

DATED 31 March 2020

PRINCIPAL TRUST COMPANY (ASIA) LIMITED

AMENDED AND RESTATED MASTER TRUST DEED

for

PRINCIPAL MPF SCHEME SERIES 800

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THIS AMENDED AND RESTATED MASTER TRUST DEED is made on 31 March 2020 by:

PRINCIPAL TRUST COMPANY (ASIA) LIMITED whose registered office is at 30/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong (the “Trustee”)

WHEREAS:

1. By a trust deed dated 31 January 2000 executed by the Trustee, the Trustee established a master trust scheme under trust called the Principal MPF Scheme Series 800 (信安強積金計劃 800 系列) whereby employers and their employees, self-employed persons and other eligible persons may participate by executing a Participation Agreement.
2. The trust deed was subsequently amended by a supplemental deed dated 14 February 2001 and three deeds of variation dated 16 May 2002, 16 May 2003 and 29 June 2004 respectively. The trust deed was further amended and restated by a deed of variation dated 17 October 2005. The trust deed was subsequently amended by eleven deeds of variation dated 29 September 2006, 16 August 2007, 29 August 2008, 28 August 2009, 7 October 2011, 17 October 2012, 6 March 2015, 31 July 2015, 2 December 2016, 22 February 2019 and 1 April 2019. The amended and restated trust deed shall be referred to as the “**Trust Deed**”.
3. Subject to the approval of the Mandatory Provident Fund Schemes Authority, the Trustee has power pursuant to Clause 18 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 with effect from 31 March 2020.

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:

“ Account Holder ”	has the same meaning as "account holder" under section 50A of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) or, where applicable, its equivalent meaning in AEOI of other overseas jurisdiction(s);
“ Administrative Procedures Section ”	means the section headed " Administrative Procedures " in the Principal Brochure;

- “AEOI”** means the applicable laws and regulations, whether in Hong Kong or other jurisdictions, concerning automatic exchange of financial account information, as implemented from time to time including any future laws and regulations;
- “APIF”** means an investment fund which complies with the requirements set out in Section 17(2) of Schedule 1 of the Regulation and has been approved by the MPF Authority and the SFC, or has such other meaning as is given to it from time to time in Section 6 of the Regulation;
- “Application Form”** means:
- (a) in respect of an Employer, SEP Member or Personal Account Member who is not a Zurich Employer, B300 Employer, Zurich Member or B300 Member, the application form as may be prescribed by the Trustee from time to time to be completed and signed by the Employer, SEP Member and Personal Account Member (as the case may be) for providing relevant information to the Trustee for purposes of the Participating Plan;
 - (b) in respect of a Zurich Employer or Zurich Member, the application form which was given by the Zurich Employer or Zurich Member (as the case may be) under the Zurich Scheme for providing relevant information to the trustee thereof, and for the purpose of the participation of the Zurich Employer or Zurich Member in this Scheme, all the information provided and terms set out in such form shall apply to the Zurich Employer or Zurich Member in the same manner as they are applicable to such Zurich Employer or Zurich Member under the Zurich Scheme;
 - (c) in respect of a B300 Employer or B300 Member, the application form which was given by the B300 Employer or B300 Member (as the case may be) under the B300 Scheme for providing relevant information to the trustee thereof, and for the purpose of the participation of the B300 Employer or B300 Member in this Scheme, all the information provided and terms set out in such form shall apply to the B300 Employer or B300 Member in the same

manner as they are applicable to such B300 Employer or B300 Member under the B300 Scheme;

(d) in respect of an SVC Member, the application form as may be prescribed by the Trustee from time to time to be completed and signed by the SVC Member for the purpose of establishing a Participating Plan, and unless the context otherwise requires, in relation to an SVC Member, all references to the “Participation Agreement” in this Deed shall be read as the “Application Form”;

(e) in respect of a TVC Account Holder, the application form as may be prescribed by the Trustee from time to time to be completed and signed by the TVC Account Applicant for the purpose of establishing a TVC Account, and unless the context otherwise requires, in relation to a TVC Account Holder, all references to the “Participation Agreement” in this Deed shall be read as the “Application Form”;

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

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

“Basic Salary” means an Employee Member’s basic monthly salary from his Employer, excluding overtime payments and all benefits and allowances or as provided by the Employer by way of the Application Form or other forms prescribed by the Trustee from time to time and communicated to the Trustee by the Employer;

“Bid Charge” means, in relation to the Units redeemed, the difference between their redemption value and their total net asset value;

“Bid Spread” means the percentage difference between the Redemption Price and the Net Asset Value referred to in Clause 16, provided that:

(a) it does not apply to the Principal MPF Conservative Fund; and

	(b) where a Bid Spread is to applied to a transfer of benefits, such Bid Spread shall only include necessary transaction costs incurred or reasonably likely to be incurred in selling or buying investments in order to give effect to the transfer.
“Business Day”	means a day on which banks generally are open for normal banking business in Hong Kong (excluding Saturdays);
“B300 Employer”	means an employer in the B300 Scheme who becomes an Employer under the Scheme pursuant to Clause 3.9 and Rule 2.1.4B;
“B300 Member”	means a person in the B300 Scheme who becomes a Member of the Scheme pursuant to Clause 3.10 or 3.11 or 3.12 and Rule 2.1.4B;
“B300 Scheme”	means Principal MPF Scheme Series B300 (信安強積金計劃 B300 系列), a master trust scheme registered with the MPF Authority under the MPFS Ordinance;
“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;
“ Class D Units”	means the Class D Units constituted under Clause 1.3;
“ Class I Units”	means the Class I Units constituted under Clause 1.3;
“ Class N Units”	means the Class N Units constituted under Clause 1.2;
“Collective Investment Scheme”	has the same meaning as given to it under Schedule 1 to the Regulation;
“ Combined Balance”	(a) means, in relation to a Member in his capacity as an Employee Member, on a particular date, the aggregate of: <ul style="list-style-type: none"> (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 Voluntary Sub-Account;
 - (v) Employee's Voluntary Transfer Sub-Account;
 - (vi) such any other sub-account of the Employee Member as the Trustee considers appropriate or necessary; 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 sub-account of the Employee Member as the Trustee considers appropriate or necessary; and
- (ac) the amount of Guaranteed Shortfall, if any
- (b) means, in relation to a Member in his capacity as an SEP Member, on a particular date, the aggregate of:
- (aa) the total 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;
 - (v) such any other sub-account of the SEP Member as the Trustee

considers appropriate or
necessary; and

- (ab) the amount of Guaranteed Shortfall, if any;
- (c) means, in relation to a Member in his capacity as a Personal Account Member, on a particular date, the aggregate of:
 - (aa) 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 sub-account of the Personal Account Member as the Trustee considers appropriate or necessary; and
 - (ab) the amount of Guaranteed Shortfall, if any;
- (d) means, in relation to a Member in his capacity as a TVC Account Holder, on a particular date, the TVC Balance;

“Commodities”

means all precious metals and all other commodities or merchandise of any nature (other than cash and any other merchandise which would fall within the definition of “Investment” if the reference to “Commodity” were omitted therefrom) and includes any futures contract and any financial futures contract. For the purposes of this definition, “financial futures contract” means:

- (a) any contract which is traded on the London International Financial Futures Exchange, the Chicago Board of Trade or such other exchange or market as the Trustee may approve and is described or treated by persons trading in such contract as a financial futures contract; or
- (b) any contract expressed as being in respect of the sale or purchase of a share price index for settlement at a future date;

“Commodities Market” means any commodities exchange or commodities market in any country in the world and includes, in relation to a particular Commodity, any responsible firm, corporation or association in any country in the world dealing in such Commodity as to be expected generally to provide, in the opinion of the Trustee, a satisfactory market for the Commodity, and in such a case the Commodity shall be deemed to be the subject of an effective permission to deal on the Commodity Market deemed to be constituted by such firm, corporation or association;

“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 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;

“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;

“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 Mandatory Sub-Account;
- (ii) Employee’s Mandatory Sub-Account;
- (iii) Employee’s Mandatory Transfer Sub-Account;
- (iv) Employer’s Voluntary Sub-Account;
- (v) Employee’s Voluntary Sub-Account;
- (vi) Employee’s Voluntary Transfer Sub-Account; and
- (vii) any other sub-account which the Trustee has set up and maintained for the Employee Member;

- (b) in relation to a Member in his capacity as an SEP Member, all of the following sub-accounts:

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

PROVIDED THAT if a Member is an Employee Member and an SEP Member concurrently, the Trustee

shall maintain one Contribution Account (with all the sub-accounts set out in (a) above) in that Member's capacity as an Employee Member and another Contribution Account (with all the sub-accounts set out in (b) above) in that Member's capacity as an SEP Member.

- “Contribution Day”**
- (a) in relation to an 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;
- “Controlling Person”**
- has the same meaning as "controlling person" under section 50A of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) or, where applicable, its equivalent meaning in AEOI of other overseas jurisdiction(s);
- “Dealing Day”**
- means the day specified as a Dealing Day in the Principal Brochure, either generally or in respect of a particular class or classes of Units of a Constituent Fund, or if such day is not a Business Day, the next following Business Day or such other day or days as the Trustee may from time to time determine to be a Dealing Day either generally or in respect of a particular class or classes of Units of a Constituent Fund;
- “Dealing Deadline”**
- in relation to any Dealing Day shall be 3:00 p.m. or such other time as the Trustee may from time to time determine generally or in relation to any particular Constituent Fund;
- “Default Investment Arrangement”**
- has the same meaning as prescribed in section 34DF of the MPFS Ordinance;
- “Default Investment Strategy”**
- means the default investment strategy that complies with Part 2 of Schedule 10 to the MPFS Ordinance;
- “DIS Funds”**
- mean the Principal Age 65 Plus Fund and the Principal Core Accumulation Fund, and "**DIS Fund**" means either of them;
- “DIS Section”**
- means the section headed "**MPF default investment strategy**" in the Principal Brochure;

“Early Retirement Age”	means, in relation to a Member, 60 years of age or such other age specified from time to time in Schedule 7 of the MPFS Ordinance;
“Employee Member”	means an employee of an Employer who has joined the Scheme in accordance with the Rules, and who has not ceased to be employed by that Employer, and shall include a Zurich Member who has become an Employee Member pursuant to Clause 3.7 and Rule 2.1.4A and a B300 Member who has become an Employee Member pursuant to Clause 3.11 and Rule 2.1.4B;
“Employee’s Mandatory Sub-Account”	means, in relation to an Employee Member, a sub-account as referred to in Rule 4.1(b);
“Employee’s Mandatory Transfer Sub-Account”	means, in relation to an Employee Member, a sub-account as referred to in Rule 4.1(c);
“Employee’s Voluntary Sub-Account”	means, in relation to an Employee Member, a sub-account as referred to in Rule 4.1(e);
“Employee’s Voluntary Transfer Sub-Account”	means, in relation to an Employee Member, a sub-account as referred to in Rule 4.1(f);
“Employer”	means any person, firm, corporation or body which has established a Participating Plan for its employees by executing a Participation Agreement, and shall include a Zurich Employer who has become an Employer pursuant to Clause 3.5 and Rule 2.1.4A and a B300 Employer who has become an Employer pursuant to Clause 3.9 and Rule 2.1.4B;
“Employer’s Mandatory Sub-Account”	means, in relation to an Employee Member, a sub-account as referred to in Rule 4.1(a);
“Employer’s Voluntary Sub-Account”	means, in relation to an Employee Member, a sub-account as referred to in Rule 4.1(d);
“Financial Year”	means, in relation to the Scheme, each Constituent Fund and each Participating Plan, the period from 1 January to 31 December in each calendar year PROVIDED THAT in the case of the Scheme, the first Financial Year shall commence on the date on which the Scheme was registered under the MPFS Ordinance and end on 31 December first falling after such date of registration, and in the case of each Participating Plan, the first Financial Year thereof shall commence on the Plan

Effective Date of such Participating Plan and end on 31 December first falling after such Plan Effective Date;

- “Forfeitures Account”** means, in relation to a Participating Plan, an account to which the Trustee shall credit any unvested benefits and forfeitures under that Participating Plan;
- “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 Shortfall”** means, in relation to redemption of any Units of the Principal Long Term Guaranteed Fund pursuant to a Qualifying Event and in the event that the actual redemption proceeds of the Units (without the application of the guarantee and before the deduction of any Bid Charge) is less than the Qualifying Balance which is guaranteed under the Principal Guaranteed Umbrella Fund Policy, the amount to which the Member shall be entitled, such amount shall be calculated: (i) firstly, by ascertaining the difference between such actual redemption proceeds (without the application of the guarantee and before the deduction of any Bid Charge) and Qualifying Balance; and (ii) secondly, by applying the provisions of Clause 11.1.1(c)(ii), where necessary; and for this purpose, “Qualifying Balance” shall have the meaning as defined under the Principal Guaranteed Umbrella Fund Policy;
- “HK\$”** means the lawful currency of Hong Kong;
- “Hong Kong”** means the Hong Kong Special Administrative Region of the PRC;
- “Investment”** means any stock, share, debenture, debenture stock, loan stock, bond, insurance policy, unit share, APIF or other interest in a Collective Investment Scheme, Commodity, share price index futures contract, security, commercial paper, acceptance, certificate of deposit, trade bill, treasury bill, instrument or note of or issued by or under the guarantee of any body, whether incorporated or unincorporated, or of any government or local governmental authority or supranational body, whether paying interest or dividends or not, and whether fully paid or not and includes without limitation:

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

“Investment Election” means any instructions as may from time to time be given by a Member in accordance with the requirements for a specific investment instruction as set out in the Principal Brochure specifying the manner in which the moneys in the Contribution Account, Personal Account or TVC Account shall be invested and for the purpose of a Zurich Member or B300 Member, Investment Elections shall include the investment elections which were validly given by him under the Zurich Scheme or the B300 Scheme (as the case may be);

“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 Charge imposed) per Unit of the relevant class calculated pursuant to Clauses 14 and 15 at which Units of that class are from time to time issued or to be issued;

“Management Fee” means any sum to which the Investment Manager may become entitled to pursuant to the provisions of Clause 20;

“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 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);
“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: <ul style="list-style-type: none"> (a) an Employee Member; (b) an SEP Member; (c) an SVC Member; (d) a Personal Account Member; or (e) a TVC Account Holder, <p>who has been admitted to membership in accordance with this Deed, and who has not ceased to be a Member in accordance with this Deed, and includes any person participating in the Scheme in one or more of the capacities mentioned above;</p>
“Merger Date”	means the date on which the Merger Proposal becomes effective;
“Merger Proposal”	means the restructuring proposal dated 16 July 2007 under which this Scheme and the B300 Scheme are restructured, which proposal has been approved by the MPF Authority pursuant to Section 34B of the MPFS Ordinance;
“Minimum Level of Relevant Income”	means the level of Relevant Income specified in Schedule 2 of the MPFS Ordinance below which level a Relevant 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 1(1) of Schedule 2 of the Mandatory Provident Fund Schemes (Exemption) Regulation (Chapter 485 subsidiary legislation B of the Laws of Hong Kong);
“month”	means calendar month;
“MPF Authority”	means the Mandatory Provident Fund Schemes Authority in Hong Kong;
“MPFS Ordinance”	means the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) as amended from time to time;
“Net Asset Value”	means, in relation to a Constituent Fund, the net asset value of such Constituent Fund or, as the context may require, of a Unit of the Constituent Fund calculated pursuant to the provisions of Clause 14;
“Normal Retirement Age”	means, in relation to a Member, 65 years of age or, if the Regulation prescribes an earlier age, that earlier age;
“Offer Charge”	means, in relation to the Units purchased, the difference between their purchase value and their total net asset value;
“Offer Spread”	means the percentage difference between the Issue Price and the NAV referred to in Clause 15, provided that <ul style="list-style-type: none"> (a) it does not apply to the Principal MPF Conservative Fund; and (b) where an Offer Spread is to be applied to a transfer of benefits, such Offer Spread shall only include necessary transaction costs incurred or reasonably likely to be incurred in selling or buying investments in order to give effect to the transfer.
“Offering Document”	has the same meaning as given to it from time to time in Section 2 of the Regulation;
“Officer”	has the same meaning as given to it from time to time in Section 2 of the MPFS Ordinance;

“out-of-pocket expenses” has the same meaning as in section 34DA of the MPFS Ordinance;

“Participating Plan” means a notional sub-scheme under the Scheme established pursuant to the terms of this Deed;

“Participation Agreement” has the same meaning as given to it in Section 2 of the Regulation, and

(i) in relation to a Participating Plan of an Employer, SEP Member or Personal Account Member (who is not a Zurich Employer, B300 Employer, Zurich Member or B300 Member), an agreement substantially in the form set out in Schedule I attached hereto or any other forms which has been approved by the Trustee and has been executed by the Trustee and such Employer, SEP Member or Personal Account Member (as the case may be) whereby such Employer, SEP Member or Personal Account Member agrees to establish a Participating Plan 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 prescribed or modified by any further agreements executed by parties of the Participation Agreement; and

(ii) in relation to a participating scheme of a B300 Employer or B300 Member (who is a self-employed person or Personal Account Member), the Participation Agreement shall be the participation agreement which was entered into between the trustee of the B300 Scheme and that B300 Employer or B300 Member, as the case may be (and approved by the MPF Authority if such an approval is so required under the Regulation), under the B300 Scheme, and for the purpose of the participation of that B300 Employer or B300 Member in this Scheme, all the information provided and terms set out in such agreement shall apply to the B300 Employer or B300 Member (as the case may be) in the same manner as they are applicable to such B300 Employer or B300 Member under the B300 Scheme; and

(iii) in relation to a participating scheme of a Zurich Employer or Zurich Member (who is a self-employed person or Personal Account Member), the Participation

Agreement shall be the participation agreement which was entered into between the trustee of the Zurich Scheme and that Zurich Employer or Zurich Member, as the case may be (and approved by the MPF Authority if such an approval is so required under the Regulation), under the Zurich Scheme, and for the purpose of the participation of that Zurich Employer or Zurich Member in this Scheme, all the information provided and terms set out in such agreement shall apply to the Zurich Employer or Zurich Member (as the case may be) in the same manner as they are applicable to such Zurich Employer or Zurich Member under the Zurich Scheme;

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

“Personal Account” shall have the meaning as is given to it in section 2 of the Regulation.

