred to in this Clause 15.1.1 as the "Relevant Date") to acquire Units of one or more Constituent Funds specified in the new Specific Investment Instruction PROVIDED THAT the new Specific Investment Instruction must be given to the Trustee at least fourteen (14) Business Days but no more than one (1) month before the Relevant Date. Any new Specific Investment Instruction given to the Trustee by or on behalf of a

Member other than in accordance with this Clause 15.1.1 shall be regarded as invalid and shall be ignored by the Trustee without incurring any liability on the part of the Trustee.

MPF
Code
B1.5

15.1.2 Subject to the Regulation and any codes and guidelines issued by the MPF Authority from time to time, the Trustee in its sole discretion may impose any limitation or restriction on the submission of a new Specific Investment Instruction PROVIDED ALWAYS THAT a Member shall be entitled to apply 100 per cent of the Subscription Monies to acquire Units of any Constituent Fund.

15.2 15.2.1 Subject to Clause 15.2.2, with respect to an Employee Member, the Specific Investment Instruction referred to in Clause 15.1 must be forwarded to the Trustee by the Member's Employer if such Specific Investment Instruction is given to the Trustee in writing.

15.2.2 Subject to Clauses 15.1 and 15.6,

(a) if an Specific Investment Instruction is given by a Member to the Trustee in writing, the Specific Investment Instruction shall be regarded as valid and properly documented if it is duly completed and signed by the Member concerned;

(b) if the Trustee allows Specific Investment Instructions to be given to the Trustee through internet or other electronic means, an Specific Investment Instruction shall be regarded as valid and properly documented when a complete and clear version of such Specific Investment Instruction has been received by the Trustee.

MPF
Code
B1.8
B1.5

15.3 15.3.1 Subject to Clauses 15.4 to 15.7 and any other limitations as the Trustee may impose from time to time as specified in the MPF Scheme Brochure 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 15 as the "Current Constituent Fund") standing to the credit of the Member's Contribution Account or Personal Account on a Dealing Day specified by the Member ("Specified Dealing Day") and to apply such redemption proceeds to acquire Units in one or more Constituent Funds as specified in the Switching Instruction Form (referred to in this Clause 15 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. Notwithstanding that a Switching Instruction Form has been given to the Trustee, any future contributions paid to the Member's Contribution Account after switching has been completed shall be applied to acquire Units in the Constituent Fund as specified in the latest Specific Investment Instruction submitted by or on behalf of the Member. Any Switching Instruction Form given to the Trustee by or on behalf of a Member other than in accordance with this Clause 15.3.1 shall be regarded as invalid and

can be disregarded by the Trustee without incurring any liability on the part of the Trustee.

15.3.2 Subject to Clauses 15.6 and 15.7, 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

- N - is the number of Units 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;
- 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.
- M - is the Issue Price per Unit of the New Constituent Fund as at the Specified Dealing Day PROVIDED THAT if the Dealing Day for the New Constituent Fund is not the same as the Specified Dealing Day, then M shall be the Issue Price per Unit of the New Constituent Fund applicable on the first Dealing Day of the New Constituent Fund immediately following the Specified Dealing Day;

15.3.3 Upon completion of the switching,

- (a) the Trustee shall credit the number of Units of the New Constituent Fund issued as a result of the switching to the relevant Contribution Account (with allocation to the relevant sub-accounts) or Personal Account (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 transferred as at the Specified Dealing Day, less any applicable Offer Spread and Bid Spread.

15.4 With respect to an Employee Member, the Switching Instruction Form referred to in Clause 15.3 must be signed by the Employee Member concerned and be forwarded to the Trustee by the Employee Member's Employer. Subject to Clause 15.6, a Switching Instruction Form shall be regarded as valid and properly documented if it is duly

completed and signed by the Member concerned. Notwithstanding the above, the Trustee may accept a switching instruction given by a Member in such other manner as the Trustee may consider appropriate.

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

15.6 15.6.1 The Trustee shall act promptly to implement any Specific Investment Instruction or instructions specified in a Switching Instruction Form given in accordance with Clause 15.3. Subject to Clause 15.6.2, 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 Specific Investment Instruction or the instructions specified in the Switching Instruction Form and the relevant Specific Investment Instruction or Switching Instruction Form shall forthwith be regarded as invalid.

15.6.2 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.

15.6.3 The Trustee shall notify the Member concerned of the suspension of dealing referred to in Clauses 15.6.1 and 15.6.2 and seek a revised Specific Investment Instruction or Switching Instruction Form from the Member concerned which shall supersede the preceding Specific Investment Instruction 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 Specific Investment Instruction or Switching Instruction Form from the Member concerned.

MPF
Code
B1.22

15.7 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 15.7 are not redeemed shall be redeemed (subject to any further application of this Clause 15.7) on the immediately following Dealing Day.

16. **VALUATION**

16.1 The Trustee shall on each Dealing Day ascertain the Net Asset Value of a Unit of each Constituent Fund in accordance with a policy established by the Trustee and at such time on each Dealing Day as specified in the MPF Scheme Brochure (except there has been a suspension of valuation declared pursuant to Clause 19).

MPF
Code
B1.16

16.2 (a) If on any Dealing Day, the Trustee shall propose to issue any Units pursuant to Clause 17, it shall ascertain the Issue Price of a Unit of the relevant Constituent Fund in accordance with the provisions in Clause 17 and this Clause 16.

- (b) If on any Dealing Day, the Trustee shall propose to redeem any Units of a Constituent Fund pursuant to Clause 18, it shall ascertain the Redemption Price of a Unit of the relevant Constituent Fund in accordance with the provisions in Clauses 18 and this Clause 16.

MPF
Code
B1.13

- 16.3 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 Clause 16. In calculating the Net Asset Value of a Constituent Fund on any Dealing Day, any contribution monies received after the Dealing Deadline on the immediately preceding Dealing Day shall be excluded while any redemption proceeds on that Dealing Day shall be included. In order to determine the Net Asset Value of a Unit, the Net Asset Value of the assets of such Constituent Fund shall be divided by the number of Units of that 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 Constituent Fund to be redeemed on that Dealing Day.
- 16.4 The relevant Constituent Fund shall be entitled to retain any amount corresponding to the rounding up or down as a result of determining the redemption proceeds, the Issue Price, the Redemption Price or the number of Units to be issued or redeemed, as the case may be.
- 16.5 The value of the assets comprised in each Constituent Fund shall be calculated on the following basis:
- 16.5.1 in the case of any Investment which is a unit or share in an open-ended Collective Investment Scheme, the value thereof shall be calculated by reference to the net asset value per share or unit quoted at the relevant time by the managers of the relevant Collective Investment Scheme (or if more than one price is quoted, the average of the bid and offer prices);
- 16.5.2 the value of any investment other than an investment referred to in Clause 16.5.1 which is quoted, listed or dealt in on a stock exchange or market shall be the closing price of the relevant investment on the relevant stock exchange or market;
- 16.5.3 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 by an independent party approved by the Trustee as qualified to value the relevant Investment and in the case of an investment in a policy which is an underlying APIF, the value of such investment shall be taken as the value advised to the Trustee on a regular basis by the insurer of such policy;
- 16.5.4 any current or fixed deposits shall be valued at face value;
- 16.5.5 interest, discount and similar income and returns shall be deemed to accrue from day to day;

16.5.6 dividends shall be deemed to be received on the date on which the relevant Investment is first quoted "ex" the dividend payment in question;

16.5.7 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;

16.5.8 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 16.5.8 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.

16.5.9 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;

16.5.10 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;

16.5.11 in calculating the Net Asset Value of a Constituent Fund, there shall be deducted from the gross asset value of each Constituent Fund the following amounts (or a proportion of such amounts as determined by the Trustee):

(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.;

R.66

(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 Investment Management Fee and the fees and expenses of the Auditors, the custodian (including any fees and expenses arising from change of Investment Manager and/or custodian and/or sub-custodian), sub-custodian, nominee, agent or adviser of the Trustee;

(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, compensation levy and other levies, dealing costs, hedging 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;

S.17/22B

(h) the costs, charges, fees and expenses incurred in relation to the establishment of the Scheme (including without limitation printing costs of any offering documents and other marketing

materials) and any costs, charges, 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 costs, fees, charges and expenses set out in Clause 16.5.11(i) and (ii) over such period as the Trustee shall think fit.

- (i) fees, expenses and liabilities of the Trustee for the period since the last payment thereof;
- (ii) 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.

16.5.12 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.

16.5.13 notwithstanding the foregoing, the Trustee may in respect of any Constituent Fund make such adjustments as it thinks appropriate to take account of any other assets or liabilities attributable to such Constituent Fund not otherwise reflected in a valuation.

16.6 The Trustee shall decide conclusively:

16.6.1 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

16.6.2 how any taxation to which the Trust or any Participating Scheme is or may be subject is to be treated.

- 16.7 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.
- 16.8 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.
- 16.9 The Investment 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.
- 16.10 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 16.11 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 16.12 If there is an error in the determination of the Issue Price or Redemption Price of a Unit, 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 Constituent Fund's Net Asset Value per Unit, 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
B1.23

16.13 The Trustee shall arrange for the latest available Issue Price and Redemption Price or NAV per unit of the Unit of any Constituent Fund to be published at least once a month in at least one leading English language and one leading Chinese language daily newspaper in Hong Kong approved by the MPF Authority unless a waiver has been obtained from the MPF Authority.

17. **ISSUE OF UNITS**

17.1 Upon receipt of an application for the issue of Units in a Constituent Fund accompanied by Subscription Monies in cleared funds, the Trustee shall issue Units in such Constituent Fund as determined in accordance with this Clause 17. Units in a Constituent Fund may only be issued on a Dealing Day.

17.2 Notwithstanding any other provision of this Clause 17, if the Subscription Monies in cleared funds are received by the Trustee after the Dealing Deadline on any Dealing Day, the Subscription Monies will be deemed to have been received on the next Business Day following such receipt. For the avoidance of doubt, any application for issue of Units shall not be considered to have been received by the Trustee until the Subscription Monies in respect of the application has been received by the Trustee in cleared funds.

MPF
Code
B1.11

17.3 No investment of the Subscription Monies can be made in any Constituent Fund until the conclusion of the first issue of Units at the Issue Price. Units of any Constituent Fund of the Scheme shall first be issued at HK\$10.00 unless otherwise determined by the Trustee.

17.4 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 Units issued after making any relevant deduction or provision for the Offer Spread.

17.5 Subject to Clauses 13.7 and 17.3, the Issue Price per Unit of a Constituent Fund on any Dealing Day shall be determined as follows:

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

where:

I = Issue Price per Unit.
NAV = Net Asset Value per Unit on the Dealing Day.
C = Offer Spread, expressed as a percentage.

PROVIDED ALWAYS that:

- (i) the Issue Price should be rounded up to 4 decimal places or such other number of decimal places as the Trustee shall determine from time to time;

- (ii) the number of Units issued shall be the number obtained when the Subscription Monies is divided by the Issue Price of the Unit of the Constituent Fund in which the Subscription Monies 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 Constituent Fund shall be issued at a price higher than the Issue Price of the Unit of the Constituent Fund on the relevant Dealing Day.

17.6 Subject to the Regulation, the Offer Spread shall be retained by or paid to the Trustee for its own absolute use and benefit. The Offer Spread currently charged by the Trustee and the maximum Offer Spread for each Constituent Fund are set out in the MPF Scheme Brochure, subject to further amendments made by the Trustee with the approval of the SFC and the MPF Authority, PROVIDED THAT the Trustee may without the approval of the SFC or the MPF Authority reduce the Offer Spread for any Member or Employer as the Trustee considers appropriate.