“Personal Account Member” means:

- (a) a person who, having accrued benefits in another Registered Scheme or in another retirement scheme, has joined the Scheme in accordance with the Rules other than as an Employee Member or an 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;

and shall include a Zurich Member who has become a Personal Account Member pursuant to Clause 3.8 and Rule 2.1.4A and a B300 Member who has become a Personal Account Member pursuant to Clause 3.12 and Rule 2.1.4B;

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

“Plan Effective Date”	means, in relation to a Participating Plan, the day on which the Participating Plan commences as specified in the Application Form;
“practicable”	means reasonably practicable;
“PRC”	means the People’s Republic of China;
“Principal Age 65 Plus Fund”	means a Constituent Fund meeting the requirements from time to time prescribed under section 2(a) of Part 2 of Schedule 10 to the MPFS Ordinance;
“Principal Brochure”	means the latest Offering Document of the Scheme issued by the Trustee and approved by the MPF Authority and the SFC (if applicable);
“Principal Core Accumulation Fund”	means a Constituent Fund meeting the requirements from time to time prescribed under section 2(b) of Part 2 of Schedule 10 to the MPFS Ordinance;
“Principal Guaranteed Umbrella Fund Policy”	means the APIF into which the Principal Long Term Guaranteed Fund invests, as provided in Clause 11.1.1(c);
“Qualifying Event”	shall have the same meaning as is given to it in Clause 1 of the Principal Guaranteed Umbrella Fund Policy;
“Quoted Investment”	means any Investment which is: <ul style="list-style-type: none"> (a) for the time being authorised by the laws of Hong Kong for the investment (without limit) of trust funds; (b) selected or approved by the Trustee for the purpose of investment of the Trust Fund and quoted, listed or dealt in on a Recognised Securities Market or a Recognised Commodities Market; or (c) not covered by paragraphs (a) or (b) above but selected by the Trustee for the purposes of investment of the Trust Fund and: <ul style="list-style-type: none"> (i) in the case of a bond, debenture, loan stock, certificate of deposit or other interest bearing security, quoted, listed or dealt in on any other Securities Market; or

- (ii) in the case of any other form of Investment, an Investment in respect of which application has been made to a Recognised Securities Market for permission to deal and quotation or listing and the subscription or purchase of the same by the Trustee is or will be conditional upon the grant thereof;

“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;
“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 Stock Exchange”	has the same meaning as given to it from time to time in Section 2 of the Regulation;
“Redemption Price”	means the price per Unit of the relevant class calculated pursuant to Clause 16 at which Units of that class are from time to time redeemed or to be redeemed; and
“Registered Scheme”	means a provident fund scheme registered under Section 21 of the MPFS Ordinance as an employer sponsored scheme or a master trust scheme or registered under Section 21A of the MPFS Ordinance as an industry scheme, or has such other meaning given to it from time to time in Section 2 of the MPFS Ordinance;
“Regulation”	means the Mandatory Provident Fund Schemes (General) Regulation (Chapter 485 subsidiary legislation A of the Laws of Hong Kong);
“Relevant Employee”	has the same meaning as given to it from time to time in Section 2 of the MPFS Ordinance;
“Relevant Income”	has the same meaning as given to it from time to time in Section 2 of the MPFS Ordinance;
“Reportable Information”	means, in respect of any person or entity considered to be an Account Holder or Controlling Person of an Account Holder (where applicable) of the Scheme, information (including but not limited to its/his/her name, address, date of birth, place of birth/incorporation,

	country(ies)/jurisdiction(s) of tax residence, tax identification number(s) in the relevant jurisdiction(s) and account information (including but not limited to its/his/her account balance, income and payments to the account holders);
“Reserve Charge”	means the levy deducted from the assets of the Principal Long Term Guaranteed Fund, which levy shall be at a rate specified in the Principal Brochure and approved by the MPF Authority;
“Restructuring Date”	means the date on which the Restructuring Proposal becomes effective;
“Restructuring Proposal”	means the restructuring proposal dated 5 October 2005 under which this Scheme and the Zurich Scheme are restructured, which proposal has been approved by the MPF Authority pursuant to Section 34B of the MPFS Ordinance;
“Rules”	means the rules attached to and forming part of this Deed as the Appendix (as supplemented by the terms of this Deed and the Participation Agreement of the respective Participating Plan) by which a Participating Plan shall be governed;
“Scheme”	means the Principal MPF Scheme Series 800 which is established under the terms of this Deed;
“Scheme Participants”	means Employers and Members;
“Securities”	has the same meaning as given to such term under Part 1 of Schedule 1 to the SFO;
“Securities Market”	means any stock exchange, over-the-counter market or other securities market in any country in the world and includes, in relation to any particular Investment, any responsible firm, corporation or association in any part of the world so dealing in the Investment as to be expected generally to provide in the opinion of the Trustee a satisfactory market for the Investment and in such a case the Investment shall be deemed to be the subject of an effective permission to deal on the Securities Market deemed to be constituted by such firm, corporation or association;
“Self-Employed Person”	means a person whose Relevant Income (otherwise than in the capacity as an employee) derives from his

production (in whole or in part) of goods or services in Hong Kong, or his trade in goods or services in or from Hong Kong, or has such other meaning as is given to it from time to time in Section 2 of the MPFS Ordinance;

“SEP Member”	means a Self-Employed Person who has joined the Scheme in accordance with the Rules, and shall include a Zurich Member who has become an SEP Member pursuant to Clause 3.6 and Rule 2.1.4A and a B300 Member who has become an SEP Member pursuant to Clause 3.10 and Rule 2.1.4B;
“SEP Member’s Mandatory Sub-Account”	means, in relation to an SEP Member, a sub-account as referred to in Rule 4.2(a);
“SEP Member’s Mandatory Transfer Sub-Account”	means, in relation to an SEP Member, a sub-account as referred to in Rule 4.2(b);
“SEP Member’s Voluntary Sub-Account”	means, in relation to an SEP Member, a sub-account as referred to in Rule 4.2(c);
“SEP Member’s Voluntary Transfer Sub-Account”	means, in relation to an 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;
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Special Voluntary Contribution”	means a contribution paid to the Scheme by an SVC Member pursuant to Rule 3.2A;
“Subscription Money”	means: <ul style="list-style-type: none">(a) any Mandatory Contribution;(b) any Voluntary Contribution;(c) any Special Voluntary Contribution;

(d) any TVC;

or

(e) any moneys received by the Trustee in relation to any other payments to be transferred into the Scheme;

“Substantial Financial Institution”	has the same meaning as given to it from time to time in Section 2 of the Regulation;
“SVC Account”	means, in relation to an SVC Member, the account as referred to in Rule 4.4;
“SVC Balance”	means, in relation to an SVC Member, on a particular date, the aggregate of (a) an amount equal to the redemption proceeds should all the Units standing to the credit of his SVC Account are redeemed as at that date; and (b) the amount of Guaranteed Shortfall, if any;
“SVC Member”	means a person who has joined the Scheme in accordance with Rule 2.1.1(e);
“Switching Instruction”	means an instruction given by the Member in accordance with the requirements for a specific investment instruction as set out in the Principal Brochure to vary or otherwise deal with the terms of the Member's Investment Election from time to time and for the purpose of a Zurich Member or B300 Member, Switching Instructions shall include the switching instructions which were validly given by him under the Zurich Scheme or the B300 Scheme (as the case may be);
“Tax Authority”	means any government, state or municipality or any local, state, federal or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function;
“Terminal Illness”	has the meaning given to it from time to time in Section 158(3) of the Regulation;
“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 (unless otherwise specified in this

	Deed) 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, earned and held by the Trustee for the purpose of the Scheme;
“Trustee”	means Principal Trust Company (Asia) 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 provisions of Clause 20;
“Trustee Ordinance”	means the Trustee Ordinance (Chapter 29 of the Laws of Hong Kong);
“TVC”	means the tax deductible voluntary contributions as defined in section 2(1) of the MPFS Ordinance;
“TVC Account”	means an account opened under section 11A(1) of the MPFS Ordinance;
“TVC Account Applicant”	means a person referred to in section 11A(1) of the MPFS Ordinance;
“TVC Account Holder”	has its meaning given in Rule 2.5.1;
“TVC Balance”	means, in relation to a TVC Account Holder, on a particular date, the aggregate of (a) an amount equal to the redemption proceeds should all the Units standing to the credit of his TVC Account be redeemed as at that date; and (b) the amount of Guaranteed Shortfall, if any;
“Unit”	means such number of undivided share of a Constituent Fund including any fraction thereof permitted under this Deed to which a Unit relates and is represented by a Unit of the relevant class determined in accordance with Clause 1.2, 1.3 or 1.4 (as the case may be) and (except where used in relation to a particular class of Units) a reference to Units means and includes Units of all classes;
“Unquoted Investment”	means any Investment which is not a Quoted Investment;

“UTMF Code”	means the SFC’s Code on Unit Trusts and Mutual Funds, as amended from time to time;
“Vested Balance”	means in relation to an Employee Member on a particular date the number of Units in his Employer’s Voluntary Sub-Account which have been vested in the Employee Member according to Rules 7.2 or 7.3;
“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 4.3(b);
“working day”	has the meaning as given to it in Section 2 of the MPFS Ordinance;
“year”	means calendar year;
“Years of Service”	means, in relation to an Employee Member, the total years (including a fraction thereof) of continuous employment with his Employer (whether or not as a Member of the Scheme). In respect of a Member whose Contribution Account consists of an Employer’s Voluntary Sub-Account and/or Employee’s Voluntary Sub-Account, the definition of Years of Service shall include any additional complete years and months as specified by the Member’s Employer in the Application Form PROVIDED ALWAYS THAT if an Employer wishes to adopt other definition for “Years of Service”, the Employer may specify such definition in the Application Form or such other form as prescribed by the Trustee from time to time;
“Zurich Employer”	means an employer in the Zurich Scheme who becomes an Employer under the Scheme pursuant to Clause 3.5 and Rule 2.1.4A;
“Zurich Member”	means a person in the Zurich Scheme who becomes a Member of the Scheme pursuant to Clause 3.6 or 3.7 or 3.8 and Rule 2.1.4A;
“Zurich Scheme”	means Zurich-Chinese Bank MPF Scheme-PremierDELUXE (蘇黎世華人銀行強積金計劃 一顯赫

之選), a master trust scheme registered with the MPF Authority under the MPFS Ordinance;

Classification of Units - Principal MPF Conservative Fund

- 1.2 As at the close of business on 29 December 2011, in respect of the Principal MPF Conservative Fund,
- (i) Units shall be classified and continue as the “Class N Units” with an initial Net Asset Value the same as the Net Asset Value of the Units of the Principal MPF Conservative Fund immediately prior to the classification, and each Class N Unit shall continue to represent one undivided share in the Principal MPF Conservative Fund; and
 - (ii) each Class N Unit subsequently issued shall represent at the time of issue the same number of undivided shares of the Principal MPF Conservative Fund as each other Class N Unit then in issue.

Classification of Units - Other Existing Constituent Funds

- 1.3 As at the close of business on 29 December 2011, in respect of the Constituent Funds other than the Principal MPF Conservative Fund, Units shall be classified as the “Class D Units” or “Class I Units” as follows:
- (i) Units which are subject to the “direct charge option” prior to the classification shall continue as the Class D Units; and Units which are subject to the “indirect charge option” shall continue as the Class I Units;
 - (ii) as at the close of business on 29 December 2011, (a) the Net Asset Value for both Class D Units and Class I Units shall be the same as the Net Asset Value of the Units of the relevant Constituent Funds immediately prior to the classification, and (b) each Class D Unit and Class I Unit shall continue to represent one undivided share in the relevant Constituent Fund;
 - (iii) from 30 December 2011, on each Dealing Day after the classification, the number of undivided shares of the relevant Constituent Fund represented by a Class I Unit then in issue or deemed to be in issue shall be decreased or increased, as the case may be, to such extent that the Issue Price of such Class I Unit (excluding any Offer Spread) (but without the rounding) shall be decreased or increased, as the case may be, by the amount of the difference between (a) the Management Fee, Trustee Fee and other applicable fees accrued in respect of such Class I Unit as at such Dealing Day and (b) the Management Fee, Trustee Fee and other applicable fees accrued in respect of a Class D Unit as at such Dealing Day; and

- (iv) each Unit of a class subsequently issued shall represent at the time of issue the same number of undivided shares of the relevant Constituent Fund as each other Unit of the same class then in issue.

Classification of Units - New Constituent Funds

- 1.4 In respect of a newly established Constituent Fund, a Unit shall represent such number of undivided shares or such fraction of an undivided share in the Constituent Fund to which it relates in accordance with the following provisions:-
 - 1.4.1 where there is only one class of Units in issue in relation to a Constituent Fund, each Unit of such class shall represent one undivided share in the relevant Constituent Fund;
 - 1.4.2 where there are two or more classes of Units in issue in relation to a Constituent Fund:-
 - (i) each Unit of the initial class of Units in issue (or, where two or more classes of Units were initially issued, the class of Units agreed between the Manager and the Trustee to be the initial class of Units in issue) (the "**Initial Class**") shall on the first issue of such Units represent one undivided share in the relevant Constituent Fund;
 - (ii) each Unit of a class in issue other than the Initial Class shall initially represent such number of undivided shares in the relevant Constituent Fund as the proportion the price at which such Units are first issued (excluding any Offer Spread) bears to (a) where the initial issue of such Units is at the same time as the initial issue of Units of the Initial Class, the price at which Units of the Initial Class are first issued (excluding any Offer Spread), or (b) where the initial issue of such Units falls after the initial issue of Units of the Initial Class, to the Net Asset Value per Unit of the Initial Class as at the Dealing Day on which such other class of Units are first issued;
 - (iii) on each Dealing Day, the number of undivided shares of the relevant Constituent Fund represented by a Unit of a class other than the Initial Class then in issue or deemed to be in issue shall be decreased or increased, as the case may be, to such extent that the Issue Price of such Unit (excluding any Offer Spread) (but without the rounding) shall be decreased or increased, as the case may be, by the amount of the difference between (a) the Management Fee, Trustee Fee and other applicable fees accrued in respect of such Unit as at such Dealing Day and (b) the Management Fee, Trustee Fee and other applicable fees accrued in respect of a Unit of the Initial Class as at such Dealing Day;
 - 1.4.3 each Unit of a class subsequently issued shall represent at the time of issue the same number of undivided shares of the relevant Constituent Fund as each

other Unit of the same class then in issue.

Trustee's Discretion in Offering the Class(es) of Units

- 1.5 The Trustee shall have the sole and absolute discretion in determining the class or classes of Units that may be made available for a Scheme Participant.
- 1.6 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. References herein to Clauses, Rules, Appendix and Schedule are to clauses and rules in, and appendix and schedule to, this Deed. The Appendix and Schedule shall be deemed to form part of this Deed.
- 1.7 The headings are inserted for convenience only and shall not affect the construction hereof.
- 1.8 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.
- 1.9 References to any statute shall be deemed to be references to that statute as from time to time amended or re-enacted.

2. ESTABLISHMENT OF TRUST

- 2.1 On the effective date of the Trust Deed, the Trustee established a master trust scheme under trust called the Principal MPF Scheme Series 800 (信安強積金計劃 800 系列) whereby employers, Self-Employed Persons, and other relevant persons as defined in Clause 3.4 can participate in the Scheme.
- 2.2 With effect from the date hereof, all provisions of the Trust Deed shall be replaced by, and the rights and obligations of the Trustee and all other parties provided in the Trust Deed shall be governed by and construed in accordance with the amended and restated provisions set out in this Deed.
- 2.3 The Trustee shall stand possessed of the Trust Fund on trust in accordance with this Deed and any applicable Participation Agreement.

3. ESTABLISHMENT OF PARTICIPATING PLAN

- 3.1 An employer (as defined in the MPFS Ordinance) will establish a Participating Plan by executing a Participation Agreement.
- 3.2 A Self-Employed Person will establish a Participating Plan by completing a Participation Agreement.

- 3.3 An Employee Member will establish a Participating Plan if upon his cessation of employment he elects or pursuant to the provisions of this Deed is taken to have elected to transfer his benefits accrued under this Scheme to a separate Personal Account in the Scheme.
- 3.4 Any other person will establish a Participating Plan by completing a Participation Agreement and/or such other form as prescribed by the Trustee if such person wishes to transfer his benefits accrued in another Registered Scheme to a Personal Account of the Scheme.
- 3.4A Any other person may establish a Participating Plan as an SVC Member by completing an Application Form and such other form(s) as the Trustee may from time to time prescribe.
- 3.5 At the Restructuring Date, an employer (as defined in the MPFS Ordinance) who participates in the Zurich Scheme immediately prior to the Restructuring Date shall automatically become an Employer under the Scheme and a Participating Scheme shall be established in respect of such Employer.
- 3.6 At the Restructuring Date, a self-employed person who participates in the Zurich Scheme immediately prior to the Restructuring Date shall automatically become an SEP Member under the Scheme and a Participating Scheme shall be established in respect of such SEP Member.
- 3.7 An employee member who participates in the Zurich Scheme immediately prior to the Restructuring Date shall automatically become an Employee Member under the Scheme at the Restructuring Date.
- 3.8 At the Restructuring Date, a Personal Account Member who participates in the Zurich Scheme immediately prior to the Restructuring Date shall automatically become a Personal Account Member under the Scheme and a Participating Scheme shall be established in respect of such Personal Account Member.
- 3.9 At the Merger Date, an employer (as defined in the MPFS Ordinance) who participates in the B300 Scheme immediately prior to the Merger Date shall automatically become an Employer under the Scheme and a Participating Plan shall be established in respect of such Employer.
- 3.10 At the Merger Date, a self-employed person who participates in the B300 Scheme immediately prior to the Merger Date shall automatically become an SEP Member under the Scheme and a Participating Plan shall be established in respect of such SEP Member.
- 3.11 An employee member who participates in the B300 Scheme immediately prior to the Merger Date shall automatically become an Employee Member under the Scheme at the Merger Date.

- 3.12 At the Merger Date, a Personal Account Member who participates in the B300 Scheme immediately prior to the Merger Date shall automatically become a Personal Account Member under the Scheme and a Participating Plan shall be established in respect of such Personal Account Member.