17.7 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 19.

18. **REDEMPTION OF UNITS**

18.1 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 and/or Personal Account including any sub-accounts therein. Any request in relation to a redemption of Units which is received by the Trustee after the Dealing Deadline will be deemed to have been received by the Trustee on the Business Day next following such receipt. Before exercising such redemption, it shall be the duty of the Trustee, in consultation with the relevant Investment Manager, if any, to ensure that the Constituent Fund has (or will have upon the completion of the sale of Investments agreed to be sold) cash sufficient to pay the redemption proceeds payable.

18.2 18.2.1 Subject to Clause 13.7, the Redemption Price per Unit of a Constituent Fund on any Dealing Day shall be determined as follows:

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

where:

- R = Redemption Price
- NAV = Net Asset Value per Unit on the Dealing Day
- D = Bid Spread, expressed as a percentage

PROVIDED ALWAYS that:

MPF
Code
B1.17

- (i) the Redemption Price should be rounded down to 4 decimal places or such other number of decimal places as the Trustee shall determine from time to time;
- (ii) the total redemption proceeds shall be the Redemption Price multiplied by the number of Units redeemed, such proceeds to be rounded down to 2 decimal places or such other number of decimal places as the Trustee shall determine from time to time; and
- (iii) no Unit of any Constituent Fund shall be redeemed at a price lower than the Redemption Price of the Unit of the Constituent Fund on the relevant Dealing Day.

18.2.2 When a Member redeem Units in the Guaranteed Fund, the amount of redemption proceeds shall be subject to the following:

- (a) if the redemption is made upon an occurrence other than a Qualifying Event, the redemption proceeds shall be determined in accordance with Clause 18.2.1(ii) PROVIDED THAT in the case of partial withdrawal, the account balance of the Member's Notional Guaranteed Account shall be reduced by the same proportion as the number of Units so reduced.
- (b) if the redemption is made upon an occurrence of a Qualifying Event, the redemption proceeds shall be the greater of:
 - (i) the actual redemption proceeds determined in accordance with Clause 18.2.1(ii) above; and
 - (ii) the balance standing to the credit of the Member's Notional Guaranteed Account less the amount of Bid Spread applicable in Clause 18.2.2(b)(i) above. The interest accrues thereon during each Interest Period will be pro-rated for incomplete Interest Period.

15(1)
15(2)

PROVIDED THAT in the case of partial withdrawal, the account balance shall be reduced by the same proportion as the number of Units so reduced.

18.3 Subject to the Regulation, the Bid Spread shall be retained by or paid to the Trustee for its own absolute use and benefit. The Bid Spread currently charged by the Trustee and the maximum Bid Spread for each Constituent Fund are set out in the MPF Scheme Brochure, subject to further amendments made by the Trustee with the approval of the SFC and the MPF Authority, PROVIDED THAT the Trustee may without the approval of the SFC or the MPF Authority reduce the Bid Spread for any Member or Employer as the Trustee may consider appropriate.

18.4 Where redemption is to be effected pursuant to this Clause 18, 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. Any redemption proceeds pending such payment or application shall be retained in an interest bearing account. The Trustee shall also debit the relevant Contribution Account or Personal Account (with allocation to the appropriate sub-accounts) the number of Units redeemed.

18.5 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 19.

MPF
Code
B1.22

18.6 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 is 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 18.6 fail to be redeemed shall be redeemed (subject to any further application of this Clause 18.6) on the immediately following Dealing Day.

18A. INCOME AND PROFITS

(a) Notwithstanding anything contained in this Deed or the Rules, a Member is not entitled to any interest derived from the placing on deposit of:-

(i) Mandatory Contribution, Voluntary Contribution or Accrued Benefits in respect of such Member received by the Trustee during the period that the payment of such contributions or benefits in such Member's Contribution Account is pending;

(ii) Accrued Benefits of such Member moved from a Constituent Fund and during the period that the investment of such Accrued Benefits into another Constituent Fund is pending; or

(iii) Accrued Benefits of such Member received from a Constituent Fund and during the period that:-

(A) withdrawal of such Accrued Benefits from the Scheme is pending; or

(B) transfer of such Accrued Benefits to another Registered Scheme is pending.

(b) The interest referred to in Clause 18A(a) must be retained by the Trustee:-

(i) for the payment of any administrative expenses of the Scheme; or

(ii) as income of the Scheme,

for the benefit of the Members.

19. SUSPENSION OF VALUATION AND PRICING

MPF
Code
B1.20

- 19.1 Subject to the MPFS Ordinance and the Regulation, the Trustee may, having regard to the interests of the Scheme Participants, declare a suspension of the dealing 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; or
 - (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.

PROVIDED THAT the suspension shall not cause the Trustee to contravene the MPFS Ordinance or the Regulation.

- 19.2 The suspension referred to in Clause 19.1 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, in consultation of the Investment Manager, if any, 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.

MPF
Code
B1.21

- 19.3 Whenever the Trustee declares 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 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.

20. **TERMINATION OF THE TRUST**

S.34A

- 20.1 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 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.

21. **FEES AND CHARGES**

- 21.1 Subject to Clause 13.5, 13.6, 13.9, 14.6 and Section 34DD of the MPFS Ordinance, the Trustee shall be paid periodically in arrears out of the assets of the Trust Fund a Trustee Fee as remuneration for providing trustee services at such intervals and rate as specified in the MPF Scheme Brochure. The Trustee Fee currently charged by the Trustee and the maximum Trustee Fee are specified in the MPF Scheme Brochure. Notwithstanding that the Trustee Fee shall be payable to the Trustee periodically in arrears, the calculation of the Trustee Fee shall be accrued on each Dealing Day. The Trustee 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.
- 21.2 Subject to Clauses 13.5, 13.6 and 13.9, an Investment Manager shall be paid periodically in arrears out of the assets of the Trust Fund an Investment Management Fee as remuneration for providing investment management services at such intervals and rate as set out in the MPF Scheme Brochure. The Investment Management Fee currently charged by the Investment Manager and the maximum Investment Management Fee are specified in the MPF Scheme Brochure. Notwithstanding that the Investment Management Fee is payable to the Investment Manager periodically in arrears, the calculation of the Investment Management Fee shall be accrued on each Dealing Day. The Investment Management Fee shall be pro-rated if the Investment Manager commences or ceases to act as an Investment Manager 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.
- 21.3 The Trustee shall, out of the remuneration payable to it pursuant to Clause 21.1, 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.
- 21.4 21.4.1 In addition to the fees payable to the Trustee specified in Clause 21.1, the Trustee shall be entitled to be paid out of the assets of the Trust Fund:
- (a) such transaction costs, charges, fees and expenses (including but not limited to tax, stamp duty, compensation levy and other levies, registration fee, custody and nominee charges) in connection with the Scheme and the costs of effecting and maintaining adequate insurance for the Scheme as required under the MPFS Ordinance and the Regulation; and

- (b) any other fees, costs, charges and expenses which will be deducted from the gross asset value of a Constituent Fund for the purpose of calculating the Net Asset Value of a Constituent Fund as set out in Clause 16.

21.4.2 The Trustee shall allocate the above costs, fees, charges and expenses set out in this Clause 21 to each of the Constituent Funds on a pro rata basis based on the gross value of the assets in each of those Constituent Funds or on any other basis as the Trustee considers appropriate. The Trustee may amortize all the fees, costs, charges and expenses payable out of the assets of the Trust Fund pursuant to this Clause 21 over such period as the Trustee considers appropriate.

21.5 21.5.1 Each Employer, SEP Member and Personal Account 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 Scheme:

- (a) a joining fee of such amount (if any) as specified in the MPF Scheme Brochure (which also sets out the maximum joining fee that may be imposed by the Trustee) upon the execution of the Participation Agreement or completion of an Application Form;
- (b) any costs incurred in registering or maintaining the registration of such Participating Scheme 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 Scheme;
- (d) audit fees, including fees of the Employer's or SEP Member's or Personal Account 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 Scheme;
- (e) the costs of amending the Participation Agreement and/or the Rules relating to such Participating Scheme;
- (f) any other costs, fees and expenses expressed to be payable by the Employers or SEP Members or Personal Account Members in this Deed and the Application Form and the Participation Agreement relating to the Participating Scheme.

PROVIDED FURTHER THAT the Trustee may at its sole discretion waive or reduce any of the above fees, costs, charges or expenses payable by the Employer, SEP Member or Personal Account Member.

21.5.2 The Trustee shall from time to time notify each Employer, SEP Member and Personal Account Member in writing of the amount of the fees and expenses

due hereunder, and the relevant Employer, the SEP Member and the Personal Account Member shall forthwith pay to the Trustee the amount so notified.

- 21.6 The aggregate of the total amounts charged for payment of services for DIS Constituent Fund is specified in Clause 14.6. The total amount of all payments that are charged to or imposed on DIS Constituent Fund, or a scheme member who invests in the fund, for out-of-pocket expenses incurred by the Trustee on a recurrent basis as specified in Section 34DD4(b) of the MPFS Ordinance, does not, in a single year, exceed the percentage specified in Section 2 of Schedule 11 of the MPFS Ordinance.

22. **NOTICES**

- 22.1 22.1.1 Subject to the requirements of the MPFS Ordinance, any notice or document required to be served upon the Scheme Participants for the purposes of the MPFS Ordinance (except a document given under Section 31(4A) of the MPFS Regulation), 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.

- 22.1.2 Without limiting the generality of Clause 22.1.1, a notice or other document to be given, served or lodged for the purposes of the MPFS Ordinance (except a document given under Section 31(4A) of the MPFS Regulation), this Deed, or the Participation Agreement may be given, served or lodged

- (a) in the case of a Scheme Participant 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.

22.1.3 Any notice or document referred to Clause 22.1.1 which is:

- (a) sent by facsimile transmission, electronic mail or other similar means of communication shall be taken to have been given or served if it is sent to the recipient's facsimile number or electronic mail address last known to the sender, or by other means specified by the recipient, and a record generated by the means of transmission proving that the notice or document was so sent;
- (b) sent by post shall, in the absence of industrial action or any other unexpected event which affects delivery of mail, be deemed to have been served three (3) days (or seven (7) days in the case of airmail) after the notice is posted, and in proving such service it shall be sufficient to prove that the notice was properly addressed, stamped and posted.
- (c) made available to a Scheme Participant by means of a website or by other electronic means shall be taken to have been given or served if a Scheme Participant is notified of its availability by the operation of (a) or 22.1.2(a),(b) or (c) as stated above given that prior consent from a Scheme Participant is obtained. .

22.1.4 Any document to be given under Section 31(4A) of the Regulation may be given:

- (a) in the case of a person other than a body corporate or partnership,
 - (i) by delivering it to the person personally; or
 - (ii) by sending it by registered post in a letter addressed to the person at the person's usual place of residence or business or, if the person's address is unknown, addressed to the Person's last known place of residence or business; or
- (b) in the case of a person which is a body corporate -
 - (i) by delivering it to any place in Hong Kong at which the person carries on business and giving it to a person apparently concerned with the management of, or apparently employed by, the person; or

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

22.1.5 In any case where the Trustee considers it appropriate or satisfactory, notices to Employee Members or their legal personal representatives may be given through the relevant Employer pursuant to Clause 22.1.2, and in any such case such notice shall be deemed to have been duly given when appropriate details have been given to such Employer and such Employer has been advised to pass such notices to the relevant Employee Members.

22.1.6 In the event that a notice is to be given 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 to the Employee Member within seven (7) Working Days after the Employer receives the notice.

R.58/59

22.2 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 or the Investment Manager, if applicable have notice of such death, bankruptcy, liquidation or receivership be deemed to have been duly served.

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

22.4 Notwithstanding any other provisions in this Deed, the Trustee may subject to the applicable provisions of the MPFS Ordinance at any time and 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.

23. **PROVISION OF INFORMATION**

Subject to Section 41 of the MPFS Ordinance, if the Trustee or the Investment Manager 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, neither the Trustee nor the Investment Manager shall 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 and/or

the Investment Manager (as the case may be) shall also have complied with the provisions of the Personal Data (Privacy) Ordinance.

24. **GOVERNING LAW**

24.1 This Deed and the Participation Agreement shall be governed by the laws of Hong Kong.

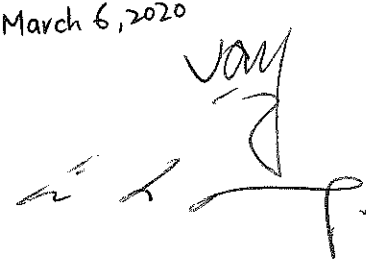
24.2 The Trustee and the Scheme Participants hereby submit to the non-exclusive jurisdiction of the Courts of Hong Kong.

25. **EFFECTIVE DATE**

This Nineteenth Deed of Amendment shall take effective from March 16, 2020.

This Deed has been executed by the Trustee on March 6, 2020

YF Life TRUSTEES)
LIMITED and TAY KENG PUANG)
SIGNED by)
WONG CHUN LEUNG JONAS)
its Directors)



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 Clause 2.1.2,

- (a) in order to become an Employee Member of the Scheme, an Eligible Employee shall complete an enrolment form as the Trustee may from time to time prescribe;
- S.11(2) (b) a Self-Employed Person may become a SEP Member of the Scheme notwithstanding that he is less than 18 years of age or is of or more than the Normal Retirement Age or is exempted under Section 4(3) of the MPFS Ordinance by completing an Application Form as the Trustee may from time to time prescribe;
- S.11(1) (c) an Eligible VC Employee may, with the consent of his Employer, become a VC Employee Member of the Scheme by completing an enrolment form as the Trustee may from time to time prescribe;
- S.11(1) (d) a person who, having Accrued Benefits in another Registered Scheme or an MPF Exempted ORSO Scheme or an ORSO Exempted Scheme or an 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;
- (e) a VC Employee Member who is less than 18 years of age will automatically become an Employee Member when he attains the age of 18 years;
- (f) 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 and the MPFS Ordinance and Regulation is taken to have elected to transfer his benefits accrued under this Scheme to a separate Personal Account in the Scheme; and
- S.11(A) (g) an eligible person who fulfils the eligibility requirements as mentioned in section 11A of the MPFS Ordinance may, become a TVC Member of the Scheme by completing an Application Form as the Trustee may

from time to time prescribe. Notwithstanding with the above, the Trustee may reject all or part of TVC payable by the TVC Member.

- R.31(1) 2.1.2 The persons referred to in Rule 2.1.1 must:
- (a) provide the correct and complete information required by the Trustee with respect to application for membership in the Scheme;
 - (b) agree in writing to comply with and be subject to the provisions of this Deed and any subsequent amendment made in accordance with provisions of the Deed; and
 - (c) comply with all applicable laws and regulations.
- 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 persons referred to in Rule 2.1.1 must be given a notice of participation within 30 days after whichever is the later of the following dates:
- (a) the date on which all the information required for the application is submitted;
 - (b) the date on which the person agrees to comply with the provisions of this Deed.
- 2.1.5 The membership of a Member may be terminated by the Trustee only in accordance with the Rules and:
- (a) in the case of an Employee Member, with the written agreement of that Employee Member or the Employer of that Employee Member given not earlier than sixty (60) days before the termination;
 - (b) in the case of a SEP Member or former SEP Member or a Personal Account Member or a VC Employee Member, with the written agreement of that SEP Member or former SEP Member or Personal Account Member or VC Employee Member given not earlier than 60 days before the termination; or

R.31(5)(c)
R.31(5A)

- (c) in case of a TVC member, with the written agreement of that TVC member given not earlier than 60 days before the termination. However, the Trustee could terminate the TVC Account if:
 - (i) The TVC Account has no accrued benefits; and
 - (ii) The TVC Account has had no activity for 365 days.

2.1.6 The participation of an Employer may be terminated by the Trustee only in accordance with the Rules and with the written agreement of the Employer given not earlier than sixty (60) days before the termination.

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.

R.31 2.3 2.3.1 The Trustee must ensure that within thirty (30) days after whichever is the later of the date on which all the information required for the application is submitted or the date on which the person agrees to comply with the provisions of this Deed, a notice of participation containing the following details is given to the Employee Member:

- (a) the name of the Scheme;
- (b) the name of the Trustee;
- (c) the address of the Trustee's principal place of business in Hong Kong;
- (d) the name of the Employee Member; and
- (e) the date of issue of the notice.

2.3.2 The Trustee may arrange to give to the Member's Employer the notice of participation referred to in Rule 2.3.1.

3. **CONTRIBUTIONS**

3.1 Mandatory Contributions

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

(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 and who has chosen the Scheme for making mandatory contributions, 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 who has chosen the Scheme for making mandatory contributions, 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

- (i) in respect of each Employee Member employed by it immediately before the commencement of section 4 of the MPFSAO and who has chosen the Scheme for making mandatory contributions, pay the Employer's Mandatory Contribution and the Employee's Mandatory Contribution as referred to in Rules 3.1(a) and (c) for each Contribution Period to the Trustee on or before the Contribution Day or such other day as prescribed by the MPFS Ordinance or the Regulation from time to time;
- (ii) in respect of each Employee Member employed by it immediately after the commencement of section 4 of the MPFSAO, who has chosen the Scheme for making mandatory contributions and who is a Casual Employee, pay the Employer's Mandatory Contribution and the Employee's Mandatory Contribution as referred to in Rules 3.1(a) and (c) for each Contribution Period to the Trustee on or before the Contribution Day or such other day as prescribed by the MPFS Ordinance or the Regulation from time to time; or
- (iii) in respect of each Employee Member employed by it immediately after the commencement of section 4 of the MPFSAO, who has chosen the Scheme for making mandatory contributions and who is not a Casual Employee, pay the Employer's Mandatory Contribution and the Employee's Mandatory Contribution as referred to in Rules 3.1(a) and (c) for each Contribution Period which ends in the previous calendar month or during the permitted period, as the case may be, to the Trustee on 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 sixty (60) days; and

S.7A(7) (ii) an Employer shall not, in respect of each Employee Member employed by it immediately before the commencement of section 4 of the MPFSAO and who is not a Casual Employee, make a deduction under Rule 3.1(c) in respect of the relevant Employee Member's Relevant Income earned for the first 30 days of that Employee's employment after the Relevant Time.

(iii) save as provided under Section 12A(6B) of MPFS Ordinance, an Employer shall not, in respect of each Employee Member employed by it immediately after the commencement of section 4 of the MPFSAO 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 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 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.

s.7C (g) Except to the extent that such payment is not required by the MPFS Ordinance, every SEP Member shall unless he is less than 18 years of age or is of more than the Normal Retirement Age or is exempted under Section 4(3) of the MPFS Ordinance, 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) Where a Contribution Period has commenced before the commencement of section 12 of the MPFSAO, the Minimum Level of Relevant Income and Maximum Level of Relevant Income immediately before the commencement of section 12 of the MPFSAO shall apply to and in relation to such Contribution Period.

(k) 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) in relation to an Employee Member (not being a Casual Employee) employed by an Employer immediately before the commencement of section 4 of the MPFSAO, means each period for which the Employer pays Relevant Income to the Employee Member, but does not include such a period occurring within, or that coincides with, the first 30 days of employment after the Relevant Time;
- (c) in relation to an Employee Member (not being a Casual Employee) employed by an Employer immediately after the commencement of section 4 of the MPFSAO and whose Wage Period:-
 - (i) is not more than 1 month, means each period for which his Employer pays or should pay the relevant Employee Member's Relevant Income to such Employee Member, but does not include any Wage Period commencing on or before the 30th day of employment after the Relevant Time; or
 - (ii) is more than 1 month, means each period for which his Employer pays or should pay the relevant Employee Member's Relevant Income to such 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;
- (d) 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;
- (e) in relation to a SEP Member who contributes to the Scheme on a yearly basis, means the year that coincides with each Financial Year;
- (f) 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;
- (g) the last day of the period prescribed above in relation to a SEP Member is the contribution day for the self-employed person. However, if that last day is a day specified in (h) below, the next following day that is not a day so specified is the contribution day for the SEP Member; and
- (h) The day specified for (g) above is:
 - (i) a Saturday;

R.131

- (ii) a public holiday; or
- (iii) a gale warning day or black rainstorm warning day

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;

S.7(3) “Wage Period”

in relation to an Employee Member and his Employer, means the period for which such Employee Member is paid, or should be paid, Relevant Income by his Employer.

3.2 Voluntary Contributions

3.2.1 Employer’s Voluntary Contribution

S.11 (a) Subject to the provisions of the relevant Participation Agreement, every Employer may elect to 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 Voluntary Contribution (the “Employer’s Voluntary Contribution”) under Section 11 of the MPFS Ordinance.

R.59 (b) If an Employer elects to pay an Employer’s Voluntary Contribution as referred to in Rule 3.2.1(a) 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 relevant provision in the Participation Agreement, which amount shall be equal to either one of the following (the “Employer’s Voluntary Contribution Rate”):

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

- (iii) any other specified percentage or defined formula set out by the Employer in the Application Form, subject to 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 relevant Contribution Day and at the same time when Mandatory Contributions made by and in respect of the Employee Member are paid to the Trustee.

- S.11 (c) Subject to the provisions of the relevant Participation Agreement, every Employer may elect to pay to the Trustee, in respect of each VC Employee Member employed by it, for each Contribution Period after the Commencement Date, out of the Employer's own funds, a Voluntary Contribution (the "VC Employer's Voluntary Contribution") under Section 11 of the MPFS Ordinance.

- R.59 (d) If an Employer elects to pay a VC Employer's Voluntary Contribution as referred to in Rule 3.2.1(c) in respect of the VC Employee Members employed by such Employer, the Employer shall specify the amount of the VC Employer's Voluntary Contribution in the Application Form for each relevant Contribution Period and incorporate relevant provision in the Participation Agreement, which amount shall be equal to either one of the following (the "Employer's Voluntary Contribution Rate"):

- (i) a specified percentage of the VC Employee Member's Relevant Income or Basic Salary; or
- (ii) any other specified percentage or defined formula set out by the Employer in the Application Form, subject to any restrictions or limitations as the Trustee may impose from time to time,

PROVIDED THAT the Employer shall pay the VC Employer's Voluntary Contribution to the Trustee in respect of the relevant VC Employee Member on or before the relevant Contribution Day.

- (e) Subject to the provisions of the relevant Participation Agreement, an Employer may change the Employer's Voluntary Contribution Rate in respect of any VC Employee Member PROVIDED THAT:

- (i) the Trustee must be given three (3) months' prior notice (or such shorter notice as agreed by the Trustee) of any changes to the Employer's Voluntary Contribution Rate;
- (ii) the Employer will give three (3) months' prior notice (or such shorter notice as agreed by the Trustee) to the relevant VC Employee Member of any changes to the Employer's Voluntary Contribution Rate;

- (iii) any notice for changes to the Employer’s Voluntary Contribution Rate must be given to the Trustee and in a manner acceptable by the Trustee; and
- (iv) the Trustee shall be entitled to require the Employer 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.