4. APPOINTMENT, REMOVAL AND RETIREMENT OF INVESTMENT MANAGER

- 4.1 Subject to the approval of the MPF Authority and the SFC, the Trustee shall have power to appoint one or more Investment Managers to manage the investment of the Trust 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 delegates (if any) are independent of the Trustee, the custodian of the Scheme and the delegates (if any) of the custodian (as defined in Section 2 of the Regulation) in accordance with Section 46 of the Regulation.
- 4.2 An Investment Manager is subject to removal forthwith by notice in writing from the Trustee in any of the following events:
- (a) the Investment Manager is commenced to be wound up or is dissolved without being wound up;
 - (b) the Trustee states in writing that a change in Investment Manager is desirable in the interests of Scheme Participants;
 - (c) the SFC withdraws its approval of the Investment Manager; or
 - (d) in all other cases which stipulate that the Investment Manager must be removed as provided for in the agreement entered into between the Trustee and the Investment Manager for the investment of the Trust Fund or for the investment of any Constituent Fund, as the case may be.
- 4.3 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

- 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.

6. POWERS AND OBLIGATIONS OF THE TRUSTEE

- 6.1 The Trustee shall be responsible for the safe-keeping of the Investments and other assets forming part of the Trust Fund in accordance with the provisions of this Deed and such Investments and assets shall be dealt with as the Trustee may think proper for the purpose of providing for the safe keeping thereof.
- 6.2 The Trustee shall be entitled to procure:
- (a) any officer or responsible official of the Trustee;
 - (b) any nominee appointed by the Trustee;
 - (c) any such nominee and the Trustee;
 - (d) any custodian, co-custodian or sub-custodian appointed pursuant to the provisions of this clause; or
 - (e) Euro-clear Clearing System Limited, Clearstream, Luxembourg or any company operating a recognised depository or clearing system in respect of the Investments or other property involved

to take delivery of and retain and/or to be registered as proprietor of any part of the Investments held upon the trusts of this Deed. The Trustee may from time to time appoint such person or persons as it thinks fit (including, without limitation, itself or any Connected Person) as custodian or co-custodians of the whole or any part of the Investments comprised in the Trust Fund and may empower any such custodian or co-custodian to appoint, with the prior consent in writing of the Trustee, sub-custodians and the fees and expenses of such custodian, co-custodians and sub-custodians shall, if approved by the Trustee, be paid out of the relevant Trust Fund PROVIDED THAT the custodian, co-custodians, sub-custodians or the Trustee (if the Trustee acts as the custodian of the Scheme) is qualified to act as such under the Regulation and any

custodial agreement for the appointment of such custodians or co-custodians shall comply with Schedule 3 of the Regulation.

- 6.3 The Trustee shall be entitled to act as a temporary custodian of the Trust Fund for the sole purpose of temporarily keeping contributions and other payments received for the purposes of the Scheme, or payments required or permitted to be made from the Scheme, and in so acting shall:
- (a) ensure that the Trust Fund is administered and dealt with as trust property, and recorded and controlled in such manner as may be customary and prudent in the circumstances;
 - (b) ensure that records of the Trust Fund are kept separate from all other assets of the Trustee, including any assets held by the Trustee for the benefit of any other person;
 - (c) ensure that the Trust Fund is not subject to an encumbrance, except in the circumstances allowed under Section 65 of the Regulation;
 - (d) ensure that the Trust Fund is applied only for the purpose of the Trust;
 - (e) as soon as practicable after receiving contributions and other amounts from a Member, pay them to the custodian;
 - (f) as soon as practicable after receiving the payments from a custodian of the Trust Fund for the purpose of paying accrued benefits or other benefits or other amounts of money, pay them to the persons entitled to receive them;
 - (g) apply the same care, skill, diligence and prudence as may be reasonably expected of a prudent person who has custody of the Trust Fund.
- 6.4 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.
- 6.5 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 Trustee shall be indemnified against such expense or liability out of the Trust Fund to its satisfaction.
- 6.6 Notwithstanding any other provision of this Deed, the Trustee shall ensure that:
- (a) it exercises 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;
 - (b) it makes use of all relevant knowledge and skill that it may be reasonably expected to have because of its business or occupation;

- (c) the funds of the Constituent Funds are invested in different investments so as to minimise the risk of losses of those Constituent Funds, unless in particular circumstances it is prudent not to do so;
- (d) it acts in the interest of the Members and not in its own interest;
- (e) it acts in accordance with this Deed;
- (f) it supervises and exercises proper control over all Service Providers appointed or engaged for the purposes of this Deed;
- (g) proper accounting and other records and reports relating to the Scheme, including statement of accounting policies, financial statements and Auditors' report, Scheme report, investment report and consolidated report are prepared and kept in accordance with Part VII of the Regulation;
- (h) the financial statements of the Scheme and accounting and other records relating to the Scheme are audited annually by the Auditors as required by Part VIII of the Regulation;
- (i) the Trust Fund (i) is administered and dealt with as trust property by Service Providers appointed or engaged by the Trustee for the purposes of the Scheme; and (ii) 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; and (iii) is applied only for the purposes of the Scheme; and (iv) is separately recorded in the records required to be kept in respect of the Scheme and, in particular, is distinguished from the Trustee's personal assets, and from any assets held by the Trustee for the benefit of any Employer or any other person; and (v) is subject to encumbrances only as allowed under Part V of the Regulation and any encumbrance created over the Trust Fund not so allowed shall be void;
- (j) the Investment Manager, or any delegates of the 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 Constituent Funds;
- (k) 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;
- (l) 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;
- (m) 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 any assets of the Trust Fund PROVIDED THAT this Clause shall not prevent the third party from providing the Service Providers and their Associates with goods or services that are of demonstrable benefit to the Trust or Members;

- (n) the Investment Manager, or any delegates of the Investment Manager, does not acquire or dispose of securities for the purposes of the Scheme at brokerage rates that exceed the customary institutional full-service brokerage rates generally applicable to the acquisition and disposal of securities, and 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;
- (o) a register of Members shall be established and kept in accordance with Section 91 of the Regulation; and
- (p) such other functions and duties imposed on the Trustee by the MPFS Ordinance, the Regulation and all other applicable law and regulations are complied with.

For the purposes of Clause 6.6(k) and (l), relevant persons are:

- (a) the Trustee and any Service Provider appointed or engaged for the purposes of the Scheme;
- (b) the Employers; and
- (c) all Associates of the Employers, of any Member, or of any Service Provider appointed or engaged for the purposes of the Scheme.

6.7 If the Trustee becomes aware of the occurrence of an event of a significant nature, the Trustee shall, not later than the third (3rd) working day after becoming aware of the event, give written notice to the MPF Authority setting out particulars of the event (except an event specified in the guidelines as an event to which this paragraph shall not apply). The Trustee shall also keep a record of particulars of the event and permit the MPF Authority to inspect the record at any reasonable time during ordinary business hours and give written notice to the MPF Authority setting out such further or better particulars of the event as the MPF Authority requires as soon as practicable after the MPF Authority makes that requirement. The reference in this Clause 6.7 to an event of significant nature includes (but is not limited to) the following:

- (a) any event that causes the Trustee to contravene the MPFS Ordinance, this Deed or a condition to which the approval of the Trustee as such is subject; and
- (b) any material change to the Trustee's capacity or ability to act as Trustee, including: (i) a systems failure which may affect the Trustee's ability to perform its duties; (ii) the winding-up of the Trustee, or the appointment of a

receiver or manager of the Trust Fund; (iii) the discontinuation of continuous financial support provided to the Trustee; (iv) any change or proposed change of any controller of the Trustee; (v) the cancellation, expiry or other termination of the insurance in respect of the Trust.

6.8 6.8.1 The Trustee shall procure that Officers shall disclose by written notice to the Trustee and other Officers details of all matters that give rise or are likely to give rise:

- (a) to a conflict of interest between the Officer's duties in relation to the Trust as an officer of the Trustee and either the Officer's other duties as an officer of the Trustee or the Officer's personal interests; or
- (b) if the Officer is an independent director, to the suspension or revocation by the MPF Authority of the Trustee's approval as a trustee, and a record of all such matters shall be maintained by the Trustee.

The Trustee to which a disclosure is made under this Clause 6.8.1 must record the disclosure in a record kept for that purpose. The record shall during business hours (subject to such reasonable restrictions as the Trustee may impose but so that not less than two (2) hours in each Business Day shall be allowed for inspection) be open to the inspection of the MPF Authority or any Member on request without charge.

6.8.2 If an Officer has made a disclosure recorded under this Clause, the Trustee shall determine whether the Officer may be present during any deliberation of the Trustee with respect to the matter, or take part in any decision of the Trustee with respect to the matter. For the purposes of this Clause, an Officer has a personal interest in a matter if, because of the matter or circumstances relating to the matter:

- (a) the Officer has obtained or is able to obtain, whether directly or indirectly, a pecuniary or other advantage; or
- (b) the Officer has conferred or is able to confer a benefit on (i) a relative or friend; or (ii) a body of which the Officer is a member or with which the Officer has a close connection; or (iii) any other person to whom the Officer is under an obligation, whether legal or moral.

6.8.3 No decision of the Trustee shall be invalidated on the ground that any Trustee or Officer of the Trustee had a direct or indirect or personal interest in the decision nor shall any Trustee or Officer of the Trustee be liable to account for any benefits which he receives as a result of membership of the Scheme.

6.9 The Trustee shall procure that control objectives of the Trust are established and maintained at all times which shall include (but not be limited to):

- (a) ensuring that the Trust Fund is safeguarded in the interests of Members;

- (b) ensuring that the guidelines made by the MPF Authority under section 28 of the MPFS Ordinance with respect to forbidden investment practices are not contravened;
 - (c) ensuring that the limitations and prohibitions imposed under the Regulation with respect to the investment of the Constituent Funds of the Trust in restricted investments are complied with;
 - (d) ensuring that the requirements of Sections 37(2), 51 and 52 and Schedule 1 of the Regulation with respect to Permissible Investments are complied with in relation to the Trust; and
 - (e) ensuring that the Trust Fund is, except as permitted by the Regulation, kept separate from the assets of the Employer, the Trustee and of the Service Providers and other persons appointed or engaged for the purposes of the Trust.
- 6.10 The Trustee shall procure that internal control measures for achieving the control objectives of the Trust shall be established, maintained and complied with at all times which shall include (but not be limited to) procedures to:
- (a) monitor investments to ensure that the control objectives referred to in Clause 6.9(b), (c) and (d) are achieved;
 - (b) monitor the assets and liabilities of the Trust to ensure the objective referred to in Clause 6.9(e) is achieved, so that the Trust Fund is kept separate from the assets of the Employers, the Trustee and any other persons (such as Service Providers); and
 - (c) ensure the accuracy of statements, returns and reports required to be lodged with the MPF Authority.
- 6.11 The Trustee shall ensure that, in accordance with Section 56 of the Regulation, (a) within three (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.
- 6.12 The Trustee shall ensure that, as far as practicable, the requirements and standards prescribed in Part IV of the Regulation will be complied with.
- 6.13 The Trustee shall 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.

- 6.14 The Trustee shall have the power to 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.
- 6.15 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.
- 6.16 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 7.17, the Trustee shall not be liable in respect of anything done or omitted in reliance upon professional advice.
- 6.17 The Trustee shall have power to appoint and/or remove Auditors of the Scheme.
- 6.18 The Trustee may appoint or employ any agent or staff in connection with the Trust or any Participating Plan including without limitation an administrator to administer the Scheme.
- 6.18A Without prejudice to Clause 6.18, the Trustee may from time to time:
- (i) appoint such entities (each, the "relevant entity") as the Trustee may see fit as principal intermediaries (within the meaning of the MPFS Ordinance);
 - (ii) designate any one of the relevant entities as the "promoter" of the Scheme, and empower the promoter to enter into arrangements with other principal intermediaries to promote, distribute and market the Scheme in such manner and on such terms as may be agreed between the relevant entity and the other principal intermediary and approved by the Trustee, PROVIDED THAT such promoter shall not provide any services to the Scheme which may render it to be a Service Provider.
- 6.18B
- (a) The Trustee may from time to time enter into any arrangement with another entity whereby that entity will take up the role as "sponsor" of the Scheme, with a view to facilitating, in such manner as may be agreed between the Trustee and that entity, the smooth operation and development of the Scheme including without limitation providing any funding to the Trustee or defraying any costs (including without limitation any marketing or distribution costs of the Scheme) that the Trustee may incur in relation to the Scheme.
 - (b) The Sponsor shall be paid periodically in arrears a Sponsor's fee at such intervals and rates as agreed between the Trustee and the Sponsor for providing the sponsorship services under Clause 6.18B(a).

- 6.19 The Trustee may delegate any of its powers and duties to any person or company appointed or employed by the Trustee in connection with the Trust or any Participating Plan.
- 6.20 If any benefit is payable to a person under any incapacity, the Trustee can rely on the receipt of a parent, guardian or similar responsible person as a complete discharge to the Trustee provided such person has valid authority.
- 6.21 The Trustee shall have power to make or receive any transfers of assets to or from other retirement schemes or arrangements in accordance with this Deed, the MPFS Ordinance, the Regulation and all applicable law and regulations.
- 6.22 The Trustee shall have the power to commence, carry on or defend proceedings relating in any way to the Trust or any Participating Plan or to the determination of any rights of the Members and others in respect thereof and to be indemnified from the Trust in respect of all costs and expenses it may incur in connection with such proceedings.
- 6.23 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 Trust Fund and the rights of the Members and others thereunder.
- 6.24 The Trustee shall have the power to apply to the MPF Authority to restructure the Scheme with other Registered Schemes in accordance with Section 34B of the MPFS Ordinance and to implement the restructuring proposal approved under Section 34B of the MPFS Ordinance.
- 6.25 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.

7. LIABILITY OF THE TRUSTEE

- 7.1 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.
- 7.2 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.

- 7.3 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.
- 7.4 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 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.
- 7.5 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.
- 7.6 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.
- 7.7 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.
- 7.8 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.

- 7.9 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.
- 7.10 Nothing herein contained shall be construed so as to prevent the Trustee from establishing or acting as a trustee or successor trustee for trusts separate and distinct from the Trust and retaining any profit or benefit made thereby or in connection therewith.
- 7.11 Nothing herein shall prevent the Trustee from becoming an owner of Units and holding, disposing or otherwise dealing with the same rights which they would have had if they had not been a party to this Deed and the Trustee may buy, hold and deal in any Investments upon its individual account 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.
- 7.12 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 7.12, 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.
- 7.13 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, 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.
- 7.14 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.

- 7.15 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.
- 7.16 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 moneys payable under this Deed or any Participation Agreement.
- 7.17 7.17.1 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.
- 7.17.2 The Trustee shall not purport to limit any of the liabilities set out in Clause 7.17.1, nor shall the Trustee's liability for such matters be limited.

8. INVESTMENT POWERS

- 8.1 Subject to Clause 9, all cash and other property which ought in accordance with the provisions of this Deed to form part of a Constituent Fund shall be applied at the discretion of the Investment Manager (but subject always to the provisions of this Deed) in the acquisition of Investments for the account of such Constituent Fund, PROVIDED THAT all or any amount of cash received for any Constituent Fund may during such time or times as the Investment Manager may think fit be retained in any currency or currencies as the Investment Manager may think fit for the account of such Constituent Fund:
- (a) in cash or on deposit with, or in certificates of deposit or other money market or banking instruments issued by the Trustee (if a banker or other financial institution) or any banker or other financial institution in any part of the world approved by the Trustee (including the Investment Manager or any Connected Person of the Investment Manager or the Trustee) for the time being receiving money on deposit from the public or any section of the public; or
 - (b) on deposit in any other manner authorised by the Trustee Ordinance with any person approved by the Trustee.
- 8.2 The Investment Manager may from time to time for the account of a Constituent Fund enter into contracts with an underwriter and/or sub-underwriter in relation to the subscription or purchase of Investments upon such terms in all respects as it shall think fit subject always to the provisions of this Deed. All commissions or other fees received by the Investment Manager and all Investments or cash acquired pursuant to any such contract shall form part of the relevant Constituent Fund and any subscription or purchase moneys payable thereunder shall be paid out of such Constituent Fund.
- 8.3 Any Investment or other property comprised in a Constituent Fund may at any time be realised at the discretion of the Investment Manager either in order to invest the proceeds of sale in other Investments for such Constituent Fund or to provide cash required for the purpose of any provision of this Deed or in order to retain the proceeds of sale in cash or on deposit or partly one and partly another.
- 8.4 The Trustee may permit the Investment Manager to purchase and sell Investments for the account of a Constituent Fund as agent for the Trustee PROVIDED THAT the Investment Manager shall account for all rebates of brokerage fees and commissions which it may derive from or in connection with any such purchase or sale to the Constituent Fund on whose behalf such transaction was effected. The Trustee may also permit the Investment Manager or its Connected Persons to enter into contractual arrangements with other persons (including any Connected Person of the Investment Manager or the Trustee) under which such other persons agree to pay in whole or in part for the provision of goods to, and/or the supply of services to the Investment Manager or Connected Persons of the Investment Manager in consideration of the Investment Manager or a Connected Person of the Investment Manager procuring that such other persons (or persons connected thereto) execute transactions to be entered

into for the account of the Scheme. The Trustee shall require the Investment Manager to procure that no such contractual arrangements are entered into unless the goods and services to be provided pursuant thereto are of demonstrable benefit to Members (taken as a body and in their capacity as such) whether by assisting the Investment Manager in its ability to manage the Trust Fund or otherwise. For the avoidance of doubt (and without prejudice to the generality of the foregoing) research and advisory services, economic and political analysis, portfolio analysis (including valuation and performance measurement), market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications may be considered as of such benefit to Members.

- 8.5 Any transaction authorised hereunder may be effected in and moneys may be held hereunder in cash or on deposit in a currency or currencies other than in Hong Kong dollar. Such foreign currency may be acquired either at the official rate of exchange or otherwise as the Trustee may agree and either for present or forward settlement and any costs and commissions thereby incurred shall be paid out of the relevant Constituent Fund.
- 8.6 Where any cash forming part of a Constituent Fund is transferred to a deposit account with the Trustee or the Investment Manager or any Connected Person of either of them (being an institution licensed to accept deposits), such institution shall allow interest thereon in accordance with normal banking practice for deposits of that term at a rate not lower than the prevailing rate for deposits of a similar size and duration, in the same currency and with institutions of a similar standing negotiated at arms length. Subject thereto, such banker or other financial institution shall be entitled to retain for its own use and benefit any benefit which it may derive from any cash for the time being in its hands (whether on current or deposit account) forming part of a Constituent Fund.
- 8.7 Subject to Clause 9, the selection of all Investments or other property and the currency or currencies in which cash or deposits are kept or into which they are converted shall in all respects be the responsibility of the relevant Investment Manager solely and not of the Trustee unless no Investment Manager has been appointed for the purposes of the Scheme.
- 8.8 Notwithstanding any other provisions of this Deed, the Trustee must ensure that the Default Investment Strategy is available in the Scheme for selection by Members and any investment related to the Default Investment Strategy must accord with Part 4AA and Part 2 of Schedule 10 of the MPFS Ordinance.