3.2.2 Employee’s Regular Voluntary Contribution

S.11 (a) Subject to the provisions of the relevant Participation Agreement, every Employee Member may elect to pay to the Trustee, for each Contribution Period after the Commencement Date, a Voluntary Contribution out of the Employee Member’s Relevant Income (the “Employee’s Regular Voluntary Contribution”) under Section 11 of the MPFS Ordinance.

R.59 (b) If an Employee Member elects to pay an Employee’s Regular Voluntary Contribution as referred to in Rule 3.2.2(a), he shall notify his Employer and the Trustee in writing or in any other manner acceptable to the Trustee and the Employer of the amount of the Employee’s Regular Voluntary Contribution for each relevant Contribution Period which amount shall be equal to either one of the following (the “Employee’s Regular Voluntary Contribution Rate”):

- (i) 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));
- (ii) a specified percentage of the part of the Employee Member’s Relevant Income which exceeds the Maximum Level of Relevant Income, if any; or
- (iii) any other specified percentage or defined formula advised to the Trustee in writing or in any other manner acceptable to the Trustee by the Employee Member, subject to any restrictions or limitations as the Trustee may impose from time to time,

PROVIDED THAT if the instructions are given in writing the Employee Member must arrange to give such written instructions in relation to the Employee’s Regular Voluntary Contribution Rate to the Trustee through his Employer but such written instructions must be signed by the Employee Member.

R.33(2) (c) If an Employee Member elects to pay an Employee’s Regular Voluntary Contribution as referred to in Rule 3.2.2(a), his Employer shall deduct the Employee’s Regular Voluntary Contribution from the relevant Employee Member’s Relevant Income for each relevant Contribution Period and pay the Employee’s Regular Voluntary Contribution to the Trustee on or before the relevant Contribution Day and at the same time when Mandatory

Contributions made by and in respect of the Employee Member are paid to the Trustee.

- (d) Subject to the provisions of the relevant Participation Agreement, 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 Regular Voluntary Contribution Rate PROVIDED THAT:
- (i) the Trustee must be given three (3) months' prior notice (or such shorter notice as agreed by the Trustee) of any changes to the Employer's Voluntary Contribution Rate or the Employee's Regular Voluntary Contribution Rate, or both;
 - (ii) the Employer will give three (3) months' prior 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;
 - (iii) any notice in relation to changes to Employee's Regular Voluntary Contribution Rate must be either signed by the relevant Employee Member and given to the Trustee through the Employee Member's Employer or given to the Trustee in other manner acceptable to the Trustee;
 - (iv) any notice for changes to the Employer's Voluntary Contribution Rate and changes to the Employee's Regular Voluntary Contribution Rate must be given to the Trustee at the same time and in a manner acceptable by the Trustee; and
 - (v) 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.

3.2.3 Employee's Non-Regular Voluntary Contribution

- (a) Subject to the prior written consent of the Trustee, an Employee Member may request to make a Voluntary Contribution ("Employee's Non-Regular Voluntary Contribution") on any Dealing Day during his employment with the Employer by giving to the Trustee at least seven (7) Working Days prior written notice in a form prescribed by the Trustee (or such shorter period of notice as the Trustee may from time to time agree);
- (b) Employee's Non-Regular Voluntary Contribution may either be paid by the Employee Member from his or her own funds or deducted from his or her Relevant Income PROVIDED THAT if it is deducted from his or her Relevant Income, the written consent of his Employer shall be required and the amount of deduction shall be restricted to the extent permitted by law;

- (c) the Employee's Non-Regular Voluntary Contribution made by an Employee Member will be credited to his Employee's Non-Regular Voluntary Sub-Account.
- (d) If an Employee Member is permitted to make the contributions under Rule 3.2.3(a) above, the number of such contributions allowed for each Employee Member in a Financial Year shall not exceed 52, or such other maximum number as may be determined by the Trustee from time to time.

3.2.4 SEP Member's Regular Voluntary Contribution

- S.11
- (a) Every SEP Member may elect to pay to the Trustee, for each Contribution Period after the Commencement Date, a Voluntary Contribution (the "SEP Regular Voluntary Contribution") under Section 11 of the MPFS Ordinance.
 - (b) If a SEP Member elects to pay a SEP Regular Voluntary Contribution, he shall notify the Trustee in writing or in any other manner acceptable to the Trustee the amount of the SEP Regular Voluntary Contribution at the time of making such SEP Regular Voluntary Contribution to the Trustee. The SEP Regular 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 Contribution of the SEP Member is paid to the Trustee. The SEP Regular Voluntary Contribution made by a SEP Member shall be credited to his SEP Member's Voluntary Sub-Account.
 - (c) A SEP Member may change the SEP Regular Voluntary Contribution PROVIDED THAT three (3) months (or such shorter period as agreed by the Trustee) prior notice for that change has been given to the Trustee in writing or any other manner acceptable to the Trustee.

3.2.5 SEP Member's Non-Regular Voluntary Contribution

- R.36
- (a) Subject to the prior written consent of the Trustee, a SEP Member may request to make a Voluntary Contribution ("SEP Non-Regular Voluntary Contribution") on any Dealing Day during his self-employment by giving to the Trustee at least seven (7) Working Days' prior written notice in a form prescribed by the Trustee (or such shorter period of notice as the Trustee may from time to time agree).
 - (b) The SEP Non-Regular Voluntary Contribution made by a SEP Member shall be credited to his SEP Member's Voluntary Sub-Account.
 - (c) If a SEP Member is permitted to make the SEP Non-Regular Voluntary Contribution under Rule 3.2.5(a) above, the number of such contributions allowed for each SEP Member in a Financial Year shall not exceed 52, or such other maximum number as may be determined by the Trustee from time to time. However, the Trustee reserves the right not to accept any SEP Non-Regular Voluntary Contribution at any time.

3.2.6 VC Employee Member's Regular Voluntary Contribution

- S.11
- (a) Subject to the provisions of the relevant Participation Agreement, every VC Employee Member may elect to pay to the Trustee, for each Contribution Period after the Commencement Date, a Voluntary Contribution out of the VC Employee Member's Relevant Income (the "VC Employee's Regular Voluntary Contribution") under Section 11 of the MPFS Ordinance.
 - (b) If a VC Employee Member elects to pay a VC Employee's Regular Voluntary Contribution as referred to in Rule 3.2.6(a), he shall notify his Employer and the Trustee in writing or in any other manner acceptable to the Trustee and the Employer of the amount of the VC Employee's Regular Voluntary Contribution for each relevant Contribution Period which amount shall be equal to either one of the following (the "VC Employee's Regular Voluntary Contribution Rate"):
 - (i) a specified percentage of the VC Employee Member's Relevant Income or Basic Salary; or
 - (ii) any other specified percentage or defined formula advised to the Trustee in writing or in any other manner acceptable to the Trustee by the VC Employee Member, subject to any restrictions or limitations as the Trustee may impose from time to time,

PROVIDED THAT if the instructions are given in writing the VC Employee Member must arrange to give such written instructions in relation to the VC Employee's Regular Voluntary Contribution Rate to the Trustee through his Employer but such written instructions must be signed by the VC Employee Member.

- (c) If a VC Employee Member elects to pay a VC Employee's Regular Voluntary Contribution as referred to in Rule 3.2.6(a), his Employer shall deduct the VC Employee's Regular Voluntary Contribution from the relevant VC Employee Member's Relevant Income for each relevant Contribution Period and pay the VC Employee's Regular Voluntary Contribution to the Trustee on or before the relevant Contribution Day.
- (d) Subject to the provisions of the relevant Participation Agreement, a VC Employee Member may change his VC Employee Member's Voluntary Contribution Rate PROVIDED THAT:
 - (i) the Trustee must be given three (3) months' prior notice (or such shorter notice as agreed by the Trustee) of any changes to VC Employee's Regular Voluntary Contribution Rate;
 - (ii) any notice in relation to changes to VC Employee's Regular Voluntary Contribution Rate must be either signed by the relevant VC Employee Member and given to the Trustee through the VC Employee Member's

Employer or given to the Trustee in other manner acceptable to the Trustee; and

- (iii) the Trustee shall be entitled to require the VC 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.

3.2.7 VC Employee Member's Non-Regular Voluntary Contribution

R.36

- (a) Subject to the prior written consent of the Trustee, a VC Employee Member may request to make a Voluntary Contribution ("VC Employee's Non-Regular Voluntary Contribution") on any Dealing Day during his employment with the Employer by giving to the Trustee at least seven (7) Working Days written prior notice in a form prescribed by the Trustee (or such shorter period of notice as the Trustee may from time to time agree).
- (b) VC Employee's Non-Regular Voluntary Contribution may either be paid by the VC Employee Member from his or her own funds or deducted from his or her Relevant Income PROVIDED THAT if it is deducted from his or her Relevant Income, the written consent of his Employer shall be required and the amount of deduction shall be restricted to the extent permitted by law.
- (c) The VC Employee's Non-Regular Voluntary Contribution made by a VC Employee Member will be credited to his VC Employee's Non-Regular Voluntary Sub-Account.
- (d) If a VC Employee Member is permitted to make the contributions under Rule 3.2.7(a) above, the number of such contributions allowed for each VC Employee Member in a Financial Year shall not exceed 52, or such other maximum number as may be determined by the Trustee from time to time. However, the Trustee reserves the right not to accept any VC Employee's Non-Regular Voluntary Contribution at any time.

3.2.8 Personal Account Member's Non-Regular Voluntary Contribution

R.36

- (a) Subject to the prior written consent of the Trustee, a Personal Account Member may request to make a Voluntary Contribution ("Personal Account Member's Non-Regular Voluntary Contribution") from his or her own funds on any Dealing Day by giving to the Trustee at least seven (7) Working Days written prior notice in a form prescribed by the Trustee (or such shorter period of notice as the Trustee may from time to time agree).
- (b) The Personal Account Member's Non-Regular Voluntary Contribution made by a Personal Account Member will be credited to his or her Non-Regular Voluntary Contribution Account.

- (c) If a Personal Account Member is permitted to make the contributions under Rule 3.2.8(a) above, the number of such contributions allowed for each Personal Account Member in a Financial Year shall not exceed 52, or such other maximum number as may be determined by the Trustee from time to time. However, the Trustee reserves the right not to accept any Personal Account Member's Non-Regular Voluntary Contribution at any time.

S.11A 3.2.9 Tax deductible Voluntary Contribution

- (a) Subject to the prior written consent of the Trustee, the TVC Member may request to make a TVC from his or her own funds on any Dealing Day by giving to the Trustee at least seven (7) Working Days written prior notice in a form prescribed by the Trustee (or such shorter period of notice as the Trustee may from time to time agree).
- (b) Contribution made by a TVC Member will be credited to his or her TVC Account.
- (c) The TVC is subject to section 11A of the MPFS Ordinance.

3.3 3.3.1 At least two (2) weeks (or such shorter period as specified by the Trustee) before,

- (a) making the first contribution to a Contribution Account or TVC Account; or
- (b) making the first transfer of Accrued Benefits to a Personal Account or TVC Account,

the relevant Member must forward his or her Specific Investment Instruction to the Trustee.