9. INVESTMENT RESTRICTIONS

- 9.1 The funds of a Constituent Fund may be invested only in the investments permitted under and in accordance with Part V and Schedule 1 of the Regulation as amended from time to time. The Trustee is required to comply with Part V and Schedule 1 of

the Regulation and any guidelines relating to forbidden 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 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.

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

9.2 The custodian is prohibited from borrowing securities for the purposes of any Constituent Fund. However, the custodian may at any time and from time to time lend securities held in any Constituent Fund on such terms as the Trustee shall approve and PROVIDED THAT:

- (a) the lending is in respect of fully paid up shares listed on a Recognised Stock Exchange (“Shares”);
- (b) an agreement is entered into by the custodian of the Constituent Fund and the borrower of the Shares;
- (c) the amount of the consideration (including the value of any collateral security) given for the Shares exceeds the value of those Shares;
- (d) no more than 10 per cent of the assets of the relevant Constituent Fund are the subject of security lending agreements at any one time; and
- (e) no more than 50 per cent of Shares of the same issue, or of the same class, held in respect of the Constituent Fund are the subject of security lending agreements at any one time.

For the purposes of this Clause, a security lending agreement is an agreement under which one party to the agreement agrees to lend a security to another party to the agreement in consideration for the payment of a fee and collateral security.

9.3 The Trustee shall ensure that the assets of any Constituent Fund are not applied for the purpose of entering into a repurchase agreement unless the agreement is entered into by the custodian of the Constituent Fund and only if:

- (a) the amount of the consideration (including the value of any collateral security) given for the relevant security exceeds the value of the security;
- (b) no more than 10 per cent of the assets of the relevant Constituent Fund are the subject of repurchase agreements at any one time; and
- (c) no more than 50 per cent of the securities of the same issue held among the assets of the relevant Constituent Fund are the subject of repurchase agreements at any one time.

For the purposes of this Clause, a repurchase agreement, in relation to the Trustee, is an agreement under which the Trustee agrees to sell a debt security to a person and to repurchase it from that person at a specified date in the future for an agreed price, subject to the amount of consideration (including the value of any collateral security) provided by that person during the period of the agreement.

- 9.4 The Trustee shall ensure that no Constituent Fund is the subject of a reverse repurchase agreement. For the purpose of this Clause, a reverse repurchase agreement, in relation to the Trustee, is an agreement under which the Trustee agrees to buy a debt security from a person and to resell it to that person at a specified date in the future for an agreed price.
- 9.5 The Trustee shall ensure that no Trust Fund or any part thereof is applied for the acquisition of financial futures contracts or financial option contracts, unless there is established and maintained in respect of the Scheme an effective system for monitoring the risks inherent in dealing in contracts of those kinds.
- 9.6 If financial futures contracts or financial option contracts are acquired for the purposes of any Constituent Fund, the Trustee shall ensure that the Investment Manager, and, where the Investment Manager has delegated any of the Investment Manager' functions, the delegate, provide written reports to the Trustee at regular intervals with respect to the performance of those contracts. Those reports must include particulars as to the extent to which the relevant Constituent Fund is exposed to the risk of incurring losses because of the holding of those contracts.
- 9.7 The funds of a Constituent Fund may not be invested in the securities of the Trustee, the 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, securities do not include interests in Collective Investment Schemes, either authorised under Section 104 of the SFO or recognised jurisdiction schemes pursuant to Section 1.2 of the UTMF Code.
- 9.8 The Trustee shall be entitled at any time at its entire discretion and without assigning any reason to give notice to the Investment Manager that it is not prepared to accept any property which, in the opinion of the Trustee, infringes the terms of this Deed and the Trustee shall be entitled to require the Investment Manager to replace any such property with other property which does not infringe the terms of this Deed.

9.9 For the purposes of this Clause 9:

securities shall be deemed to be of the same class or issue if they confer identical rights and (if applicable) are subject to identical restrictions (but so that in the case of an issue of securities which are in other respects identical with securities already in issue, any temporary differences in rights as to the dividends or interest between such existing and new securities shall be disregarded).

10. AUTHORITY TO BORROW

- 10.1 Subject to Clause 4 of Schedule 1 of the Regulation and any statutory requirements and restrictions for the time being in force and to the terms and conditions hereinafter provided, the Trustee may make and vary arrangements for the borrowing by the Trustee for the account of any Constituent Fund in any currency for the purpose of enabling the Trustee to pay redemption proceeds relating to such Constituent Fund or to acquire Investments for the relevant Constituent Fund.
- 10.2 The borrowing may be effected from any person approved by the Trustee including a financial institution, the Investment Manager, the Trustee or a Connected Person of either of them PROVIDED THAT the rate of interest on that borrowing and any fee or premium payable to such financial institution in relation to the arrangement, repayment or termination of the borrowing are not higher than such financial institution would, in accordance with normal banking practice, charge on an arm's length transaction for a loan of a similar size and duration in circumstances similar to those then prevailing in relation to the Scheme.
- 10.3 The Trustee may, in pursuance of any borrowing arrangements, place on deposit with the lender or any nominee of the lender an amount out of the relevant Constituent Fund which the Trustee considers to be equivalent to the amount borrowed upon terms providing for the repayment of the deposit at the same time or times (and, if more than once, so that on each occasion the proportion which the deposit bears to the loan is maintained) as the borrowing is repayable.
- 10.4 Subject to Clause 6.6(i)(v), for the purposes of securing any borrowing and interest and expenses thereof, the Trustee shall be entitled to charge or pledge in any manner all or any part of the relevant Constituent Fund. Where any part of such Constituent Fund or any document of title thereto is for the time being under the custody or control of some person other than the Trustee in consequence of any such charge or pledge, the Trustee shall be responsible for the custody and control of such part of such Constituent Fund or documents of title thereto. Any such charge or pledge shall be made upon the terms that the lender or such other person as aforesaid provides a written commitment to the effect that under no circumstances will it pledge or charge any of such part of such Constituent Fund to any other person or use any part of it to provide margin for or guarantee, secure, discharge or settle any borrowing, trades or contracts, or dispose of any part of it, or treat it as if any person other than the Trustee has any interest in it and that no step shall be taken to enforce the security thereby constituted until 30 days' prior notice in writing shall have been given to the Trustee

demanding repayment of the moneys thereby secured. If such a notice shall be given, the Trustee shall promptly effect such sales of Investments as may be necessary to enable such repayment to be effected in due time.

- 10.5 Whilst any borrowings subsist, an aggregate amount being, subject as provided below, not less than the equivalent of the amount of all borrowings for the time being outstanding may, if the Trustee so requires and subject to Schedule 1 of the Regulation, be maintained by the Trustee either on short term deposit in any manner authorised by this Deed or on deposit as hereinbefore provided or partly one and partly the other. In the event of fluctuations in the rates of exchange whereby the said deposits fall below the required amount, the Trustee need not immediately effect an increase in the amount maintained on deposit as aforesaid but shall effect the requisite increase as expeditiously as seems to the Trustee to be reasonable in the interests of the Members.
- 10.6 Any interest on any borrowing effected under this Clause 10 and expenses incurred in negotiating, entering into, varying and carrying into effect and terminating the borrowing arrangements shall be payable out of the relevant Constituent Fund.
- 10.7 The Trustee shall not incur any liability by reason of any loss which a Member may suffer by reason of any depletion in the Net Asset Value of any Constituent Fund which may result from any borrowing arrangements made hereunder by reason of fluctuations in rates of exchange or otherwise and (save as herein otherwise expressly provided) the Trustee shall be entitled to be indemnified out of and have recourse to the relevant Constituent Fund in respect of any liabilities, costs, claims or demands which it may suffer arising directly or indirectly from the operation of this Clause 10 and the arrangements referred to herein.
- 10.8 In the event that any arrangements for borrowing or making deposits under this Clause 10 shall be made with any of the Trustee, the Investment Manager or any Connected Person of either of them, then such person shall be entitled to retain for its own use and benefit all profits and advantages which may be derived therefrom.
- 10.9 Any borrowing for the account of any Constituent Fund shall be made on terms that the rights of the lender shall be limited to the assets of such Constituent Fund and that the lender shall have no recourse against the assets of any other Constituent Fund.
- 10.10 Every borrowing shall be upon the terms that the borrowing shall become repayable in the event of the termination of the relevant Constituent Fund.

11. ESTABLISHMENT OF CONSTITUENT FUNDS

- 11.1 11.1.1 The Trustee shall establish certain Constituent Funds. The initial Constituent Funds to be established are the following:

- (a) *Principal MPF Conservative Fund*

A statement of the Investment Policy of the Principal MPF Conservative Fund prepared in accordance with Part IV of the Regulation is set out in the Principal Brochure. The funds of the Principal MPF Conservative Fund shall be invested in an APIF approved by the MPF Authority and the SFC or any Permissible Investment.

(b) *Principal Capital Guaranteed Fund*

A statement of the Investment Policy of the Principal Capital Guaranteed Fund prepared in accordance with Part IV of the Regulation is set out in the Principal Brochure. The funds of the Principal Guaranteed Fund shall be invested in one or more APIFs approved by the MPF Authority and the SFC or any Permissible Investment. Moneys invested in the Principal Capital Guaranteed Fund will be invested in Principal Guaranteed Umbrella Fund so that the fund is guaranteed against negative unit value movements.

(c) *Principal Long Term Guaranteed Fund*

(i) A statement of the Investment Policy of the Principal Long Term Guaranteed Fund prepared in accordance with Part IV of the Regulation is set out in the Principal Brochure. The funds of the Principal Long Term Guaranteed Fund shall initially be invested in one or more APIFs approved by the MPF Authority and the SFC which provides a guaranteed return under certain conditions. Moneys invested in the Principal Long Term Guaranteed Fund will be initially invested in Principal Guaranteed Umbrella Fund Policy after deduction of the relevant Offer Charge, so that upon the occurrence of a Qualifying Event the Member shall be entitled to a guaranteed rate of return on such invested monies in accordance with the terms of the Principal Guaranteed Umbrella Fund Policy provided always that such entitlement of the Member shall be subject to the application of any Bid Charge and the provisions in paragraph (ii) below. For the avoidance of doubt, when Units of the Principal Long Term Guaranteed Fund are redeemed for any reason other than a Qualifying Event, the above guaranteed rate of return will not be applicable unless the Trustee agrees otherwise.

(ii) Upon the occurrence of a Qualifying Event, if the guarantee is triggered and the guaranteed return (or any part thereof) received from the Principal Guaranteed Umbrella Fund Policy is partly payable to the Member concerned and partly payable to certain other person(s), the amount of such part payments will be calculated on a pro-rata basis according to the respective entitlements of the Member and that other person(s)

to the guaranteed return. For this purpose, the guarantee shall be considered to be triggered only if the redemption proceeds of the relevant Units (without the application of the guarantee and any Bid Charge) is less than the Qualifying Balance which is guaranteed under the Principal Guaranteed Umbrella Fund Policy (and “Qualifying Balance” shall have the meaning as defined under the Principal Guaranteed Umbrella Fund Policy).

(d) *Principal Long Term Accumulation Fund*

A statement of the Investment Policy of the Principal Long Term Accumulation Fund prepared in accordance with Part IV of the Regulation is set out in the Principal Brochure. The funds of the Principal Long Term Accumulation Fund shall be invested in one or more APIFs approved by the MPF Authority and the SFC or any Permissible Investment.

(e) *Principal HK Dollar Savings Fund*

A statement of the Investment Policy of the Principal HK Dollar Savings Fund prepared in accordance with Part IV of the Regulation is set out in the Principal Brochure. The funds of the Principal HK Dollar Savings Fund shall be invested in one or more APIFs approved by the MPF Authority and the SFC or any Permissible Investment.

(f) [Deleted.]

(g) *Principal Stable Yield Fund*

A statement of the Investment Policy of the Principal Stable Yield Fund prepared in accordance with Part IV of the Regulation is set out in the Principal Brochure. The funds of the Principal Stable Yield Fund shall be invested in one or more APIFs approved by the MPF Authority and the SFC or any Permissible Investment.

(h) *Principal Global Growth Fund*

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

(i) *Principal International Bond Fund*

A statement of the Investment Policy of the Principal International Bond Fund prepared in accordance with Part IV of the Regulation is set out in the Principal Brochure. The funds of the Principal

International Bond Fund shall be invested in one or more APIFs approved by the MPF Authority and the SFC or any Permissible Investment.

(j) *Principal International Equity Fund*

A statement of the Investment Policy of the Principal International Equity Fund prepared in accordance with Part IV of the Regulation is set out in the Principal Brochure. The funds of the Principal International Equity Fund shall be invested in one or more APIFs approved by the MPF Authority and the SFC or any Permissible Investment.

(k) *Principal US Equity Fund*

A statement of the Investment Policy of the Principal US Equity Fund prepared in accordance with Part IV of the Regulation is set out in the Principal Brochure. The funds of the Principal US Equity Fund shall be invested in one or more APIFs approved by the MPF Authority and the SFC or any Permissible Investment.

(l) *Principal Asian Equity Fund*

A statement of the Investment Policy of the Principal Asian Equity Fund prepared in accordance with Part IV of the Regulation is set out in the Principal Brochure. The funds of the Principal Asian Equity Fund shall be invested in one or more APIFs approved by the MPF Authority and the SFC or any Permissible Investment.

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 in writing to the SEP Members, the Personal Account Members and to the Employers who shall forward such notice to Employee Members of their relevant Participating Plans.

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. 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 Without prejudice to a Member's right for his or her own accrued benefits under the Scheme permitted by law, a Member shall not have or acquire any rights against the Trustee in respect of Units other than those credited by the Trustee to the Contribution Account or the Personal Account of such Member. No Member or other person having an interest in the Scheme shall as a result of the issue of Units, have or acquire any proprietary interest or share in any assets of the Scheme, or any Participating Plan or any Constituent Fund.

- 11.1.5 All Constituent Funds of the Scheme shall be denominated in Hong Kong dollars.
- 11.2 The Trustee may, at any time with the approval of the MPF Authority and the SFC, establish a new Constituent Fund or a new class of Units for a particular Constituent Fund. Upon the establishment of a new Constituent Fund, the Trustee shall send a notice to the SEP Members, the Personal Account Members, TVC Account Holders 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 Plans.
- 11.3 11.3.1 Subject to the prior approval of the MPF Authority and the SFC, the Trustee may terminate a Constituent Fund (referred to in this Clause 11 and hereinafter as a “Terminating Constituent Fund”) by giving not less than one (1) month’s prior notice in writing to the Scheme Participants PROVIDED THAT the Principal 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 After the notice of termination has been given by the Trustee under Clause 11.3.1, the Members whose Contribution Account or Personal Account holds Units in the Terminating Constituent Fund must submit a new Investment Election to the Trustee. After receipt of the new Investment Election, the Trustee shall as soon as practicable redeem all the Units of the Terminating Constituent Fund standing to the credit of the Contribution Account or Personal Account of the Member concerned. The Trustee shall apply such redemption proceeds to acquire Units of the new Constituent Fund specified in the new Investment Election on the same date when Units of 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. The Units acquired must be of a class which is made available to the Member concerned and shall be rounded down to three (3) decimal places, or such other number of decimal places or in such other manner as the Trustee may determine from time to time. Any amount corresponding to the rounding will be borne by or retained for the relevant Constituent Fund. 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 Investment Election 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 acquire Units in the Terminating Constituent Fund to acquire Units in the DIS Funds under the Default Investment Strategy and the Units so acquired must be of a class which is made available to the Member concerned.

- 11.5 After the winding up of the Terminating Constituent Fund and the payment of all necessary fees and expenses, (i) if there are any residual assets (including without limitation any assets which are retained in the Terminating Constituent Fund as a result of any rounding of the final redemption payments made by the fund upon termination or winding-up) remaining in the Terminating Constituent Fund, such residual assets shall be transferred out of the Terminating Constituent Fund and form part of the Trust Fund, and the Trustee shall have the discretion to use any or all of such residual assets to defray any expenses of the Scheme; and (ii) if the assets of the Terminating Constituent Fund are insufficient to settle the outstanding liabilities, the shortfall will be borne by the Trustee.

12. PRINCIPAL MPF CONSERVATIVE FUND

12.1 The assets of the Principal 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 credit rating requirements (if any) set by the MPF Authority, based on the credit rating of the securities as determined by a credit rating agency approved by the MPF Authority for the purposes of the Regulation;
- (b) must have an average portfolio remaining maturity period of not more than 90 days; and
- (c) must have a total value of Hong Kong dollar currency investments equal to the total market value of the Trust Fund, as measured by the effective currency exposure, in accordance with Section 16 of Schedule 1 of the Regulation.

12.2 After taking into account any losses arising from the investment of the funds comprising the Principal MPF Conservative Fund, all income and profits derived from

the investment of those funds shall be credited to the relevant Members at least once a month.

- 12.3 Notwithstanding anything contained in this Deed, administrative expenses may be deducted from the account of a Member whose accrued benefits form part of the Principal MPF Conservative Fund only as provided by Clauses 12.4 to 12.6.
- 12.4 If the Trustee is required to pay a levy under Section 17(3) of the MPFS Ordinance, such amount as may be necessary to enable the Trustee to pay the levy may be deducted from the account of each Member whose accrued benefits form part of the Principal MPF Conservative Fund. The amount is to be calculated as follows:

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

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 Principal MPF Conservative Fund;
- CPA represents the total funds comprising the Principal MPF Conservative Fund.
- 12.5 If the amount of income and profits derived from the investment of the Principal 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 accrued benefits of the member forming part of the Principal MPF Conservative Fund as scheme administrative expenses for that month.
- 12.6 If for a particular month no amount is deducted as administrative expenses under Clause 12.5, or the amount of administrative expenses that is deducted under Clause 12.5 is less than the amount of administrative expenses for the month, the deficiency may be deducted from the amount of any excess that may remain in respect of any of the following 12 months after deducting the administrative expenses applicable to any such following month.
- 12.7 Notwithstanding any other provision of this Deed, no Offer Charge nor Bid Charge shall be imposed on any issue or redemption of Units of the Principal MPF Conservative Fund. Units in the Principal MPF Conservative Fund shall be issued and redeemed at the Net Asset Value of such Unit.
- 12.8 For the avoidance of doubt, notwithstanding the foregoing, the Trustee has no obligation to ensure that the Units standing to the credit of the Contribution Account or a Personal Account will be redeemed at the price at which such Units are originally issued.
- 12.9 For the purposes of this Clause 12:

- (a) “authorised financial institution” means an authorised financial institution belonging to a class specified by the 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.