3.3.2 Subject to the MPFS Ordinance, the Regulation, any codes and guidelines as may from time to time be issued by the MPF Authority, the Trustee may at its discretion impose any restrictions or limitations on the instructions to be given by a Member in an Specific Investment Instruction PROVIDED ALWAYS THAT a Member shall be entitled to invest 100 per cent of the Subscription Monies in any Constituent Fund.

3.3.3 For the purposes of Rule 3.3.1, each Employee Member who elects to give an Specific Investment Instruction in writing must arrange to forward his Specific Investment Instruction to the Trustee through his Employer and the Specific Investment Instruction must be completed and signed by the relevant Employee Member.

3.3.4 If a Member fails to submit to the Trustee an Specific Investment Instruction in accordance with Rule 3.3.1 and, if applicable, Rule 3.3.3, the Member shall be deemed at the end of the one month period described in Rule 3.3.1 (or such shorter period as specified by the Trustee for the purpose of Rule 3.3.1 for that

Member) to have elected to instruct the Trustee to invest his Subscription Monies according to Default Investment Strategy and the Trustee shall notify the relevant Member of such investments after the investments have been effected. Notwithstanding the above, the relevant Member shall have the right to:

- (i) redeem any Units in any of the Constituent Funds so invested by submitting a Switching Instruction Form in accordance with Clause 13.3.1 PROVIDED THAT Clauses 13.3.2, 13.3.3, 13.4 to 13.7 shall be applicable and that no additional fee may be imposed by the Trustee for the implementation of the switching instructions; and
- (ii) submit a new Specific Investment Instruction in accordance with Clause 13.1.1 with respect to future contributions.

3.4 3.4.1 The Trustee shall as soon as practicable after receipt of cleared funds in respect of the Subscription Monies and an application for an investment in any Constituent Fund deduct any sums which may be deducted therefrom in accordance with the terms of this Deed PROVIDED THAT if the cleared funds of any Subscription Monies are received after the Dealing Deadline, such cleared funds shall be deemed to have been received on the Business Day next following such receipt. The Trustee shall retain such cleared funds in an interest-bearing account until investing in the Constituent Fund selected by the Member concerned on the relevant Dealing Day and the interest generated therefrom shall belong to the relevant Constituent Fund. The Trustee shall then apply the Subscription Monies (excluding any interest generated therefrom) to invest in the Constituent Fund specified in the relevant Specific Investment Instruction of the Member concerned.

3.4.2 Subject to Clauses 15.1 and 15.2 and Rule 3.4.1, Units of any Constituent Fund shall be acquired by converting the monetary value of the Subscription Monies to Units of the relevant Constituent Fund at the Issue Price of such Constituent Fund on:

- (a) the date of receipt by the Trustee of the cleared funds of the Subscription Monies PROVIDED ONLY THAT such date is a Dealing Day, if such date is not a Dealing Day, the next following Dealing Day; or
- (b) if permitted under this Deed, a Dealing Day specified by such Member. PROVIDED ALWAYS THAT such specified Dealing Day must not be a date earlier than the date on which the Trustee receives the cleared funds,

and 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 or Personal Account and the respective sub-accounts of such Contribution Account or of such Personal Account, as the case may be.

- 3.5 At the request of an Employer, the Trustee may accept a transfer of payment from the Employer's existing occupational retirement scheme and the Trustee shall regard such payment as a Mandatory Contribution and/or Voluntary Contribution in accordance with the applicable laws and regulations so far as the relevant Participating Scheme is concerned. The Employer shall give instructions to the Trustee as to how such transfer payment should be allocated to the sub-accounts of the respective Employee Members of the relevant Participating Scheme. The Trustee shall have no obligation unless otherwise as specified under the MPFS Ordinance or the Regulation 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 sub-accounts of the respective Employee Members of the relevant Participating Scheme.
- 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 Scheme.
- 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.
- 3.8 Contributions in respect of a Member shall cease in relation to any period after the last day of the Member's employment or self-employment.
- s.2(3) 3.9 Any amount that is paid to the Scheme contingently on the basis that such amount will later constitute a Mandatory Contribution to the Scheme shall for all purposes be treated as a Mandatory Contribution to the Scheme (and the provisions of these Rules shall apply accordingly) unless and until it is certain that the amount will not constitute a Mandatory Contribution to the Scheme.

4. **ACCOUNTS**

- R.78(6) 4.1 Subject to Rule 4.1A, 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 under section 7A(1)(a) or (2)(a) of the MPFS Ordinance 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 per month 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 MPFS Exemption Regulation applies,

transferred to the Scheme which are attributable to the Employee Member's current Employer's Mandatory Contributions; and

- (iv) the income or profits arising from any investments of the contributions, surcharges and benefits mentioned in any of Rules 4.1(a)(i), (ii) and (iii), but taking into account any losses in respect of the investments and any amounts paid in respect of the member;
- (b) “Employee’s Mandatory Sub-Account” – specifying-
- (i) the Employee Member's contributions paid under section 7A(1)(b) or (2)(b) of the MPFS Ordinance 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 per month;
 - (B) the contributions have been made under Rules 4.1(b)(i) in respect of the Employee Member; or
 - (C) the Minimum MPF Benefits have been transferred under Rules 4.1(b)(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 MPFS Exemption Regulation applies, transferred to the Scheme which are attributable to the Employee Member's contributions of the current employment; and
 - (iv) the income or profits arising from any investments of the contributions, surcharges and benefits mentioned in any of Rules 4.1(b)(i), (ii) and (iii), but taking into account any losses in respect of the investments and any amounts paid in respect of the member;
- (c) “Employee’s Mandatory Transfer Sub-Account” – specifying-
- (i) all Mandatory Contributions paid by or in respect of the Employee Member while employed by a former employer or while self-employed and transferred to the Employee Member's Contribution Account in accordance with Part XII of the Regulation, any contribution surcharges in respect of the Mandatory Contributions paid by the Employee Member's employer while the Employee Member is employed by a former employer, and any contribution surcharges paid in respect of Mandatory Contributions paid by the Employee Member while self-employed;

- (ii) the Employee Member's Minimum MPF Benefits (if any), to which section 5(1) of Schedule 2 to the MPFS Exemption Regulation applies, transferred to the Scheme which are attributable to his former employments; and
 - (iii) the income or profits arising from any investments of the contributions, surcharges and benefits mentioned in any of Rules 4.1(c)(i) and (ii), but taking into account any losses in respect of the investments and any amounts paid in respect of the member;
- (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 MPFS 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 current Employer's contributions; and
 - (iii) the income or profits arising from any investments of the contributions and amount mentioned in any of Rules 4.1(d)(i) and (ii), but taking into account any losses in respect of the investments and any amounts paid in respect of the member;
- (e) “Employee’s Regular Voluntary Sub-Account” – specifying -
- (i) the Voluntary Contributions (if any) paid by the Employee Member while employed by the Employee Member’s current Employer other than the Voluntary Contributions made by the Employee Member pursuant to Rule 3.2.3;
 - (ii) the amount (other than Minimum MPF Benefits to which section 5(1) of Schedule 2 of the MPFS 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; and
 - (iii) the income or profits arising from any investments of the contributions and amount mentioned in Rules 4.1(e)(i) and (ii), but taking into account any losses in respect of the investments and any amounts paid in respect of the member;
- (f) “Employee’s Non-Regular Voluntary Sub-Account” – specifying-

- (i) the Voluntary Contributions (if any) paid by the Employee Member while employed by the Employee Member's current Employer pursuant to Rule 3.2.3; and
 - (ii) the income or profits arising from any investments of the contributions mentioned in Rule 4.1(f)(i), but taking into account any losses in respect of the investments and any amounts paid in respect of the member;
- (g) “Employee’s Voluntary Transfer Sub-Account” – specifying-
- (i) all Voluntary Contributions paid by or in respect of the Employee Member while employed by a former employer or while self-employed and transferred to the Employee Member's Contribution Account;
 - (ii) the amount (other than Minimum MPF Benefits to which section 5(1) of Schedule 2 to the MPFS 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 former employments; and
 - (iii) the income or profits arising from any investments of the contributions and amount mentioned in any of Rules 4.1(g)(i) and (ii), but taking into account any losses in respect of the investments and any amounts paid in respect of the member; and
- (h) such any other voluntary sub-accounts as the Trustee shall consider appropriate or necessary to establish at the respective requests of the Employer and the Employee Member.

4.1A Where an Employer has made an election in respect of an Employee Member pursuant to Section 12A(6A) of MPFS Ordinance:-

- (a) any reference to “current Employer” in Rules 4.1(a), (b), (d), (e) and (f) shall include the previous Employer mentioned in Section 12A(6A) of MPFS Ordinance;
- (b) any reference to “current employment” in Rules 4.1(b) and (e) shall include employment with the previous Employer mentioned in Section 12A(6A) of MPFS Ordinance; and
- (c) any reference to “former employer” in Rules 4.1(c) and (g) shall not include the previous Employer mentioned in Section 12A(6A) of MPFS Ordinance.

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 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 of the investments and any amounts paid in respect of the member;

- (b) “SEP Member’s Mandatory Transfer Sub-Account” – specifying-
 - (i) all Mandatory Contributions paid by or in respect of the SEP Member and transferred to the SEP Member's Contribution Account in accordance with Part XII of the Regulation, any contribution surcharges in respect of Mandatory Contributions paid by the SEP Member's employer while the SEP Member is employed by a former employer, and any contribution surcharges paid in respect of Mandatory Contributions paid by the SEP Member while self-employed;
 - (ii) the SEP Member's Minimum MPF Benefits (if any), to which section 5(1) of Schedule 2 to the MPFS Exemption Regulation applies, transferred to the Scheme; and
 - (iii) the income or profits arising from any investments of the contributions, surcharges and benefits mentioned in any of Rules 4.2(b)(i) and (ii), but taking into account any losses in respect of the investments and any amounts paid in respect of the member;
- (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 of the investments and any amounts paid in respect of the member; and;
- (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;
 - (ii) the amount (other than Minimum MPF Benefits to which section 5(1) of Schedule 2 to the MPFS 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; and
 - (iii) the income or profits arising from any investments of the contributions and amount mentioned in any of Rules 4.2(d)(i) and (ii), but taking into account any losses in respect of the investments and any amounts paid in respect of the member.
- (e) such any other voluntary sub-account as the Trustee shall consider appropriate or necessary.

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

- (a) "VC Employer's Voluntary Sub-Account" – specifying the Voluntary Contributions (if any) paid in respect of the VC Employee Member by the VC Employee Member's current Employer and the income or profits arising from any investments of such contributions, but taking into account any losses in respect of the investments and any amounts paid in respect of the member;
- (b) "VC Employee's Regular Voluntary Sub-Account" – specifying the Voluntary Contributions (if any) paid by the VC Employee Member while employed by the VC Employee Member's current Employer other than the Voluntary Contributions made by the VC Employee Member pursuant to Rule 3.2.7 and the income or profits arising from any investments of such contributions, but taking into account any losses in respect of the investments and any amounts paid in respect of the member;
- (c) "VC Employee's Non-Regular Voluntary Sub-Account" – specifying the Voluntary Contributions (if any) paid by the VC Employee Member while employed by the VC Employee Member's current Employer pursuant to Rule 3.2.7 and the income or profits arising from any investments of such contributions, but taking into account any losses in respect of the investments and any amounts paid in respect of the member;
- (d) "VC Employee's Voluntary Transfer Sub-Account" – specifying all Voluntary Contributions paid by or in respect of the VC Employee Member while employed by a former employer, or while self-employed, and transferred to the VC Employee Member's Contribution Account and the income or profits arising from any investments of such contributions, but taking into account any losses in respect of the investments and any amounts paid in respect of the member; and
- (e) such any other voluntary sub-accounts as the Trustee shall consider appropriate or necessary to establish at the respective requests of the Employer and the VC Employee Member.

R.78(8) 4.4 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 and transferred to the Personal Account Member's Personal Account in accordance with Part XII of the Regulation, any contribution surcharges in respect of Mandatory Contributions paid by the Personal Account Member's employer while the Personal Account Member is employed by a former employer, and any contribution

surcharges paid in respect of Mandatory Contributions paid by the Personal Account Member while self-employed;

- (ii) the Personal Account Member's Minimum MPF Benefits (if any), to which section 5(1) of Schedule 2 to the MPFS Exemption Regulation applies, transferred to the Scheme; and
 - (iii) the income or profits arising from any investments of the contributions, surcharges and benefits mentioned in any of Clauses 4.4(a)(i) and (ii), but taking into account any losses in respect of the investments and any amounts paid in respect of the member; and
- (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;
 - (ii) the amount (other than Minimum MPF Benefits to which section 5(1) of Schedule 2 to the MPFS 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; and
 - (iii) the income or profits arising from any investments of the contributions and amount mentioned in any of Clauses 4.4(b)(i) and (ii), but taking into account any losses in respect of the investments and any amounts paid in respect of the member;
- (c) such any other voluntary sub-account as the Trustee shall consider appropriate or necessary.

4.4A In the case of a Personal Account Member, the Trustee shall arrange for the Personal Account Member's Non-Regular Voluntary Contributions paid by the Personal Account Member be held in a Non-Regular Voluntary Contribution Account.

4.5 When a VC Employee Member becomes an Employee Member by virtue of Rule 2.1.1(e), the Trustee shall forthwith:-

- (a) transfer the contributions and income and profits derived from those contributions standing in his VC Employer's Voluntary Sub-Account to his Employer's Voluntary Sub-Account;
- (b) transfer the contributions and income and profits derived from those contributions standing in his VC Employee's Regular Voluntary Sub-Account to his Employee's Regular Voluntary Sub-Account;

- (c) transfer the contributions and income and profits derived from those contributions standing in his VC Employee's Non-Regular Voluntary Sub-Account to his Employee's Non-Regular Voluntary Sub-Account; and
- (d) transfer the transferred contributions and income and profits derived from those contributions standing in his VC Employee's Voluntary Transfer Sub-Account to his Employee's Voluntary Transfer Sub-Account.

R.78(8A) 4.6 In the case of a Member who holds a TVC Account in the Scheme, the Trustee shall arrange for the Member's TVC Account to specify-

- (a) all TVC paid by the Member into the TVC Account;
- (b) all accrued benefits-
 - (i) derived from those contributions in relation to TVC; and
 - (ii) transferred to the TVC Account in accordance with Part 12 of the Regulation; and
- (c) the income or profits arising from any investments of those contributions and accrued benefits in relation to TVC, with any losses in respect of the investments and any amounts paid in respect of the Member being taken into the TVC Account.

5. **TEMPORARY ABSENCE**

5.1 Subject to the provisions of the relevant 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 organization 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 relevant 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 such 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 Member's Years of Service shall continue to accumulate during the period of such temporary absence. Notwithstanding that the 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. **TRANSFERS INTO THE SCHEME**

- R.145
R.34
- 6.1 At the request of a Member, the Trustee may accept a transfer payment from any scheme or arrangement of which a Member was formerly a member. In case the transfer is in relation to TVC, the Trustee may accept a transfer payment in relation to TVC from any scheme. Any such transfer payment will be held by the Trustee in the relevant Employee's Mandatory Transfer Sub-Account, Employee's Voluntary Transfer Sub-Account, VC Employee's Voluntary Transfer Sub-Account, SEP Member's Mandatory Transfer Sub-Account, SEP Member's Voluntary Transfer Sub-Account, Mandatory Personal Sub-Account, Voluntary Personal Sub-Account and/or TVC Account or any other sub-account (if applicable) as required by law in respect of that Member, as the case may be PROVIDED THAT any transfer amount which is attributable to the "Minimum MPF Benefits" of an MPF Exempted ORSO Scheme shall be held in the relevant Employee's Mandatory Transfer Sub-Account, SEP Member's Mandatory Transfer Sub-Account or Mandatory Personal Sub-Account of that Member (as the case may be). For the purpose of this Rule 6, "Minimum MPF Benefits" shall have the meaning as given to them in the Mandatory Provident Fund Schemes (Exemption) Regulation.

- R.145(1)
R.146(1)
&(2)
R147(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 EXCEPT that any transfer amount which is attributable to the

Minimum MPF Benefits of such Personal Account Member shall be held in such Member's Personal Account Member's Mandatory Personal Sub-Account.

R148 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 unless otherwise as specified under the MPFS Ordinance or the Regulation 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.

R.34 6.6 For the avoidance of doubt, no fees or financial penalties may be charged to or imposed on a Member, or deducted from Member's account, for transferring accrued benefits –

- (a) from an account in a Registered Scheme to an account in another Registered Scheme;
- (b) from an account within a Registered Scheme to another account within the Scheme; or
- (c) in the same account within a Registered Scheme, from a constituent fund to another constituent fund,

other than an amount representing the Necessary Transaction Costs that are incurred, or reasonably likely to be incurred, by the Trustee in selling or purchasing investments in order to give effect to the transfer and are payable to a party other than the Trustee. Any Necessary Transaction Costs imposed and received must be used to reimburse the relevant constituent fund.

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 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 Regular Voluntary Sub-Account;
 - (e) Employee's Non-Regular Voluntary Sub-Account; and
 - (f) Employee's Voluntary Transfer Sub-Account.
- 7.2 Subject to the provisions of the relevant Participation Agreement and the Application Form of the relevant Employer, each Employee Member shall become fully vested with the balance of his Employer's Voluntary Sub-Account on the first to happen of his:
- (a) attaining Normal Retirement Age;
 - (b) attaining Early Retirement Age and the conditions in 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 Subject to the provisions of the relevant Participation Agreement and the Application Form of the relevant Employer, each VC Employee Member shall become fully vested with the balance of his VC Employer's Voluntary Sub-Account on the first to happen of his:
- (a) termination of employment due to Total Incapacity and the conditions in Rule 12 are met; and
 - (b) death.
- 7.4 (a) Subject to Rule 7.2, the Units or balance (as the case may be) standing to the credit of his Employer's Voluntary Sub-Account and any other sub-accounts of the Employee Member shall be vested in that Employee Member in accordance with the vesting scale and other applicable terms and conditions of the relevant Participation Agreement.
- (b) Subject to Rule 7.3, the Units or balance (as the case may be) standing to the credit of his VC Employer's Voluntary Sub-Account and any other sub-accounts of the VC Employee Member shall be vested in that Employee Member in accordance with the vesting scale and other applicable terms and conditions of the relevant Participation Agreement.
- s.12 7.5 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; and
 - (e) any other voluntary sub-account of the SEP Member.

- 7.6 Each VC Employee Member shall be fully vested at all times with the balance of his:
- (a) VC Employee's Regular Voluntary Sub-Account;
 - (b) VC Employee's Non-Regular Voluntary Sub-Account; and
 - (c) VC Employee's Voluntary Transfer Sub-Account.
- 7.7 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) any other voluntary sub-account of the Personal Account Member; and
 - (d) Non-Regular Voluntary Contribution Account.
- 7.8 Each TVC Member shall be fully vested at all times with the balance of his TVC Account.
- 7.9 The provisions of Rules 7.1, 7.2, 7.3, 7.4, 7.5, 7.6 and 7.7 are subject to the provisions of Rule 22.3.

8. **BENEFITS ON ATTAINING NORMAL RETIREMENT AGE**

- S.15/
R.159
- 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 or Application Form (so far as Accrued Benefits attributable to Voluntary Contributions are concerned), a Member who has attained Normal Retirement Age shall be entitled to receive benefits in lump sum or by instalments. The benefits in lump sum shall be equal in value to the amount of his Combined Balance in accordance with this Rule 8. The benefits in instalments shall be equal in value to the amount of his Combined Balance as at the Dealing Day within 30 days of the date on which the Trustee receive each instalment instruction from the Member to pay that instalment.
- S.1
1
- 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. 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 Scheme so specifies. 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 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. In this event the Member 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:

- (a) the Dealing Day immediately following the date on which the Member reaches the Normal Retirement Age; or
- (b) if the Trustee receives 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 apply to Accrued Benefits derived from Voluntary Contributions in the same way as they apply to Accrued Benefits derived from Mandatory Contributions.

8.5 For the purposes of this Rule, the provisions of the MPFS Ordinance and the Regulation apply to Accrued Benefits derived from TVC in the same way as they apply to 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, 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 or Application Form (so far as Accrued Benefits attributable to 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 shall be entitled to receive benefits in lump sum or by instalments. The benefits in lump sum shall be 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 on which the Member reaches the Early Retirement Age (provided that the Trustee has received the duly completed claim form and the statutory declaration from or on behalf of the Member before the Member reaches Early Retirement Age); or

- (b) if the Trustee receives the duly completed claim form and statutory declaration under this Rule 9.1 from or on behalf of the Member 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 statutory declaration.

The benefits in instalments shall be equal in value to the amount of his Combined Balance as at the Dealing Day within 30 days of the date on which the Trustee receives each instalment instruction from the Member to pay that instalment.

- 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 apply to Accrued Benefits derived from Voluntary Contributions in the same way as they apply to Accrued Benefits derived from Mandatory Contributions.
- 9.3 For the purposes of this Rule, the provisions of the MPFS Ordinance and the Regulation apply to Accrued Benefits derived from TVC in the same way as they apply to Accrued Benefits derived from Mandatory Contributions.

10. **BENEFITS ON DEATH**

- 10.1 Subject to the provisions of the MPFS Ordinance, the Regulation (including without limitation Sections 15(4) and (5) of the MPFS Ordinance and Section 161 of the Regulation) and the provisions of the relevant Participation Agreement or Application Form (so far as Accrued Benefits attributable to 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 approval by the Trustee of a claim under this Rule 10.1 submitted by the personal representative of the Member. 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 Probate and Administration Ordinance (Chapter 10 of the Laws of Hong Kong) and the provisions of the MPFS Ordinance (sections 12, 13, 14 and 15(1) to (3) excepted) and the Regulation apply to Accrued Benefits derived from Voluntary Contributions in the same way as they apply to Accrued Benefits derived from Mandatory Contributions.
- 10.3 For the purposes of this Rule, the provisions of the MPFS Ordinance and the Regulation apply to Accrued Benefits derived from TVC in the same way as they apply to Accrued Benefits derived from Mandatory Contributions.

11. **BENEFITS ON PERMANENT DEPARTURE FROM HONG KONG**

S.16/
R.161

S.15/
R.162/
163

- 11.1 Subject to the provisions of the MPFS Ordinance, 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 or Application Form (so far as Accrued Benefits attributable to Voluntary Contributions are concerned), a Member who has departed or is about to depart from Hong Kong permanently 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 the claim submitted under this Rule 11.1
- 11.2 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 apply to Accrued Benefits derived from Voluntary Contributions in the same way as they apply to Accrued Benefits derived from Mandatory Contributions.
- 11.3 The number of any Units and any remaining balance standing to the credit of the Employer's Voluntary Sub-Account which is in excess of the Employee Member's Vested Balance because of the effect of Rule 7.3 shall be credited to the Forfeitures Account.
- 11.4 For the purposes of this Rule, the provisions of the MPFS Ordinance and the Regulation apply to Accrued Benefits derived from TVC in the same way as they apply to Accrued Benefits derived from Mandatory Contributions.