13. SWITCHING BETWEEN CONSTITUENT FUNDS AND DEFERRAL IN DEALING

- 13.1 A Member shall be entitled to indicate his investment instruction in an Investment Election and may through an Investment Election apply 100 per cent of the Subscription Money to acquire Units of the relevant class of any Constituent Fund. Such instruction shall be implemented by the Trustee as soon as practicable after the due receipt of the same by the Trustee. The Trustee shall not be liable for any failure or delay in implementing any instructions that are invalid, or the submission or transmission of which are delayed or ineffective.
- 13.2 Unless otherwise agreed by the Trustee, the Investment Election referred to in Clause 13.1 with respect to an Employee Member must be signed by the Member concerned and be forwarded to the Trustee by the Member’s Employer. Subject to Clause 13.6, a new Investment Election shall be regarded as valid and properly documented if it is duly completed and signed by the Member concerned provided always that such Investment Election if sent and received by the Trustee by electronic means in the manner specified by the Trustee shall also be regarded as valid and properly documented.
- 13.3 13.3.1 Subject to Clauses 13.4 to 13.7 and PROVIDED ALWAYS THAT Members shall have the right, through an Investment Election or Switching Instruction, to transfer 100 per cent of their accrued benefits into any one Constituent Fund, a Member may vary or otherwise change the investments in the Constituent Funds by submitting to the Trustee a Switching Instruction instructing the Trustee to redeem all or part of the Units of the relevant class (referred to in this Clause 13 as the "Current Constituent Fund") standing to the credit of the Member's Contribution Account or Personal Account and to apply such

redemption proceeds to acquire Units of the same class (or such other class which is made available to the Member) in one or more Constituent Funds as specified in the Switching Instruction referred to in this Clause 13 as the "New Constituent Fund") and such instruction shall be implemented by the Trustee as soon as practicable after the due receipt of the same by the Trustee. Such instruction shall be implemented by the Trustee as soon as practicable after the due receipt of the same by the Trustee. Notwithstanding a Switching Instruction 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 of the relevant class as specified in the latest Investment Election submitted by or on behalf of the Member. Any Switching Instruction given to the Trustee by or on behalf of a Member other than in accordance with this Clause 13.3.1 shall be regarded as invalid and can be ignored by the Trustee without incurring any liability on the part of the Trustee.

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

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

where

- K - is the number of Units of the relevant class of the Current Constituent Fund to be redeemed for the purposes of switching.
- N - is the number of Units of the same class (or such other class which is made available to the Member) of the New Constituent Fund to be issued.
- L - is the Redemption Price per Unit of the relevant class of the Current Constituent Fund as at the date on which the Switching Instruction is implemented by the Trustee.
- M - in relation to the Units of the New Constituent Fund to be issued, means their Issue Price as at the date on which the Switching Instruction is implemented by the Trustee.

13.3.3 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 relevant class of the Units of the Current Constituent Fund exchanged as at the day on which the Switching Instruction is implemented.

- 13.4 With respect to an Employee Member, the Switching Instruction referred to in Clause 13.3 must be given by the Employee Member concerned and be forwarded to the Trustee by the Employee Member's Employer. Subject to Clause 13.6, a Switching Instruction shall be regarded as valid and properly documented if it is duly completed and signed by the Member concerned provided always that such instruction if sent and received by the Trustee by electronic means in the manner prescribed by the Trustee shall also be regarded as valid and properly documented.
- 13.5 13.5.1 Within the same Financial Year a Member shall not be entitled to submit more than the maximum number of new Investment Election or the maximum number of Switching Instruction as specified by the Trustee in the Principal Brochure.
- 13.5.2 No handling fee nor financial penalties shall be imposed by the Trustee upon submission of a new Investment Election or a Switching Instruction other than actual and reasonable expenses permitted by law.
- 13.6 13.6.1 The Trustee shall act promptly to implement any Investment Election or instructions specified in a Switching Instruction given in accordance with Clause 13.3. Subject to Clause 13.6.2, if dealing in either the Current Constituent Fund or the New Constituent Fund is suspended, the Trustee shall not be obliged to implement the new Investment Election or the instructions specified in the Switching Instruction and the relevant Investment Election or Switching Instruction shall forthwith be regarded as invalid.
- 13.6.2 The Trustee shall notify the Member concerned of the suspension of dealing referred to in Clauses 13.6.1 and 13.6.2 and seek a revised Investment Election or Switching Instruction from the Member concerned which shall supersede the preceding Investment Election or Switching Instruction, as the case may be, PROVIDED THAT nothing herein shall make the Trustee liable for failure to give notice or to seek a revised Investment Election or Switching Instruction from the Member concerned.
- 13.7 The Trustee shall have the discretion to limit the total number of Units in a Constituent Fund to be redeemed on any Dealing Day to 10 per cent of the total number of Units in issue (disregarding the number of Units to be issued on such Dealing Day). This limitation shall apply pro-rata to all redemption requests to be effected on the same Dealing Day. Any Units which, by virtue of the application of

this Clause 13.7 are not redeemed shall be redeemed (subject to any further application of this Clause 13.7) on the immediately following Dealing Day.

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

14. VALUATION AND PRICING

- 14.1 The Trustee shall ascertain the Net Asset Value of a Unit of each class of each Constituent Fund in accordance with a policy established by the Trustee and at such time on each Dealing Day as determined from time to time by the Trustee (except when the determination of prices has been suspended pursuant to Clause 17).

- 14.2 14.2.1 If on any Dealing Day, the Trustee shall propose to issue any Units of a particular class pursuant to Clause 15, it shall ascertain the Issue Price of a Unit of that class of the relevant Constituent Fund in accordance with the provisions in Clause 15 and this Clause 14.

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

- 14.3 The Net Asset Value per Unit, Issue Price and Redemption Price of a Unit of each class of a Constituent Fund on each Dealing Day shall be calculated by the Trustee on that Dealing Day in accordance with this Deed. In the event that any such application or request in relation to issue or redemption of units is received after the Dealing Deadline in respect of a Dealing Day, then the application or request in question will be deemed to have been received on the Dealing Day next following such receipt.

- 14.4 The Net Asset Value of a Constituent Fund shall be calculated by valuing the assets of such Constituent Fund and deducting the liabilities attributable to such Constituent Fund in accordance with Clause 14. In calculating the Net Asset Value of a Constituent Fund, any money received on that Dealing Day or any money which has not been validated and reconciled on that Dealing Day shall not be included. In order to determine the Net Asset Value of a Unit of a particular class related to such Constituent Fund, (i) the Net Asset Value of the relevant Constituent Fund as at the relevant Dealing Day shall be calculated before the deduction of any liabilities or the addition of any assets attributable specifically to the class in question; (ii) such amount shall be apportioned between each class of Units relating to such Constituent Fund by reference to the numbers of undivided shares in the relevant Constituent Fund represented by all Units of each class relating to such Constituent Fund in issue; (iii) the liabilities and assets specifically attributable to the class of Units in question shall be deducted from or added to such apportioned amount; and (iv) the resulting sum shall be divided by the number of Units of the relevant class in issue immediately prior to the relevant Dealing Day for such class of Units, PROVIDED THAT no

deduction shall be made in respect of Units of that Constituent Fund to be redeemed on the Dealing Day.

14.5 The Trust Fund shall be entitled to retain any amount corresponding to the rounding up or down as a result of determining the Issue Price, the Redemption Price or the number of Units to be issued or redeemed.

14.6 The value of the assets comprised in each Constituent Fund or any portion of the Trust Fund shall be calculated on the following basis:

(a) the value of any Quoted Investment (other than an interest in a Collective Investment Scheme, or a Commodity quoted, listed or normally dealt in on a Recognised Commodities Market) shall be calculated by reference to the price appearing to the Trustee to be the closing price or (if no closing price is available) midway between the latest available market offered price and the latest available market bid price on the market on which the Investment is quoted, listed or ordinarily dealt in for such amount of such Investment as the Trustee may consider in the circumstances to provide a fair criterion, PROVIDED THAT:

(i) if Quoted Investment is quoted, listed or normally dealt in on more than one market, the Trustee shall adopt the price or, as the case may be, middle quotation / closing price on the market which, in their opinion, provides the principal market for such Investment;

(ii) in the case of any Quoted Investment which is quoted, listed or normally dealt in on a market but in respect of which, for any reason, prices on that market may not be available at any relevant time, the value thereof shall be certified by such firm or institution making a market in such Quoted Investment as may be appointed for such purpose by the Trustee;

(iii) there shall be taken into account interest accrued on interest-bearing Quoted Investments up to (and including) the date as at which the valuation is made, unless such interest is included in the quoted or listed price;

and for the purpose of ascertaining available market traded prices the Trustee shall be entitled to use and to rely upon any mechanised and/or electronic systems of valuation dissemination approved by the Trustee which provide a daily or more frequent valuation service and references in this Deed to valuation of Investments or deposits on a particular day or at a particular time may, if such a system is used, mean the valuation on the system on that day or at that time notwithstanding it may have been taken at a time or times selected by the system and be prior to that day or time.

(b) the value of any Unquoted Investment shall be the market value thereof ascertained as hereinafter provided or the value thereof as assessed on the

latest revaluation thereof made in accordance with the provisions hereinafter provided. For this purpose:

- (i) the market value of an Unquoted Investment shall be the amount expended out of the relevant Constituent Fund in the acquisition thereof (including in each case the amount of the stamp duties, commissions and other expenses incurred in the acquisition thereof and the vesting thereof in the Trustee for the purposes of this Deed);
 - (ii) the Trustee shall on a regular basis and at any time or intervals as the Trustee considers appropriate cause a revaluation to be made of any Unquoted Investment by a professional person (which can be an Investment Manager) approved by the Trustee as qualified to value such Unquoted Investment;
- (c) cash, deposits and similar Investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Trustee, any adjustment should be made to reflect the market value thereof;
- (d) the value of any Commodity shall be ascertained in such manner as the Trustee, shall think fit, but so that:
- (i) if such Commodity is dealt in on any Recognised Commodities Market, the Trustee shall have regard to the latest ascertainable price ruling or officially fixed in respect of such Investment on such Recognised Commodities Market or (if there shall be more than one such Recognised Commodities Market) on such Recognised Commodities Market as the Trustee shall consider appropriate;
 - (ii) if any such price as referred to in paragraph (i) above is, in the opinion of the Trustee, not reasonably up-to-date or is not ascertainable at any relevant time, the Trustee shall have regard to any certificate as to such value provided by a firm or institution making a market in such Commodity;
 - (iii) the value of any futures contract shall be:
 - (1) in the case of a futures contract for the sale of a Commodity including a financial futures contract, the positive or negative amount produced by applying the following formula:
$$a - (b + c)$$
 - (2) in the case of a futures contract for the purchase of a Commodity including a financial futures contract, the positive or negative amount produced by applying the following formula:

$$b - (a + c)$$

Where:

- a = the Contract Value of the relevant futures contract (“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 expended by the Trustee 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 / closing price on the market in which the relevant Contract was entered into by the Trustee/Investment Manager; 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;
- (iv) if the provisions set out in paragraphs (i) and (ii) above do not apply to any relevant Commodity, then the Trustee shall, in ascertaining the value of such Commodity, have regard to the same factors which would have determined the value of such Commodity pursuant to Clause 14.6(b) if such Commodity were an Unquoted Investment.
- (e) the value of each unit, share or other interest in any Collective Investment Scheme shall be the last published net asset value per unit, share or other interest in such Collective Investment Scheme (where available) or (if the same is not available) a price calculated by aggregating the last published bid price for such a unit, share or other interest and the last published offer price therefor (excluding any preliminary or Offer Charge included in such offer price) and dividing the result by two PROVIDED THAT if no net asset value, bid and offer prices or price quotations are available as aforesaid, the value thereof shall be determined from time to time in such manner as the Trustee shall determine;
- (f) notwithstanding paragraphs (a) to (e) above, the Trustee may adjust the value of any Investment if, having regard to currency, applicable rate of interest, maturity, marketability and other considerations it deems relevant, it considers that such adjustment is required to reflect the market value thereof;
- (g) property other than Investments and cash shall be valued in such manner and at such time or times as the Trustee shall from time to time agree.

14.7 In calculating the Net Asset Value of any Constituent Fund:

- (a) the Constituent Fund shall not include the money received on that Dealing Day or any money which has not been validated and reconciled on that Dealing Day;
- (b) where, in consequence of any notice or request in writing which necessitates a reduction of such Constituent Fund by the redemption of Units of that Constituent Fund and such redemption has been effected but payment in respect of such reduction has not been completed on a Dealing Day, the Units in question shall be deemed not to be in issue and the redemption proceeds thereof shall be deducted, PROVIDED THAT no deduction shall be made in respect of Units of the relevant Constituent Fund to be redeemed on that Dealing Day;
- (c) where Investments or other property have been agreed to be purchased or otherwise acquired or sold for the account of such Constituent Fund but such purchase, acquisition or sale has not been completed, such Investments or other property shall be included or excluded and the gross purchase or acquisition or net sale consideration excluded or included (as the case may be) as if such purchase, acquisition or sale had been duly completed;
- (d) the liabilities of a Constituent Fund shall include (without limitation):
 - (i) any accrued but unpaid amount in respect of the Management Fee and Trustee Fee applicable to such Constituent Fund;
 - (ii) the amount of tax (if any) on gains accrued but unpaid as of the date of the relevant calculation which is attributable to such Constituent Fund;
 - (iii) the aggregate amount for the time being outstanding of any borrowing effected on the account of the Constituent Fund and the amount of any interest and expenses accrued but unpaid on such borrowing;
 - (iv) if considered necessary by the Trustee, an appropriate allowance for any contingent liabilities;
 - (v) an appropriate share of the following costs, fees and expenses which are attributable to the Constituent Fund, such share shall be determined by the Trustee:
 - (aa) all fees and expenses incurred by the Trustee in connection with the establishment, management and administration of the Scheme PROVIDED THAT those fees and expenses are administrative expenses within the meaning under the Regulation;

- (ab) all stamp and other duties, taxes, governmental charges, fiscal charges, brokerages, commissions, exchange costs and commissions, bank charges, transfer fees and expenses (subject to the applicable provisions of the MPFS Ordinance and the Regulation), registration fees and expenses, custodian, joint custodian, sub-custodian and proxy fees and expenses, warehousing and storage fees and expenses, collection fees and expenses, insurance and security costs and any other costs, charges and expenses payable in respect of the acquisition, borrowing, holding and redemption of any Investments or any cash, deposit or loan (including the claiming or collection of income or other rights in respect thereof and including any fees or expenses charged or incurred by the Trustee or its Connected Person in the event of the Trustee or any such Connected Person rendering services or effecting transactions giving rise to such fees or expenses);
- (ac) all transaction and other banking charges (including the cost of cheques and effecting telegraphic transfers) incurred in making any payment to, or receiving any payment from, any Member or former Member to the extent that such charges are not paid by such Member or former Member;
- (ad) the fees and expenses of the Auditors;
- (ae) expenses in connection with the management and trusteeship of the Scheme authorised by this Deed to be paid out of the Trust Fund;
- (af) all legal and other professional or expert charges and out-of-pocket expenses incurred by the Trustee wholly and exclusively in the performance of their duties hereunder;
- (ag) all professional fees relating to the agreeing and/or contesting of taxation liabilities or recoveries in connection with the Trust Fund;
- (ah) all costs, charges, fees and expenses reasonably incurred in the preparation of this Deed and any deed supplemental to this Deed;
- (ai) all fees and expenses incurred in connection with the retirement or removal of the Investment Manager or the Trustee and the appointment of a new investment manager or trustee;
- (aj) fees charged by any person (including the Trustee) in connection with calculating the Net Asset Value of each Constituent Fund and the Issue and Redemption Prices of Units;

- (ak) all costs of preparing, printing, publishing and distributing all statements, accounts, reports and notices pursuant to the provisions of or otherwise in connection with this Deed (including the expenses of preparing and printing any Principal Brochure or publishing the Net Asset Value per Unit, any Issue Price or Redemption Price);
 - (al) all costs and expenses incurred in complying with, or in connection with any change in or introduction of, any law, regulation or requirement (whether or not having the force of law) of any governmental or other regulatory authority; and
 - (am) any other costs or expenses payable but not paid which are expressly authorised by the provisions of this Deed to be payable out of the Constituent Fund.
- (e) there shall be taken into account such sum (if any) as the Trustee estimates will be payable or capable of being reclaimed in respect of taxation related to income and transactions;
 - (f) any value or amount which is denominated in a currency other than Hong Kong dollars shall be converted into Hong Kong dollars at the rate (whether official or otherwise) which the Trustee shall deem appropriate in the circumstances having regard to any premium or discount which may be relevant and to any costs of exchange;
 - (g) where the current price of an Investment is quoted “ex” any dividend (including stock dividend), interest or other rights to which the Constituent Fund is entitled but such dividend, interest or the property or cash to which the other rights relate has not been received and is not taken into account under any other provision of this Clause 14, the amount of such dividend, interest, property or cash shall be taken into account;
 - (h) liabilities shall (where appropriate) be treated as accruing from day to day.
- 14.8 The Management Fee, the Trustee Fee, Reserve Charge or any costs, charges, fees or expenses allowed to be deducted under this Clause 14 may be charged against the Trust Fund.
- 14.9 The Trustee shall be entitled to determine in relation to any costs, charges, fees and expenses that may be charged against the Trust Fund or a particular class of Units of a Constituent Fund that the same shall be amortised over such period as the Trustee may think fit.
- 14.10 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.