12. **BENEFITS ON TOTAL INCAPACITY**

- 12.1 Subject to the provisions of the MPFS Ordinance, 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 or Application Form (so far as Accrued Benefits attributable to Voluntary Contributions are concerned), a Member who submits a claim 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.
- 12.2 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 apply to Accrued Benefits derived from Voluntary Contributions in the same way as they apply to Accrued Benefits derived from Mandatory Contributions.
- 12.3 For the purposes of this Rule, the provisions of the MPFS Ordinance and the Regulation apply to Accrued Benefits derived from TVC in the same way as they apply to Accrued Benefits derived from Mandatory Contributions.

13. **BENEFITS ON TERMINAL ILLNESS**

- 13.1 Subject to the provisions of the MPFS Ordinance, the Regulation (including without limitation Sections 15(2) and (3) of the MPFS Ordinance and Sections 162 and 164A of the Regulation) and the provisions of the relevant Participation Agreement or

S.15/
R.162/
164

S.15/
R.158/
162/
164A

Application Form, a Member who has Terminal Illness shall be entitled to receive a lump sum benefit equal in value to the amount of his balance derived from Mandatory Contributions as at the Dealing Day immediately following the date of approval by the Trustee of the claim submitted under this Rule 13.

- 13.2 For the purposes of this Rule, the provisions of the MPFS Ordinance and the Regulation apply to Accrued Benefits derived from TVC in the same way as they apply to Accrued Benefits derived from Mandatory Contributions.

14. **BENEFITS ON SMALL BALANCE**

- 14.1 Subject to the provisions of the MPFS Ordinance, 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 or Application Form (so far as Accrued Benefits attributable to Voluntary Contributions are concerned), if:

- (i) a Member's Accrued Benefits kept in the Scheme do not exceed HK\$5,000 (or such other amount as prescribed from time to time by Section 162(2) of the Regulation);
- (ii) no Mandatory Contributions were paid or were required to be paid by or in respect of the Member to the Scheme, or to any other Registered Scheme, during the 12 months immediately preceding the lodgement of a claim for the payment of those benefits; 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 under this Rule 14 submitted by or on behalf of the Member.

- 14.2 For the purposes of this Rule, the provisions of the MPFS Ordinance and the Regulation (sections 12, 13, 14 and 15(1) to (3) excepted) apply to Accrued Benefits derived from Voluntary Contributions in the same way as they apply to Accrued Benefits derived from Mandatory Contributions.
- 14.3 The number of any Units and any remaining balance standing to the credit of the Employer's Voluntary Sub-Account which is in excess of the Employee Member's Vested Balance because of the effect of Rule 7.3 shall be credited to the Forfeitures Account.
- 14.4 For the purposes of this Rule, the provisions of the MPFS Ordinance and the Regulation apply to Accrued Benefits derived from TVC in the same way as they apply to Accrued Benefits derived from Mandatory Contributions.

15. **BENEFITS ON LEAVING EMPLOYMENT**

15.1 Without prejudice to Rule 19.1 and subject to the MPFS Ordinance, the Regulation and the provisions of the relevant Participant 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 Regular Voluntary Sub-Account, Employee's Non-Regular Voluntary Sub-Account, Employee's Voluntary Transfer Sub-Account and the Vested Balance of his Employer's Voluntary Sub-Account as at the later of the following dates:

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

15.2 The number of any Units and any remaining balance standing to the credit of the Employer's Voluntary Sub-Account which is in excess of the Employee Member's Vested Balance because of the effect of Rule 7.3 shall be credited to the Forfeitures Account.

15.3 Subject to the MPFS Ordinance, the Regulation and the provisions of the relevant Participant Agreement, a VC 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 VC Employee's Regular Voluntary Sub-Account, VC Employee's Non-Regular Voluntary Sub-Account, VC Employee's Voluntary Transfer Sub-Account and the Vested Balance of his VC Employer's Voluntary Sub-Account as at the later of the following dates:

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

15.4 The number of any Units and any remaining balance standing to the credit of the VC Employer's Voluntary Sub-Account which is in excess of the VC Employee Member's Vested Balance because of the effect of Rule 7.3 shall be credited to the Forfeitures Account.

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

R.33(3) 16.1 If an Employer has failed, in respect of an Employee Member or a VC Employee Member, to make an Employer's Voluntary Contribution to the Scheme within six (6) months after:

- (a) if the amount of the Voluntary Contributions required to be made by such Employer is determined by reference to the Relevant Income or Basic Salary of the Employee Member or the VC Employee Member (as the case may be), the end of the period covered by the payment of such income; or
- (b) if the amount of the Voluntary Contributions required to be made by such Employer is determined by reference to a period of employment of the Employee Member or the VC Employee Member (as the case may be) with such Employer, the end of such period,

the relevant Employee Member or the VC Employee Member (as the case may be) shall be entitled to request the Trustee to pay him a lump sum benefit equal to :-

- (i) in the case of an Employee Member, the aggregate of the total balance of his Employee's Regular Voluntary Sub-Account, Employee's Non-Regular Voluntary Sub-Account, the Employee's Voluntary Transfer Sub-Account and the Vested Balance of his Employer's Voluntary Sub-Account; or
- (ii) in the case of a VC Employee Member, the aggregate of the total balance of his VC Employee's Regular Voluntary Sub-Account, VC Employee's Non-Regular Voluntary Sub-Account, the VC Employee's Voluntary Transfer Sub-Account and the Vested Balance of his VC Employer's Voluntary 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. For the avoidance of doubt, an Employer shall not be considered to have failed to make the Employer Voluntary Contribution if the Employer elects to terminate the payment under Rule 3.2.1(b).

16.2 Any Employee Member who requests payment of Accrued Benefits pursuant to Rule 16.1 shall be responsible for all the tax consequences arising therefrom.

16.3 The number of any Units and any remaining balance standing to the credit of the Employer's Voluntary Sub-Account or VC Employer's Voluntary Sub-Account which is in excess of the Vested Balance or the Employee Member or the VC Employee Member (as the case may be) because of the effect of Rule 7.4 shall be credited to the Forfeitures Account.

16A. **WITHDRAWAL OF EMPLOYEE'S NON-REGULAR VOLUNTARY CONTRIBUTION**

16A.1 Subject to the prior written consent of the Trustee and the provisions of the relevant Participation Agreement, an Employee Member who has benefits accrued in his or her

Employee's Non-Regular Voluntary Sub-Account may request the Trustee to redeem any or all Units standing to the credit of his Employee's Non-Regular Voluntary Sub-Account at any time by giving to the Trustee at least SEVEN (7) days' prior written notice in such form acceptable to the Trustee PROVIDED THAT the number of such redemptions allowed for each Employee Member in a Financial Year shall not exceed 4, or such other maximum number as may be determined by the Trustee from time to time.

- 16A.2 The Trustee reserves the right to impose a withdrawal fee up to the maximum level as specified in the MPF Scheme Brochure for each redemption request made in this Rule 16A. Such withdrawal fee shall be deducted from the redemption proceeds and be retained by the Trustee for its own use and benefit.
- 16A.3 After the redemption proceeds have been paid to the relevant Employee Member under this Rule 16A, his Combined Balance shall be reduced accordingly.
- 16A.4 Any redemption under this Rule 16A shall be effected in accordance with the provisions of Clause 16 on the Dealing Day immediately after the Trustee has received, reconciled and validated the written request for redemption submitted by the Employee Member. Any such withdrawal request must be made in a form as may be prescribed by the Trustee from time to time.

16B WITHDRAWAL OF PERSONAL ACCOUNT MEMBER'S NON-REGULAR VOLUNTARY CONTRIBUTIONS

- 16B.1 Subject to the prior written consent of the Trustee, a Personal Account Member who has benefits accrued in the Non-Regular Voluntary Contribution Account may request the Trustee to redeem any or all Units standing to the credit of his Non-Regular Voluntary Contribution Account at any time by giving to the Trustee at least SEVEN (7) days' prior written notice in such form acceptable to the Trustee PROVIDED THAT in respect of the Non-Regular Voluntary Contribution Account, the number of such redemptions allowed for the Personal Account Member in a Financial Year shall not exceed 4, or such other maximum number as may be determined by the Trustee from time to time.
- 16B.2 The Trustee reserves the right to impose a withdrawal fee up to the maximum level as specified in the MPF Scheme Brochure for each redemption request made under Rule 16B.1. Such withdrawal fee shall be deducted from the redemption proceeds and be retained by the Trustee for its own use and benefit.

17. WITHDRAWAL OF VOLUNTARY CONTRIBUTIONS OF SEP MEMBER / VC EMPLOYEE MEMBER / PERSONAL ACCOUNT MEMBER

- 17.1 Subject to the prior written consent of the Trustee, a Personal Account Member may withdraw the balance through redemption of part or all of the Units in his Voluntary Personal Sub-Account by giving SEVEN (7) days' prior written notice in such form acceptable to the Trustee PROVIDED THAT the number of such redemptions allowed for the Personal Account Member in a Financial Year shall not exceed 52, or such other maximum number as may be determined by the Trustee from time to time.

- 17.2 Subject to the prior written consent of the Trustee, a SEP Member who has benefits accrued in the SEP Member's Voluntary Sub-Account or SEP Member's Voluntary Transfer Sub-Account may request the Trustee to redeem any or all Units standing to the credit of his SEP Member's Voluntary Sub-Account or SEP Member's Voluntary Transfer Sub-Account, or both, at any time during his self-employment by giving to the Trustee at least SEVEN (7) days' prior written notice in such form acceptable to the Trustee PROVIDED THAT the number of such redemptions allowed for the SEP Member in a Financial Year shall not exceed 52, or such other maximum number as may be determined by the Trustee from time to time.
- 17.3 Subject to the prior written consent of the Trustee, a VC Employee Member who has benefits accrued in the VC Employee Member's Regular Voluntary Sub-Account or Non-Regular Voluntary Sub-Account or VC Employee Member's Voluntary Transfer Sub-Account may request the Trustee to redeem any or all Units standing to the credit of his Regular Voluntary Sub-Account or Non-Regular Voluntary Sub-Account or Voluntary Transfer Sub-Account, or all of them, at any time during his employment with the Employer by giving to the Trustee at least SEVEN (7) days' prior written notice in such form acceptable to the Trustee PROVIDED THAT the number of such redemptions allowed for the VC Employee Member in a Financial Year shall not exceed 52, or such other maximum number as may be determined by the Trustee from time to time.
- 17.4 The Trustee reserves the right to impose a withdrawal fee up to the maximum level as specified in the MPF Scheme Brochure for each redemption request made under Rules 17.1 or 17.2 or 17.3. Such withdrawal fee shall be deducted from the redemption proceeds and be retained by the Trustee for its own use and benefit.
- 17.5 After the redemption proceeds have been paid to the relevant Personal Account Member or the SEP Member or the VC Employee Member under Rules 17.1, 17.2 and 17.3, as the case may be, their respective Combined Balances shall be reduced accordingly.
- 17.6 Any redemption under this Rule 17 shall be effected in accordance with the provisions of Clause 16 on the Dealing Day immediately after the Trustee has received, reconciled and validated the written request for redemption submitted by the Personal Account Member or SEP Member or the VC Employee Member, as the case may be. Any such withdrawal request must be made in a form as may be prescribed by the Trustee from time to time.

18. **PRESERVATION OF ACCRUED BENEFITS DERIVED FROM MANDATORY CONTRIBUTIONS AND/OR TVC**

- s.13 18.1 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.

19. **PORTABILITY OF BENEFITS**

R.146
S.14

19.1 19.1.1 Subject to the provisions of the MPFS Ordinance and the Regulation (including without limitation Section 14 of the MPFS Ordinance and Section 146 of the Regulation) and Rule 19.1A, 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.

19.1.2 An election under this Rule 19.1 is effective,

- (a) in relation to a Personal Account in the Scheme, when written notice of the election is given to the Trustee; and
- (b) in relation to an account referred to in Rule 19.1.1(b), (c) or (d), when written notice is given to the approved trustee of the other Registered Scheme.

S.12A(6A) 19.1A Where the new employer of an Employee Member who has ceased to be employed by an Employer and Section 12A(6A) of the MPFS Ordinance applies, such new employer may elect to transfer the Accrued Benefits of an Employee Member that are held in a Contribution Account in the Scheme to a contribution account in a Registered Scheme in which such new employer is participating in relation to that Employee Member.

R.146(10) 19.2 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 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 19.3 Subject to Rule 20.1, 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) 19.4 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 19.4 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.149 19.5 Transfer of Accrued Benefits in Personal Accounts to Contribution Accounts or other Personal Accounts

- (a) If Accrued Benefits of a Member of the Scheme are held in one or more than one Personal Account of the Member within the Scheme, the Member may, at any time and by way of election form submitted to the new trustee, elect to have all Accrued Benefits in the account, or in any one or more than one of those accounts, transferred to –
 - (i) a Contribution Account of the Member within the Scheme nominated by the Member;
 - (ii) a contribution account of the Member within another registered Scheme, nominated by the Member;

- (iii) another Personal Account of the Member within the Scheme nominated by the Member; or
 - (iv) a personal account of the Member within another Registered Scheme, which is a master trust scheme or an industry scheme, nominated by the Member.
- (b) An election under subsection (a) is effective –
- (i) in relation to a Contribution Account within the Scheme referred to in subsection (a)(i), when written notice of the election is given to the Trustee;
 - (ii) in relation to a contribution account within a Registered Scheme referred to in subsection (a)(ii), when written notice of the election is given to the new trustee;
 - (iii) in relation to a Personal Account within the Scheme referred to in subsection (a)(iii), when written notice of the election is given to the Trustee; and
 - (iv) in relation to a personal account within a Registered Scheme referred to subsection (a)(iv), when written notice of the election is given to the new trustee.
- 19.6 Subject to the provisions of Sections 156 and 157 of the Regulation the Trustee shall, pursuant to Section 153(2) of the Regulation, within thirty (30) days after being notified of an election by the approved trustee of another Registered Scheme, or if an election is made by an Employee Member who ceases to be employed by the participating Employer concerned in the Scheme, within 30 days after the last contribution day in respect of the employment that has ceased, whichever is later, take all practicable steps to ensure that all the Accrued Benefits concerned are transferred in accordance with the election.
- 19.7 Subject to the provisions of Sections 156 and 157 of the Regulation, the Trustee shall, pursuant to Section 153(3) of the Regulation, within 30 days after being notified of an election under Sections 146(4)(a) or (10)(b), 148A(5)(a), 148B(4)(a) or (c) or 149(2)(a) or (c), or if an election is made by an Employee Member who ceases to be employed by the Participating Employer concerned in the Scheme, within 30 days after the last contribution day in respect of the employment that has ceased, whichever is later, arrange for the Accrued Benefits concerned to be transferred to a separate account within the Scheme in accordance with the election.
- 19.7A Transfer of Accrued Benefits derived from Mandatory Contributions in respect of current employment to Personal Accounts
- (a) This Rule 19.7A does not apply to a case in which an Employee Member has ceased to be employed as referred to in Section 145, 146 or 147 of the Regulation.
 - (b) If Accrued Benefits of an Employee Member are held in one or more than one sub-account referred to in Section 78(6)(b) of the Regulation within the Scheme, the Employee Member may, at any time, subject to subsection (d) and

by way of election form submitted to the new trustee, elect to have all Accrued Benefits in the sub-account, or in any one or more than one of those sub-accounts, transferred to –

- (i) a Personal Account of the Employee Member within the Scheme nominated by the Employee Member; or
 - (ii) 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.
- (c) An Employee Member may make an election under subsection (b) in respect of his sub-account within the Scheme or if Accrued Benefits of the Employee Member are held in more than one such sub-account, whether or not within the Scheme, in respect of each of those sub-accounts, only once in every calendar year.
- (d) An election under subsection (b) is effective –
- (i) in relation to a Personal Account within the Scheme referred to in subsection (b)(i), when written notice of the election is given to the Trustee; and
 - (ii) in relation to a personal account within a Registered Scheme referred to in subsection (b)(ii), when written notice of the election is given to the new trustee.

19.7B Transfer of Accrued Benefits derived from Mandatory Contributions in respect of former employment or former self-employment to Contribution Accounts or Personal Accounts

- (a) this Rule 19.7B does not apply to a case in which an Employee Member has ceased to be employed as referred to in Section 145, 146 or 147 of the Regulation.
- (b) If Accrued Benefits of an Employee Member are held in one or more than one sub-account referred to in Section 78(6)(c) of the Regulation within the Scheme, the Employee Member may, at any time and by way of election form submitted to the new trustee, elect to have all Accrued Benefits in the sub-account, or in any one or more than one of those sub-accounts, transferred to –
 - (i) another Contribution Account of the Employee Member within the Scheme nominated by the Employee Member;
 - (ii) a contribution account of the Employee Member within another Registered Scheme, nominated by the Employee Member;
 - (iii) a Personal Account of the Employee Member within the Scheme nominated by the Employee Member; or
 - (iv) 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.

- (c) An election under subsection (b) is effective –
- (i) in relation to a Contribution Account within the Scheme referred to in subsection (b)(i), when written notice of the election is given to the Trustee;
 - (ii) in relation to a contribution account within a Registered Scheme referred to in subsection (b)(ii), when written notice of the election is given to the new trustee;
 - (iii) in relation to a Personal Account within the Scheme referred to in subsection (b)(iii), when written notice of the election is given to the Trustee; and
 - (iv) in relation to a personal account within a Registered Scheme referred to in subsection (b)(iv), when written notice of the election is given to the new trustee.

S.14
R149
A

19.8 Subject to the provisions of the MPFS Ordinance and the Regulation, the Accrued Benefits of a TVC Member may, at any time and by way of election form submitted to the new trustee, elect to have all Accrued Benefits in the TVC Account transferred to another TVC account in other Registered Scheme nominated by the TVC Member for which the TVC Member is eligible to join.

19.9 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. For the avoidance of doubt, nothing in this Clause shall prejudice a Member's right for his Accrued Benefit under the Scheme permitted by law.

R.151

19.10 An election made under this Rule 19 must be in a form specified or approved by the MPF Authority.

R.34

19.11 For the avoidance of doubt, no fees or financial penalties may be charged to or imposed on a Member, or deducted from Member's account , for transferring Accrued Benefits –

- (a) from an account in a Registered Scheme to another account in another Registered Scheme;
- (b) from an account within the Scheme to another account within the Scheme; or
- (c) in the same account within the Scheme, from a constituent fund to another constituent fund,

other than an amount representing the Necessary Transaction Costs that are incurred, or reasonably likely to be incurred, by the Trustee in selling or purchasing investments in order to give effect to the transfer and are payable to a party other than the Trustee. Any Necessary Transaction Costs imposed and received must be used to reimburse the relevant constituent fund.

20. **CESSATION OF PARTICIPATION IN THE SCHEME**

20.1 Without prejudice to the generality of section 31(7) of the Regulation, any Employer, SEP Member, Personal Account Member or TVC Member may at any time cease to participate in the Scheme by giving a written notice to the Trustee.

R.150 20.2 Notwithstanding the above, the membership of an Employee Member, SEP Member, VC Employee Member, Personal Account Member, TVC Member or the Employer's participation in the Scheme may be terminated by the Trustee in accordance with Rules 2.1.5 and 2.1.6.

20.3 Subject to Rules 20.1 and 20.2, the relevant provisions of the MPFS Ordinance and the Regulation, an Employer who ceases to participate in the Scheme under Rule 20.1 or 20.2 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.

20.4 A SEP Member who ceases to participate in the Scheme under Rule 20.1 or 20.2 shall have the right to elect to have his benefits kept in the Scheme transferred in accordance with Part XII of the Regulation. A VC Employee Member who ceases to participate in the Scheme under Rule 20.1 or 20.2 shall have the right to elect to have his benefits kept in the Scheme transferred by completing the necessary form(s) as requested by the Trustee.

20.5 Upon transfer of the assets attributable to a Participating Scheme to another Registered Scheme, the Trustee shall have no further liabilities or obligations whatsoever in relation to the Employer, Employee Members, the Personal Account Member, the VC Employee Member or the SEP Member of the relevant Participating Scheme or to any other person who is entitled to make a claim under that Participating Scheme or the Scheme and the Participation Agreement shall be automatically terminated. For the avoidance of doubt, nothing in this Clause shall prejudice a Member's right for his Accrued Benefit under the Scheme permitted by law.

20.6 Upon transfer of the assets attributable to a Participating Scheme to another Registered Scheme, the Trustee shall have no further liabilities or obligations whatsoever in relation to the TVC Member of the relevant Participating Scheme or to any other person who is entitled to make a claim under that Participating Scheme or the Scheme. The Trustee may terminate Participation Agreement in relation to that TVC Account as permitted under section 31(5A) of the Regulation.

21. **PAYMENT OF BENEFITS**

21.1 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.

- 21.2 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.
- 21.3 21.3.1 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.
- 21.3.2 A receipt signed or purporting to be signed by a Member or any other person who is entitled to receive any payment under this Deed or pursuant to the MPFS Ordinance or Regulation shall be a good discharge to the Trustee. If more than one person is entitled to receive a payment under the Scheme or a Participating Scheme, any one of such persons may give receipt for such payment which shall be as effective a discharge to the Trustee as if he had been the only person who is entitled to receive such payment.

22. **MISCELLANEOUS**

- S.16 22.1 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. If any attempt is made to alienate any benefit derived from Voluntary Contributions kept under the Scheme or if it becomes payable to any person other than the person entitled to it under the Scheme, it shall be forfeited unless the Trustee in its discretion decides to pay it in case of hardship to the Member or to his spouse or dependant. No payment shall be made to a purported assignee, mortgagee or chargee.

22.2 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

22.3 22.3.1 The interest of any Employee Member or any other person derived from his 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 or written confirmation provided by the Employer.

22.3.2 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

22.3.3 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. The Trustee may pay the amount of any such reduction to the Employee Member's Employer.

22.3.4 The Trustee may, at the request of the Employer and to the extent allowed by law, forfeit any benefit which derives from the Employer's Voluntary Contributions to the Scheme 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 or written confirmation of the Employer, and may pay the amount of any such reduction to the Employee Member's Employer.

22.4 If any mis-statement is made by a Member or his Employer as to any relevant matter under this Deed, including without limitation, the Member's date of birth, the commencement date of Member's employment with his Employer and the termination date of the Member's employment, the Member's Relevant Income, and as a result of which the benefits payable to such Member is affected, the Trustee shall be entitled to recalculate the benefits payable in respect of such Member using the correct information and data, and make appropriate adjustments thereto accordingly.