- 14.11 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.
- 14.12 In the case of any asset of the Trust Fund which the Trustee does not consider is attributable to a particular Constituent Fund, the Trustee shall have a discretion to determine the basis upon which any such asset shall be allocated between the Constituent Funds and may from time to time vary such allocation.
- 14.13 In the case of any liability or contingent liability which the Trustee does not consider is attributable to a particular Constituent Fund and is not to be attributed to any particular Constituent Fund pursuant to any express provision of this Deed, the Trustee shall have a discretion to determine the basis upon which any such liability shall be allocated between Constituent Funds including conditions as to the subsequent re-allocation thereof if circumstances make it desirable so to do and shall have power at any time and from time to time to vary such basis.
- 14.14 No Units of a class of any Constituent Fund shall at any time be issued at a price higher than the Issue Price for the time being applicable to that class of Units of that Constituent Fund. No Units of a class of any Constituent Fund shall at any time be redeemed at a price lower than the Redemption Price for the time being applicable to that class of Units of that Constituent Fund.
- 14.15 If there is an error in the determination of the Issue Price or Redemption Price of a Unit of a particular class, the error should be corrected as soon as possible and any necessary action should be taken to avoid further error. If the error results in an incorrect price of a Unit of 0.5 per cent or more of the Constituent Fund's Net Asset Value per Unit of the same class, 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 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.
- 14.16 The Trustee shall arrange for the latest available Issue Price and the Redemption Price or net asset value per Unit of each class of any Constituent Funds to be published at least once a month in at least one leading English language and one Chinese language daily newspaper in Hong Kong approved by the MPF Authority unless a waiver has been obtained from the MPF Authority.

14.17 Subject to the approval of the MPF Authority and the SFC, the Trustee may change the valuation and pricing methodology as provided in this Clause 14 by giving a one month prior notice to the Scheme Participants.

15. ISSUE OF UNITS

15.1 The Trustee shall in respect of each Member issue the relevant number of Unit of the relevant class in each of the Constituent Funds in accordance with this Clause 15 for the amount of Subscription Money which is received in cleared funds and reconciled and validated by the Trustee in respect of that Member. The Trustee shall have the sole and absolute discretion in determining the class or classes of Units that may be made available for a Member. The Units of a Constituent Fund may only be issued on a Dealing Day. Notwithstanding that, the Trustee shall have the discretion to accept Subscription Money in specie or accept an application for the issue of Units in a Constituent Fund without the Subscription Money being received in cleared funds, in which case, Units of the relevant class of the Constituent Funds shall be issued based on the Issued Prices of that class of Units of the Constituent Funds as at such Dealing Day as the Trustee may consider appropriate. Fraction of a Unit will be issued and will be rounded down to three decimal places (or such other number of decimal places or in such other manner as the Trustee may consider appropriate). Any amount corresponding to the rounding will be borne by or retained for the relevant Constituent Fund.

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

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

15.4 Any contributions from an Employer or a Member and any payments transferred into the Scheme pursuant to Rule 6 shall become subject to the provisions of this Trust Deed immediately upon receipt in cleared funds and reconciliation and validation by the Trustee.

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

$$I = \text{NAV} (100\% + \text{OS})$$

where:

I = Issue Price per Unit of that class.

NAV = Net Asset Value per Unit of that class on the Dealing Day.

OS = Offer Spread of that class, expressed as a percentage.

PROVIDED ALWAYS that in respect of such class of Units:

- (i) the Issue Price should be rounded to seven (7) 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 Money is divided by the Issue Price of the Unit of the Constituent Fund in which the Subscription Money shall invest. Fraction of a Unit will be issued and will be rounded down to three (3) decimal places (or such other number of decimal places or in such other manner as the Trustee may consider appropriate);
- (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; and
- (iv) all the amount arising from the rounding of unit prices shall accrue to the respective Constituent Fund.

15.6 The Offer Charge shall be retained by or paid to the Trustee for its own absolute use and benefit, subject to the applicable provisions of the MPFS Ordinance and the Regulation. The Offer Spread for each class of Units of each Constituent Fund is set out in the Principal 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.

15.7 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 17.

16. REDEMPTION OF UNITS

16.1 Subject to the provisions of the MPFS Ordinance and 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. Before exercising such redemption, it shall be the duty of the Trustee to ensure that the relevant Constituent Fund has (or will have upon the completion of the sale of Investments agreed to be sold) cash sufficient to pay the amount payable upon the redemption of Units.

16.2 Subject to MPFS Ordinance and Regulation, the Redemption Price per Unit of a class on any Dealing Day shall be determined as follows:

R = NAV (100% - BS)

where:

R	=	Redemption Price per Unit of that class.
NAV	=	Net Asset Value per Unit of that class on the Dealing Day.
BS	=	Bid Spread of that class, expressed as a percentage.

PROVIDED ALWAYS that in respect of such class of Units:

- (i) the Redemption Price should be rounded to seven (7) 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 two (2) decimal places or such other number of decimal places as the Trustee shall determine from time to time;
- (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; and
- (iv) all the amount arising from the rounding of unit prices shall accrue to the respective Constituent Fund.

16.3 The Bid Charge shall be retained by or paid to the Trustee for its own absolute use and benefit, subject to the applicable provisions of the MPFS Ordinance and the Regulation. The Bid Spread for each class of Units of each Constituent Fund is set out in the Principal 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.

16.4 Where redemption is to be effected pursuant to this Clause 16, the Trustee shall proceed to effect any sales necessary to provide the cash required to pay the redemption proceeds. The Trustee shall then pay the redemption proceeds to the Member or such other relevant person pursuant to the relevant Rules or apply the redemption proceeds in accordance with the provisions of this Deed.

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

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

16.6, fail to be redeemed shall be redeemed (subject to any further application of this Clause 16.6) on the immediately following Dealing Day.

17. SUSPENSION OF VALUATION AND DEALING

- 17.1 Subject to the MPFS Ordinance and any rules, guidelines, codes or regulations made thereunder the Trustee may having regard to the interests of the Scheme Participants, declare a suspension of the dealing of the Units of any Constituent Fund and the determination of the Net Asset Value of any Constituent Fund for the whole or any part of any period during which:
- (a) there is a closure of or the restriction or suspension of trading on any Securities Market on which a substantial part of the Investments of any 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 practicable or is prejudicial to the interests of the Members to realise any Investments held or contracted for the account of the Constituent Fund;
 - (d) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, the Investments of the Constituent Fund or the subscription or redemption of any Unit of the Constituent Fund is delayed or cannot, in the opinion of the Trustee, be carried out promptly at normal rates of exchange; or
 - (e) circumstances exists as a result of which, in the opinion of the Trustee, it is not reasonably practicable not to suspend dealing.
- 17.2 The suspension referred to in Clause 17.1 shall take effect forthwith upon the declaration thereof and thereafter there shall be no dealing and no determination of the Net Asset Value until the Trustee shall declare the suspension at an end, except that the suspension shall terminate in any event on the day following the first Business Day on which:
- (a) the condition giving rise to the suspension shall have ceased to exist; and
 - (b) no other condition under which suspension is authorised hereunder shall exist.
- 17.3 Whenever the Trustee 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 the newspapers in which the Issue Price and the Redemption Price of the Constituent Fund are normally published.

18. AMENDMENT

18.1 Subject to Clauses 18.2 and 18.3,

18.1.1 the Trustee may at any time by deed amend or extend any of the provisions of this Deed. 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 any 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;

18.1.2 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, SVC Member, Personal Account Member or TVC Account Holder, at any time 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 any 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;

18.1.3 the Trustee may at any time by deed amend or extend any of the provisions of this Deed 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

18.1.4 The Trustee may at any time by deed amend any provisions in this Deed relating to the dealing of any class of Units of any Constituent Fund PROVIDED THAT:

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

(b) a temporary change may only be effected:

(i) in exceptional circumstances, having regard to the interests of the affected Scheme Participants; and

- (ii) if the possibility of a temporary change and the circumstances in which the change can be effected have been fully disclosed to the affected Scheme Participants in the Principal Brochure.

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

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

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

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

18.3 18.3.1 The Trustee shall notify the MPF Authority and, if necessary, the SFC in writing of any amendment proposed to be made to this Deed or the Principal Brochure, and lodge with the MPF Authority and if necessary, the SFC, a copy of the proposed amendment.

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

19. TERMINATION OF THE TRUST

19.1 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 Trustee shall give notice to the Scheme Participants in manner approved by the Court and by such notice fix the date at which such termination is to take effect. The winding up of the Scheme must be conducted in accordance with the winding up rules made in accordance with section 34A(7) of the MPFS Ordinance.

19.2 The Scheme may be terminated with the approval of the MPF Authority in accordance with section 34D of the MPFS Ordinance PROVIDED THAT the Scheme has no Member, no scheme assets and no liabilities.

20. FEES AND CHARGES

- 20.1 20.1.1 Subject to Clauses 12.5 to 12.6 and 12.9 in relation to each class of Units of the Constituent Funds, the Trustee shall be paid periodically in arrears out of the assets of the Trust Fund a Trustee Fee at such intervals and rates as specified in the Principal Brochure, as remuneration for providing trustee and administration services. The Trustee shall have the discretion to determine other manners in which the Trustee Fee shall be collected. Notwithstanding that the remuneration to the Trustee shall be payable periodically in arrears, the calculation of such remuneration shall be accrued on each Dealing Day. The Trustee Fee shall be pro-rated if the Trustee commences or ceases to be 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.
- 20.1.2 In respect of each class of Unit of the Principal Long Term Guarantee Fund, the Trustee shall, for the account of the insurer of the APIF policy in which the Principal Long Term Guaranteed Fund shall invest, charge periodically in arrears out of the assets of such Constituent Fund a Reserve Charge at such intervals and rates as specified in the Principal Brochure. Notwithstanding that the Reserve Charge shall be payable periodically in arrears, the calculation of such charge shall be accrued on each Dealing Day.
- 20.2 Subject to Clauses 12.5 to 12.6 and 12.9 in relation to each class of Units of the Constituent Funds, the Investment Manager shall be paid periodically in arrears out of the assets of the Trust Fund at such intervals and rates as specified in the Principal Brochure, as remuneration for providing investment management services. Notwithstanding that the foregoing fee is payable to the Investment Manager periodically in arrears, the calculation of such fee shall be accrued on each Dealing Day. The 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.
- 20.3 The Trustee shall 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 and any Participation Agreement of the Scheme applicable thereto.
- 20.4 20.4.1 It shall be payable out of the assets of the Trust Fund:
- (i) all costs, fees and expenses (including legal fees) of and incidental to the establishment, management and administration of the Scheme PROVIDED THAT they are also administrative expenses within the meaning under the Regulation, including without limitation the costs and expenses for seeking the necessary consents of the relevant

authorities and for preparing and printing any documentation, brochure and explanatory memorandum in relation to the Scheme (except for any costs in relation to the Participation Agreement);

- (ii) costs, fees and expenses for amending the documentation in order to conform to future legislation and/or regulations; and
- (iii) any other costs, fees, charges and expenses which are stipulated under Clause 14 to be deducted from the gross asset value of a Constituent Fund for the purpose of calculating the Net Asset Value of a Constituent Fund.

20.4.2 The Trustee shall allocate the above costs, fees, charges and expenses set out in this Clause 20 to each of the Constituent Funds by reference to the gross value of the assets in each of those Constituent Funds on a pro-rata basis or any other basis which the Trustee considers appropriate; or to each class of Units in a Constituent Fund by reference to the gross value of assets attributable to such class of Units on a pro-rata basis or any other basis which the Trustee considers appropriate. The Trustee may amortise all the costs payable out of the assets of the Trust Fund pursuant to this Clause 20 over such period as the Trustee considers appropriate.

20.5 20.5.1 Each Employer, SEP Member, SVC 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 Plan:

- (a) a joining fee of such amount (if any) as may from time to time be fixed by the Trustee upon the execution of the Participation Agreement or Application Form (as the case may be) for such Employer's or SEP Member's or SVC Member's or Personal Account Member's Participating Plan;
- (b) any costs incurred in registering or maintaining the registration of such Participating Plan with any government authority or other regulatory body (including the costs of preparing any supporting documents and supplemental agreements);
- (c) legal and other fees and expenses attributable to such Participating Plan;
- (d) audit fees, including fees of the Employer's or SEP Member's or SVC 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 Plan;

- (e) the costs of amending the Participation Agreement and/or the Rules relating to such Participating Plan; and
- (f) any other costs, fees and expenses expressed to be payable by the Employers or SEP Members, SVC Members or Personal Account Members in this Deed and the Application Form and the Participation Agreement relating to the Participating Plan,

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, SVC Member or Personal Account Member.

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

20.6 The Trustee must ensure that:

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

21. NOTICES

21.1 21.1.1 Unless otherwise required by the MPFS Ordinance or the Regulation and subject to the requirements applicable to the documents given under sections 55 and 124 of the Regulation in particular, any notice or document required to be served upon the Scheme Participants for the purposes of the MPFS Ordinance, this Deed or the Participation Agreement, may be delivered by hand, sent by prepaid post (airmail if overseas), facsimile, electronic mail or other similar means of communication.

21.1.2 Without limiting the generality of Clause 21.1.1 and unless otherwise required by the MPFS Ordinance or the Regulation, a notice or other document to be given or served for the purposes of the MPFS Ordinance, this Deed or the Participation Agreement may be given or served

- (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.

21.1.3 Unless otherwise required by the MPFS Ordinance or the Regulation and subject to the requirements applicable to the documents given under sections 55 and 124 of the Regulation in particular, any notice or document referred to in Clause 21.1.1 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 if a record generated by the means of transmission proving that the notice or document was so sent PROVIDED THAT this Clause 21.1.3(a) shall not apply to a document given under Section 55 or 124 of the Regulation;
- (b) sent by ordinary 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.

21.1.4 In any case where the Trustee considers it appropriate or satisfactory, notices to Employee Members or their legal personal representatives may be given through the relevant Employer pursuant to Clause 21.1.2, 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.

21.1.5 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 7 working days after the Employer receives the notice.

21.2 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 have notice of such death, bankruptcy, liquidation or receivership be deemed to have been duly served.

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

22. PROVISION OF INFORMATION

Subject to section 41 of the MPFS Ordinance, if the Trustee is requested by any department of any government or administration to provide such department with any information regarding the Trust Fund and/or the Scheme Participants and/or the investments and income of the Trust Fund and/or the provisions of this Deed and complies with such request, whether or not it was in fact enforceable, the Trustee shall not incur any liability to the Scheme Participants or any of them or to any other person as a result of such compliance or in connection with such compliance PROVIDED THAT in so doing the Trustee (as the case may be) shall also have complied with the provisions of the Personal Data (Privacy) Ordinance.

22A. AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION

22A.1 Financial institutions in Hong Kong and many other jurisdictions are required to identify Account Holders who are reportable foreign tax residents under the laws, regulations and international agreements for the implementation of AEOI, and report the Reportable Information to the Tax Authority where the financial institutions operate.

22A.2 Subject to the applicable laws and regulations of Hong Kong and other jurisdictions,

the Trustee and/or any of its authorised person(s) shall have the power to sign and/or file any returns, elections, and statement by the Scheme with any Tax Authorities, report or disclose Reportable Information regarding any person or entity considered to be Account Holder or Controlling Person of an Account Holder (where applicable) of the Scheme under the AEOI to enable the Scheme to comply with applicable laws and regulations of Hong Kong and other jurisdictions.

22A.3 The Trustee may, to the extent not prohibited by applicable law including AEOI and this Deed, engage, employ or authorise any individual or entity (including but not limited to third-party service providers, the Trustee's affiliates, subsidiaries, associated entities, and any of their branches and offices) (each an "authorised person") to:

22A.3.1 assist the Scheme with the fulfilment of its obligations under AEOI; and/or

22A.3.2 act on the Scheme's behalf in relation to its obligations under AEOI.

22A.4 Each Member, Employer and any other individual or entity considered to be Account Holder or Controlling Person of an Account Holder (where applicable) of the Scheme must:

22A.4.1 upon demand by the Trustee and/or any of its authorised person(s), provide any form, certification and other information that the Trustee and/or any of its authorised person(s) may from time to time require (the "Required Information") in order to satisfy the Scheme's obligations under AEOI;

22A.4.2 update or replace any Required Information;

22A.4.3 comply with any reporting obligations imposed by Hong Kong or any other jurisdiction; and

22A.4.4 assist the Scheme in complying with any of the due diligence and reporting obligations imposed on the Scheme under AEOI.

22A.5 Notwithstanding any other provisions of this Deed, to the extent not prohibited by applicable law, each of the Trustee and its authorised persons shall have the power to:

22A.5.1 demand from any Account Holder or Controlling Person of an Account Holder (where applicable) the information the Scheme needs in order to fulfil the Scheme's obligations under AEOI;

22A.5.2 refuse to accept any applicant to the Scheme, provided that where such power is exercised by an authorised person, such authorised person has to be a "service provider" within the meaning of MPFS Ordinance;

22A.5.3 refuse or delay in making any payment to any Account Holder before receiving the Required Information from the applicant or Account Holder (as the case may be);

22A.5.4 share with any Tax Authority the information it has in respect of any Account Holder or Controlling Person of an Account Holder (where applicable) of the Scheme;

22A.5.5 take or refrain from taking any other actions with respect to any applicant or Account Holder (as the case may be); and

22A.5.6 share the Required Information of any Account Holder or Controlling Person of an Account Holder (where applicable) of the Scheme with each other or among the authorised persons.

23. GOVERNING LAW

- 23.1 This Deed and the Participation Agreement shall be governed by and construed in accordance with the laws of Hong Kong.
- 23.2 The Trustee and the Scheme Participants hereby submit to the non-exclusive jurisdiction of the Courts of Hong Kong.
- 23.3 The provisions of this Deed are subject to the provisions of the MPFS Ordinance and the Regulation.

Appendix

THE RULES

1. INTERPRETATION

Words and expressions used in the Rules shall have the meanings given to them in Clause 1 of the Deed.

2. ADMISSION OF MEMBERS

2.1 2.1.1 Subject to Rule 2.1.2,

- (a) in order to become an Employee Member of the Scheme, an employee of an Employer shall complete or cause to complete by the Employer an enrolment form as the Trustee may from time to time prescribe;
- (b) a Self-Employed Person may become an SEP Member of the Scheme by completing an Application Form as the Trustee may from time to time prescribe;
- (c) a person who has accrued benefits in another Registered Scheme or another retirement scheme may have those benefits transferred to a Personal Account of the Scheme and become a Personal Account Member of the Scheme by completing an Application Form as the Trustee may from time to time prescribe, unless waived by the Trustee; and
- (d) an Employee Member will automatically become a Personal Account Member if upon his cessation of employment he elects or pursuant to the provisions of this Deed is taken to have elected to transfer his benefits accrued under this Scheme to a separate Personal Account in the Scheme.
- (e) subject to the prior approval of the Trustee, a person may establish a Participating Plan as an SVC Member of the Scheme by completing an Application Form and such other form(s) as the Trustee may from time to time prescribe.

2.1.2 The persons referred to in Rule 2.1.1 must:

- (a) provide or is willing to provide the information required by the Trustee with respect to application for membership in the Scheme; and
- (b) agree in writing to comply with and be subject to the provisions of this Deed.

- 2.1.3 The Trustee or its delegates must in accordance with the relevant guidelines issued by the MPF Authority and the SFC disclose to a person who is considering making an application to become a Member or an 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.
- 2.1.4 The persons referred to in Rule 2.1.1 must be given a notice of acceptance within 30 days from the date on which the person submits all the information required for the application for membership of or participation in the Scheme, or from the date on which the person agrees to observe and accept to be subject to the provisions of this Deed, whichever is the later.
- 2.1.4A (a) At the Restructuring Date, a self-employed person who participates in the Zurich Scheme immediately prior to the Restructuring Date shall automatically become an SEP Member under the Scheme and a Participating Scheme shall be established in respect of such SEP Member.
- (b) An employee member who participates in the Zurich Scheme immediately prior to the Restructuring Date shall automatically become an Employee Member under the Scheme at the Restructuring Date.
- (c) At the Restructuring Date, a Personal Account Member who participates in the Zurich Scheme immediately prior to the Restructuring Date shall automatically become a Personal Account Member under the Scheme and a Participating Scheme shall be established in respect of such Personal Account Member.
- (d) At the Restructuring Date, an employer (as defined in the MPFS Ordinance) who participates in the Zurich Scheme immediately prior to the Restructuring Date shall automatically become an Employer under the Scheme and a Participating Scheme shall be established in respect of such Employer.
- 2.1.4B (a) At the Merger Date, a self-employed person who participates in the B300 Scheme immediately prior to the Merger Date shall automatically become an SEP Member under the Scheme and a Participating Plan shall be established in respect of such SEP Member.
- (b) An employee member who participates in the B300 Scheme

immediately prior to the Merger Date shall automatically become an Employee Member under the Scheme at the Merger Date.

- (c) At the Merger Date, a Personal Account Member who participates in the B300 Scheme immediately prior to the Merger Date shall automatically become a Personal Account Member under the Scheme and a Participating Plan shall be established in respect of such Personal Account Member.
- (d) At the Merger Date, an employer (as defined in the MPFS Ordinance) who participates in the B300 Scheme immediately prior to the Merger Date shall automatically become an Employer under the Scheme and a Participating Plan shall be established in respect of such Employer.
- (e) In respect of a B300 Employer, B300 Member, Zurich Employer or Zurich Member who has become an Employer or Member pursuant to Clause 3, Rule 2.1.4A and Rule 2.1.4B, for any matters to which the participation period of such Employer or Member in the Scheme is relevant (including, without limitation, the calculation of the vesting of benefits), the Trustee shall, in determining such participation period, take into account the participation period of such Employer or Member in the B300 Scheme or the Zurich Scheme (as the case may be).

2.1.5 No fees shall be charged, no financial penalties shall be imposed and no other restrictions or requirements shall be applied to prevent or to hinder an Employer or a Member from terminating his participation in the Scheme, other than actual and reasonable expenses incurred by the Trustee as a result of redeeming funds in connection with the transfer from a unit trust or similar type of investment and of purchasing units in another such investment, where a difference in price of units is normally associated with the redemption of those funds and the purchase of those units.

2.2 2.2.1 The Trustee must, within sixty (60) days of a person becoming a Member, provide that 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 The Trustee may arrange to give to any Employee Member the document referred to in Rule 2.2.1 by delivering the document to the Employer of such Employee Member. If the Trustee delivers the document to the Employer, that

Employer must ensure that the document is given to the Employee Member within seven (7) working days after the Employer receives it.

- 2.3 2.3.1 The Trustee must ensure that within sixty (60) days of a person becoming an Employee Member of the Scheme, a membership certificate 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 certificate.
- 2.3.2 The Trustee may arrange to give to the Member's Employer the membership certificate referred to in Rule 2.3.1. In that case, that Employer must ensure that the certificate is given to the Employee Member within seven (7) working days after the Employer receives it.
- 2.4 Upon receipt of a certificate issued to an Employer by the MPF Authority pursuant to Section 124(1) of the Regulation, the Trustee shall ensure that the certificate is given to the Employer within seven (7) working days after receipt.
- 2.5 2.5.1 The Trustee may, and must to the extent required by the MPFS Ordinance and the Regulation, subject to the MPFS Ordinance and the Regulation, admit to participation in the Scheme any TVC Account Applicant. Any such TVC Account Applicant admitted to participation is called in this Deed, a "**TVC Account Holder**".
- 2.5.2 A TVC Account Holder must sign an Application Form in terms approved by the Trustee and any sponsor referred to in Clause 6.18B of this Deed.

3. **CONTRIBUTIONS**

3.1 **Mandatory Contributions**

- (a) Every Employer shall pay to the Trustee, in respect of each Employee Member who is a Relevant Employee employed by it, for each contribution period after the Plan Effective Date, out of the Employer's own funds, the 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).

(b) Subject to the MPFS Ordinance and the Regulation, 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 and PROVIDED FURTHER THAT if the relevant Employee Member is exempted from the provisions of the MPFS Ordinance, no Employer's Mandatory Contribution shall be required.

(c) Every Employer shall, in respect of each Employee Member who is a Relevant Employee employed by it and for each contribution period after the Plan Effective 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 or an Employee Member who is exempted from the provisions of the MPFS Ordinance is not required to make an Employee's Mandatory Contribution; and

S.10

(ii) an Employee Member whose Relevant Income is in excess of the Maximum Level of Relevant Income is not required to make an Employee's Mandatory Contribution in respect of the excess Relevant Income.

R.122(3)

(e) Every Employer shall, for each contribution period, pay the Employer's Mandatory Contribution and the Employee's Mandatory Contribution as referred to in Rules 3.1(a) and (c) to the Trustee in respect of each Employee Member employed by it on or before the Contribution Day or such other day as prescribed by the MPFS Ordinance or the Regulation from time to time.

S.7B

(f) Notwithstanding anything contained herein:

(i) no Mandatory Contribution is required to be made in respect of an Employee Member (except in the case of a Casual Employee) who is employed by an Employer for less than 60 days;

- S.7A(7) (ii) an Employer shall not, in respect of each Employee Member employed by it whose wage period is not more than 1 month 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 any wage period commencing on or before the 30th day of that Employee's employment after the relevant time;
- (iii) an Employer shall not, in respect of each Employee Member employed by it whose wage period is more than 1 month 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 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) Every SEP Member shall in accordance with the provisions of the Regulation, before the end of each contribution period, pay to the Trustee from his own funds a Mandatory Contribution required to be made by a Self-Employed Person (the "SEP Mandatory Contribution") pursuant to 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) an SEP Member whose Relevant Income is less than the Minimum Level of Relevant Income or an SEP Member who is exempted from the provisions of the MPFS Ordinance is not required to make an SEP Mandatory Contribution; and
- S.10 (ii) an SEP Member whose Relevant Income is more than the Maximum Level of Relevant Income is not required to make an SEP Mandatory Contribution in respect of the excess Relevant Income.
- (i) For the avoidance of doubt, Mandatory Contributions referred to in Rule 3.1 should be made only to the Trustee.
- (j) For the purposes of Rules 3.1 and 3.2:
- S.7A(10) "contribution period":
- (a) in relation to an Employer of an Employee Member (not being a Casual Employee), means each period for which the Employer pays or should pay Relevant Income to the Employee Member, and includes such a period occurring within, or that coincides with, the first 60 days of employment after the relevant time;

- (b) in relation to an Employee Member (not being a Casual Employee) whose wage period is not more than 1 month, means each period for which the Employer pays or should pay Relevant Income to the Employee Member, but does not include any wage period commencing on or before the 30th day of employment after the relevant time;
- (c) in relation to an Employee Member (not being a Casual Employee) whose wage period is more than 1 month, means each period for which the Employer pays or should pay Relevant Income to the Employee Member, but does not include the period commencing from the relevant time and ending on the last day of the calendar month in which the 30th day of employment after the relevant time falls;
- (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 an SEP Member who contributes to the Scheme on a yearly basis, means the year that coincides with each Financial Year; and
- (f) in relation to an 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;

R.131

S.7(3)

“relevant time” means

- (a) 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
- (b) 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.

“wage period” has the same meaning as given to it in the MPFS Ordinance.

3.2 Voluntary Contributions

- (a) Subject to the provisions of the relevant Participation Agreement, every Employer may elect to pay to the Trustee, in respect of each Employee

S.11

Member employed by it, for each contribution period after the Plan Effective 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(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;
 - (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 amount 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 at the same time when the Employer pays the Employer's Mandatory Contribution and the Employee's Mandatory Contribution pursuant to Rule 3.1.

- S.11
- (c) 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 Plan Effective Date, a Voluntary Contribution (the "Employee's Voluntary Contribution") under Section 11 of the MPFS Ordinance.
- (d) If an Employee Member elects to pay an Employee's Voluntary Contribution as referred to in Rule 3.2(c), it shall notify his Employer and the Trustee in writing of the amount of the Employee's Voluntary Contribution for each relevant contribution period which amount shall be equal to either one of the following (the "Employee's Voluntary Contribution Rate"):
- (i) a specified percentage of the Employee Member's Relevant Income or Basic Salary;
 - (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 amount advised to the Trustee in writing by the Employee Member, subject to any restrictions or limitations as the Trustee may impose from time to time,

PROVIDED THAT the Employee Member must arrange to give any written instructions in relation to the Employee's Voluntary Contribution Rate to the Trustee directly or through his Employer but such written instructions must be signed by the Employee Member.

R.33(2)

- (e) If an Employee Member elects to pay an Employee's Voluntary Contribution as referred to in Rule 3.2(c), his Employer shall deduct the Employee's Voluntary Contribution from the relevant Employee Member's Relevant Income for each relevant contribution period and pay the Employee's Voluntary Contribution to the Trustee at the same time as the Employer pays the Employer's Mandatory Contribution and the Employee's Mandatory Contribution pursuant to Rule 3.1.

S.11

- (f) Every SEP Member may elect to pay to the Trustee, for each contribution period after the Plan Effective Date, a Voluntary Contribution (the "SEP Voluntary Contribution") under Section 11 of the MPFS Ordinance.
- (g) If an SEP Member elects to pay an SEP Voluntary Contribution, it shall notify the Trustee in writing the amount of the SEP Voluntary Contribution at the time of making such SEP Voluntary Contribution to the Trustee.
- (h) An Employer may change the Employer's Voluntary Contribution Rate in respect of any Employee Member and an Employee Member may change his Employee's Voluntary Contribution Rate PROVIDED THAT:
 - (i) the Trustee must be given three (3) months' prior written notices or such period of notice as agreed by the Trustee of any changes mentioned in this Rule 3.2(h);
 - (ii) the Employer will give three (3) months' prior written notice or such period of notice as agreed by the Trustee to the relevant Employee Member of any changes to the Employer's Voluntary Contribution Rate;
 - (iii) any written notice in relation to changes to Employee's Voluntary Contribution Rate must be signed by the relevant Employee Member and given to the Trustee directly by the relevant Employee Member or through the Employee Member's Employer;
 - (iv) Employer and Employee Member may make changes to their respective Employer's Voluntary Contribution Rate and Employee's Voluntary Contribution Rate at any Dealing Day in each Financial Year; 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.
- (i) An SEP Member may change the SEP Voluntary Contribution PROVIDED THAT three (3) months' prior notice or such period of notice as agreed by the Trustee in writing for that change has been given to the Trustee.

3.2A Special Voluntary Contributions

- (a) Subject to the prior approval of the Trustee, an SVC Member may request to make Special Voluntary Contributions to the Scheme, or make any changes thereof, by giving the Trustee at least one (1) month's 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) Special Voluntary Contributions may be paid by the SVC Member on a regular basis or in a lump sum, subject to such maximum and minimum contribution amounts or other requirements as the Trustee may from time to time prescribe.
- (c) Notwithstanding the above, the Trustee reserves the right not to accept any Special Voluntary Contribution at any time by giving to the SVC Member not less than fourteen (14) days' prior notice in writing.

3.2B TVC

3.2B.1 Payment of TVC to the Scheme

- (a) A TVC Account Holder may, subject to the appropriate provisions of the MPFS Ordinance and the Regulation, contribute to the Scheme TVC in such manner, at such times and on such terms as the TVC Account Holder may agree with the Trustee from time to time. Such TVC shall immediately vest in the TVC Account Holder.
- (b) TVC shall cease upon the TVC Account Holder's cessation of membership in the Scheme, and if that date does not coincide with a date on which TVC are paid to the Trustee by the TVC Account Holder, then TVC shall cease on the most recent date on which TVC were paid to the Trustee by the TVC Account Holder.
- (c) Notwithstanding any other provisions of this Deed, the Trustee may reject all or part of the TVC otherwise payable by a TVC Account Holder without providing reasons.
- (d) Any refund of any contributions rejected under paragraph (c) above shall be made in such manner and at such time (which in any event

shall not exceed 45 days of receipt of any such contributions unless for some exceptional regulatory reasons the Trustee is unable to effect a refund within such timeframe) as the Trustee may consider appropriate.

- (e) No interest is payable on any contributions refunded under paragraph (d) above.

3.2B.2 TVC Account Holder's investment option

For the avoidance of doubt, a TVC Account Holder shall be entitled to give Investment Election(s) and Switching Instruction(s) in accordance with Clause 13 of this Deed and Rules 3.3.1, 3.3.2, 3.3.4, 3.3A, 3.3B, 3.3C and 3.4 shall apply to a TVC Account Holder.

3.2B.3 Payment of TVC Balance

- (a) Subject to the MPFS Ordinance and the Regulation, Rules 8 to 13, and 17 shall apply to TVC Balance in the same way as they apply to the accrued benefits derived from the Mandatory Contributions.
- (b) Rule 19 shall apply to the accrued benefits derived from any TVC in the same way as it applies to the accrued benefits referred to in that Rule.

3.2B.4 Miscellaneous

Subject to the MPFS Ordinance and the Regulation, Clause 20.5 of this Deed shall apply to a TVC Account Holder in the same way as it applies to a SVC Member provided that each reference to "Participating Plan" shall be construed to mean "TVC Account".

3.3 3.3.1 At least one (1) month before,

- (a) making the first contribution to a Contribution Account; or
- (b) making the first transfer of accrued benefits to a Personal Account; or
- (c) making the first contribution to an SVC Account; or
- (d) making the first contribution to a TVC Account,

the relevant Member must forward his Investment Election to the Trustee.

- 3.3.2 A Member shall be entitled to indicate his investment instruction in an Investment Election and may through an Investment Election apply 100 per cent of the Subscription Money to acquire Units of the relevant class of any Constituent Fund.
- 3.3.3 For the purposes of Rule 3.3.1, each of the Employee Members must arrange to forward his Investment Election to the Trustee through his Employer but the Investment Election must be completed and signed by the relevant Employee Member.
- 3.3.4 If a Member fails to submit to the Trustee an Investment Election 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 to have elected to instruct the Trustee to apply all his Subscription Money to acquire Units of the relevant class in the DIS Funds under the Default Investment Strategy.
- 3.3.5 In respect of an SVC Member, where the amount invested by the SVC Member in the Principal Long Term Guaranteed Fund is in excess of the maximum amount as may be determined by the Trustee from time to time and specified in the Principal Brochure or the Application Form or other relevant forms, unless otherwise instructed by the SVC Member, the Trustee shall apply the excess amount to acquire Units in the DIS Funds under the Default Investment Strategy.
- 3.3A Each Member may elect that the Investment Election be in the following combinations:
- (i) invest in the Principal Age 65 Plus Fund and/or the Principal Core Accumulation Fund according to the Default Investment Strategy, as supplemented in the Principal Brochure; and/or
 - (ii) invest in any Constituent Fund, including without limitation the Principal Age 65 Plus Fund and the Principal Core Accumulation Fund, in such proportion (but subject to such restrictions and limitations, to the extent not prohibited by the MPFS Ordinance and Regulation, as the Trustee may from time to time determine) as the Member may determine, provided that investments in the Principal Age 65 Plus Fund and the Principal Core Accumulation Fund shall not be subject to the Default Investment Strategy.
- 3.3B (i) Any de-risking under the Default Investment Strategy in respect of a Member will take place on the birthday of that Member, subject to the provisions specified in the sub-section "*De-risking of the DIS*" of the DIS Section.
- (ii) Fractions of a Unit of the Principal Age 65 Plus Fund and/or the Principal Core Accumulation Fund (as the case may be) will be issued and will be rounded down to three (3) decimal places (or such other

decimal places or in such other manner as the Trustee may consider appropriate.

- (iii) Any switching in and out of the Default Investment Strategy will be subject to the provisions specified in sub-section 6.4.5 headed "*Switching in and out of the DIS*" of the Administrative Procedures Section.

3.3C Notwithstanding Clause 3.3A:

- (i) in respect of a Member whose age the Trustee is not aware of, the Trustee must invest the accrued benefits of the Member solely in the Principal Age 65 Plus Fund;
- (ii) in respect of an account established before the DIS Launch Date which is not subject to the Default Investment Arrangement per sub-section 6.4.6(b) headed "*Existing accounts set up before 1 April 2017*" of the Administrative Procedures Section, then Clause 3.3A shall not apply to that account and that account shall be treated in accordance with sub-section 6.4.6(b) headed "*Existing accounts set up before 1 April 2017*" of the Administrative Procedures Section.

3.4 The Trustee shall as soon as practicable after the Subscription Money in cleared funds has been received, reconciled and validated deduct any sums which may be deducted therefrom in accordance with the terms of this Deed. The Trustee shall have the discretion to retain such Subscription Money (so long as they are in cleared funds) in an interest-bearing account until the acquisition of Units of the relevant class of the Constituent Fund selected by the Member concerned on the relevant Dealing Day and the interest generated therefrom shall be used for the payment of any administrative expenses of the Scheme or as the income of the Scheme. The Trustee shall then apply the remaining balance to acquire Units of the relevant class of the Constituent Fund specified in the relevant Investment Election of the Member concerned. Units shall be acquired by converting the monetary value of the Subscription Money to Units of the relevant Constituent Fund at the Issue Price of such Constituent Fund on:

- (a) the Dealing Day as soon as practicable after the Subscription Money in cleared funds has been received, reconciled and validated by the Trustee; 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 Subscription Money in cleared funds has been received, reconciled and validated by the Trustee.

The Units acquired shall be credited to the relevant Contribution Account or Personal Account or SVC Account and the respective sub-accounts of such Contribution Account or Personal Account or SVC Account, as the case may be. Notwithstanding that, the Trustee shall have the discretion to accept Subscription Money in specie or accept an application for the issue of Units in a Constituent Fund without the Subscription Money being received in cleared funds, in which case, Units in the

Constituent Funds shall be issued based on the Issue Prices of the Constituent Funds as at such Dealing Day as the Trustee may consider appropriate.

- 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 a Voluntary Contribution in accordance with the applicable laws and regulations so far as the relevant Participating Plan is concerned. The Employer shall give instructions to the Trustee as to how such transfer payment should be allocated to the Contribution Accounts of the respective Employee Members of the relevant Participating Plan. The Trustee shall have no obligation to inquire into the appropriateness or accuracy of the allocation, basis of allocation or any other matter in relation to the allocation of the transfer payment specified by the Employer to the Contribution Accounts of the respective Employee Members of the relevant Participating Plan.
- 3.5A Pursuant to the Merger Proposal, the Trustee may accept a transfer of payment from the B300 Scheme in respect of a B300 Member and the Trustee shall regard such payment as Mandatory Contribution and/or Voluntary Contribution in accordance with the applicable laws and regulations so far as the relevant Participating Plan is concerned. Any such transfer payment will be held by the Trustee in the relevant Contribution Accounts or Personal Accounts of that Member.
- 3.6 The amount of any contribution otherwise required to be made by an Employer may be deducted from any amount standing to the credit of the Forfeitures Account of the relevant Participating Plan.
- 3.7 All contributions made in accordance with Rules 3.1, 3.2 and 3.2B 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 (other than an SVC Member or a TVC Account Holder) shall cease on the last day of the Member's employment or self-employment.
- 3.9 Any contributions from an Employer or a Member and any payments transferred into the Scheme pursuant to Rule 6 shall become subject to the provision of the Deed and the relevant Participation Agreement immediately upon receipt by the Trustee.

4. ACCOUNTS

- R.78(6) 4.1 The Trustee shall in respect of each Employee Member arrange for the Employee Member's Contribution Account to be divided into the following sub-accounts:
- (a) "Employer's Mandatory Sub-Account" – specifying the types of benefits in respect of the Employee Member under Section 78(6)(a) of the Regulation;
 - (b) "Employee's Mandatory Sub-Account" – specifying the types of benefits in respect of the Employee Member under Section 78(6)(b) of the Regulation;

- (c) “Employee’s Mandatory Transfer Sub-Account” – specifying the types of benefits in respect of the Employee Member under Section 78(6)(c) of the Regulation;
- (d) “Employer’s Voluntary Sub-Account” – specifying the types of benefits in respect of the Employee Member under Section 78(6)(d) of the Regulation;
- (e) “Employee’s Voluntary Sub-Account” – specifying the types of benefits in respect of the Employee Member under Section 78(6)(e) of the Regulation;
- (f) “Employee’s Voluntary Transfer Sub-Account” – specifying the types of benefits in respect of the Employee Member under Section 78(6)(f) of the Regulation;
- (g) such any other sub-account as the Trustee shall consider appropriate or necessary.

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 benefits under Section 78(7)(a) of the Regulation;
- (b) “SEP Member’s Mandatory Transfer Sub-Account” – specifying the types of benefits in respect of the SEP Member under Section 78(7)(b) of the Regulation;
- (c) “SEP Member’s Voluntary Sub-Account” – specifying the types of benefits in respect of the SEP Member under Section 78(7)(c) of the Regulation;
- (d) “SEP Member’s Voluntary Transfer Sub-Account” – specifying the types of benefits in respect of the SEP Member under Section 78(7)(d) of the Regulation;
- (e) such any other sub-account as the Trustee shall consider appropriate or necessary.

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

- (a) “Mandatory Personal Sub-Account” – specifying the types of benefits in respect of the Personal Account Member under Section 78(8)(a) of the Regulation or such Minimum MPF Benefits of the Member under another retirement scheme which is transferred to this Scheme in accordance with applicable law;
- (b) “Voluntary Personal Sub-Account” – specifying the types of benefits in respect of the Personal Account Member under Section 78(8)(b) of the Regulation other than those benefits transferred to “Mandatory Personal Sub-Account” under paragraph (a) above; and
- (c) such any other sub-account as the Trustee shall consider appropriate or necessary.

4.4 The Trustee shall in respect of each SVC Member arrange for the establishment of the SVC Account PROVIDED THAT if a person is (i) an SVC Member and (ii) a Member in another capacity or capacities at the same time, the Trustee shall maintain

(i) an SVC Account and (ii) a Contribution Account or a Personal Account (as the case may be) for each of his other capacities. The Trustee may arrange for the SVC Account to be divided into any sub-account(s) as it considers appropriate.

4.5 4.5.1 The Trustee shall maintain a TVC Account in respect of each TVC Account Holder.

4.5.2 The TVC Account of a TVC Account Holder shall, in respect of the TVC Account Holder, comprise:

- TVC of the TVC Account Holder, plus
- any accrued benefits transferred to the Scheme under Rule 6.7A, less
- any amount transferred from the Scheme to another Registered Scheme under Rule 18.5A and any amounts paid to or in respect of the TVC Account Holder,

and any income or profits arising from any investments of the contributions and accrued benefits mentioned above but taking into account any losses in respect thereof.

4.5.3 Each reference to “Contribution Account” in Clauses 11.1.4, 11.3.2, 11.4, 12.8, 13.3.1, 13.3.3 and 16.1 of this Deed, and Rules 3.4 and 6.1 shall be construed to mean, in respect of a TVC Account Holder, “TVC Account”.

5. **TEMPORARY ABSENCE**

5.1 Unless otherwise provided in the Participation Agreement, if an Employee Member is temporarily absent from work for the following reasons:

- (i) service with the approval of the Employer in any of the naval, military or air forces of the government or other government or other organization of national importance; or
- (ii) absence due to ill-health, pregnancy or accident for a period of 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 Years of Service shall be deemed to include the approved period of temporary 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 Unless otherwise provided in the Participation Agreement, if an Employee Member is temporarily absent from work for any reason other than those set out in Rule 5.1 and the Employer and the Employee Member are not required under the MPFS Ordinance or other applicable law and regulations to make contributions to the Scheme during the period of temporary absence the Employee Member may choose to continue to contribute to the Scheme at the rate prescribed in the Rules. The Employee Member's Employer may at his sole discretion agree that the Member's Years of Service shall continue to accumulate during the period of such temporary absence.
- 5.3 Notwithstanding any other provisions in this Deed, this Rule 5 shall not apply to an Employee Member who is a B300 Member.

6. **TRANSFERS INTO THE SCHEME**

- 6.1 At the request of a member of another scheme or arrangement or pursuant to the Merger Proposal, to the extent not prohibited by law, the Trustee may accept a transfer payment, and for this purpose, the Trustee shall have the sole and absolute discretion to accept transfer payment in cleared funds or in specie or otherwise. Unless otherwise provided in the Participation Agreement, any such transfer payment will be held by the Trustee in the relevant Contribution Accounts or Personal Accounts or SVC Accounts (as applicable) of that Member.

Transfer into the Scheme – From Former Employment(s)/Former Self-Employment(s)

- R148B(2)(b), (d), 3(b), (c) 6.2 Without limiting the generality of Rule 6.1, an employee who has accrued benefits in one or more than one sub-accounts (which are of the nature of Section 78(6)(c) of the Regulation) in another Registered Scheme may at any time, elect to submit a Transfer Notice to the Trustee requesting the Trustee to accept a transfer of all his accrued benefits in the sub-account, or in any one or more than one of these sub-accounts from that Registered Scheme, and
- (a) if that employee is already a Member of this Scheme, such accrued benefits shall be held in his Contribution Account or Personal Account in such proportion and manner as specified by him in the Transfer Notice; and
 - (b) if that employee is not a Member of this Scheme, he shall become a Personal Account Member of this Scheme, and the accrued benefits shall be held in his Personal Account in such proportion and manner as specified by him in the Transfer Notice.

- 6.3 Without limiting the generality of Rule 6.1, the Trustee shall have the power (but shall not be obliged) to accept a transfer payment of the Minimum MPF Benefits of a Personal Account Member from another retirement scheme (and for this purpose, the Trustee shall have the sole and absolute discretion to accept transfer payment in cleared funds or in specie or otherwise). Unless otherwise determined by the Trustee, any such transfer payment shall be held by the Trustee in the Personal Account Member's Mandatory Personal Sub-Account.
- 6.4 Without limiting the generality of Rule 6.1, a self-employed person who was formerly a member of a master trust scheme or an 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 and manner as specified by the Personal Account Member in the Transfer Notice.
- 6.5 For the purpose of Rule 6.2, if an employee who was formerly a member of an 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 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 employer sponsored scheme instead of being completed and signed by that member of the employer sponsored scheme.

Transfer into the Scheme – From Current Employment

- 6.6 Without limiting the generality of Rule 6.1, an employee who has accrued benefits in one or more than one sub-accounts (which are of the nature of Section 78(6)(b) of the Regulation) in another Registered Scheme, may at any time, elect to submit a Transfer Notice to the Trustee requesting the Trustee to accept a transfer of all his accrued benefits in the sub-account or in any one or more than one of these sub-accounts from that Registered Scheme, and
- (a) if that employee is already a Personal Account Member of this Scheme, such accrued benefits shall be held in his Personal Account Member's Mandatory Personal Sub-Account in such proportion and manner as specified by him in the Transfer Notice; and
 - (b) if that employee is not a Personal Account Member of this Scheme, he shall become a Personal Account Member of this Scheme, and the accrued benefits shall be held in his Personal Account in such proportion and manner as specified by him in the Transfer Notice.
- 6.7 There is no limit on the number of transfer payments that the Trustee may accept pursuant to Rules 6.1 to 6.6 during a calendar year.

Transfer into the Scheme - TVC Account Holder

- 6.7A The Trustee must allow and accept a sum to be paid to a TVC Account under the Scheme in respect of a TVC Account Holder who makes an election to transfer his accrued benefits in another Registered Scheme to such TVC Account under the Scheme in accordance with Part 12 of the Regulation.

Transfer into the Scheme - General

- 6.8 The Trustee shall have no obligation to inquire into the appropriateness or accuracy of the proportion specified in the Transfer Notice as the respective proportion of the accrued benefits to be held in the Personal Account Member's Mandatory Personal Sub-Account and Voluntary Personal Sub-Account.
- 6.9 (a) For the avoidance of doubt, no fees will be charged, and no financial penalties will be imposed for transferring the accrued benefits to the Scheme, except that 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, provided that any amount so charged must be reimbursed to the relevant Constituent Fund(s).
- (b) For the avoidance of doubt, subject to the applicable provisions of the Regulation, Rule 6.9(a) above does not prejudice the Trustee's right to be reimbursed for any costs or expenses the Trustee incurred in effecting a transfer or the operation of Clause 20.
- 6.10 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 the relevant Member a written notice confirming the transfer and stating the amount (expressed in monetary terms) of those benefits.

7. VESTING OF BENEFITS

- s.12 7.1 Each Employee Member shall be fully vested at all times with the balance of his:
- (a) Employer's Mandatory Sub-Account;
 - (b) Employee's Mandatory Sub-Account;
 - (c) Employee's Mandatory Transfer Sub-Account;
 - (d) Employee's Voluntary Sub-Account; and
 - (e) Employee's Voluntary Transfer Sub-Account.
- 7.2 Unless otherwise provided in the Participation Agreement, each Employee Member shall become fully vested in his Employer's Voluntary Sub-Account on the first to happen of his:

- (a) attaining the normal retirement age as specified by the Employer in the Application Form;
- (b) attaining the early retirement age as specified by the Employer in the Application Form;
- (c) termination of employment due to Total Incapacity and the conditions in Rule 12 are met; or
- (d) death.

7.3 If an Employee Member ceases to be employed by his Employer (other than in circumstances as referred to in Rule 8, 9, 10 or 12) or lodges a claim for the payment of his accrued benefits in circumstances as referred to in Rule 11, 13, 14 or 15, the Units standing to the credit of his Employer's Voluntary Sub-Account shall be vested in that Employee Member in accordance with the vesting scale and the other terms as set out in the relevant Participation Agreement as at the date of cessation of employment or the lodgement of the claim (if there is no cessation of employment), as the case may be.

s.12 7.4 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; and
- (d) SEP Member's Voluntary Transfer Sub-Account.

7.5 Each Personal Account Member shall be fully vested at all times with the balance of his:

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

7.5A Each SVC Member shall be fully vested at all times with the balance of his SVC Account.

7.5B Each TVC Account Holder shall be fully vested at all times with the TVC Balance.

7.6 The provisions of Rules 7.1, 7.2, 7.3, 7.4, 7.5 and 7.5A are subject to the provisions of Rule 21.3.

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

8.1 Subject to the provisions of the MPFS Ordinance and the Regulation (including without limitation Section 15(1) of the MPFS Ordinance and Section 159 of the Regulation) and the terms of the relevant Participation Agreement (so far as accrued benefits attributable to the Voluntary Contributions are concerned), a Member who has attained Normal Retirement Age shall be entitled to receive a lump sum benefit equal in value to the amount of his Combined Balance in accordance with this Rule 8.

- 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 an 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 Plan 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 a Dealing Day as soon as reasonably practicable after the date of receipt of all necessary documents by the Trustee for making benefit payment of the Member's claim and after taking into account the relevant factors, including, without limitation, any outstanding contributions and/or surcharges in respect of the Member.
- 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 an 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 he shall be entitled to receive on his retirement a lump sum benefit equal in value to the amount of his Combined Balance as at a Dealing Day as soon as reasonably practicable after the date of receipt of all necessary documents by the Trustee for making benefit payment of the Member's claim and after taking into account the relevant factors, including, without limitation, any outstanding contributions and/or surcharges in respect of the Member.
- 8.4 For the purposes of this Rule, the provisions in the MPFS Ordinance and the Regulation regarding payment of accrued benefits in the circumstance provided in this Rule shall be deemed to apply to the payment of accrued benefits derived from Voluntary Contributions in the same way as they apply to the payment of accrued benefits derived from Mandatory Contributions.

9. **BENEFITS ON ATTAINING EARLY RETIREMENT AGE**

- 9.1 Subject to the provisions of the MPFS Ordinance and the Regulation (including, without limitation, Section 15(2) of the MPFS Ordinance and Section 160 of the Regulation) and the terms of the relevant Participation Agreement (so far as accrued benefits attributable to the Voluntary Contributions are concerned), a Member who has not attained Normal Retirement Age but has attained Early Retirement Age and certifies to the Trustee by statutory declaration in a form approved by the MPF Authority that he has permanently ceased his employment or self-employment shall be entitled to receive a lump sum benefit equal in value to the amount of his Combined Balance as at a Dealing Day as soon as reasonably practicable after the date of receipt of all necessary documents by the Trustee for making benefit payment of the Member's claim and after taking into account the relevant factors, including, without limitation, any outstanding contributions and/or surcharges in respect of the Member.

- 9.2 For the purposes of this Rule, the provisions in the MPFS Ordinance and the Regulation regarding payment of accrued benefits in the circumstance provided in this Rule shall be deemed to apply to the payment of accrued benefits derived from Voluntary Contributions in the same way as they apply to the payment of accrued benefits derived from Mandatory Contributions.

10. **BENEFITS ON DEATH**

- 10.1 Subject to the provisions of the MPFS Ordinance and the Regulation (including, without limitation, Sections 15(4) and (5) of the MPFS Ordinance and Section 161 of the Regulation) and the terms of the relevant Participation Agreement (so far as accrued benefits attributable to the Voluntary Contributions are concerned), if a Member dies before his benefit has been paid, the Trustee shall pay a lump sum benefit to the Member's personal representative equal in value to the amount of his Combined Balance as at a Dealing Day as soon as reasonably practicable after the date of receipt of all necessary documents by the Trustee for making benefit payment of a claim submitted under this Rule 10.1 by the personal representatives of the Member and after taking into account the relevant factors, including, without limitation, any outstanding contributions and/or surcharges in respect 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 in the MPFS Ordinance and the Regulation regarding payment of accrued benefits in the circumstance provided in this Rule shall be deemed to apply to the payment of accrued benefits derived from Voluntary Contributions in the same way as they apply to the payment of accrued benefits derived from Mandatory Contributions.

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

- 11.1 Subject to the provisions of the MPFS Ordinance and the Regulation (including, without limitation, Sections 15(2) and (3) of the MPFS Ordinance and Sections 162 and 163 of the Regulation) and the terms of the relevant Participation Agreement (so far as accrued benefits attributable to the Voluntary Contributions are concerned), a Member who departs from Hong Kong to reside elsewhere with no intention of returning for employment or to resettle in Hong Kong as a permanent resident shall be entitled to receive a lump sum benefit equal in value to the amount of his Combined Balance as at a Dealing Day as soon as practicable after the date of receipt of all necessary documents by the Trustee for making benefit payment of a claims submitted under this Rule 11 and after taking into account the relevant factors, including, without limitation, any outstanding contributions and/or surcharges in respect of the Member.

11.2 For the purposes of this Rule, the provisions in the MPFS Ordinance and the Regulation regarding payment of accrued benefits in the circumstance provided in this Rule shall be deemed to apply to the payment of accrued benefits derived from Voluntary Contributions in the same way as they apply to the payment of accrued benefits derived from Mandatory Contributions.

11.3 The balance of any Units 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 redeemed as at the same Dealing Day on which the other Units in the Employer's Voluntary Sub-Account are redeemed and the redemption proceeds of such balance shall be credited to the Forfeitures Account.

12. **BENEFITS ON TOTAL INCAPACITY**

12.1 Subject to the provisions of the MPFS Ordinance and the Regulation (including, without limitation, Sections 15(2) and (3) of the MPFS Ordinance and Sections 162 and 164 of the Regulation) and the terms of the relevant Participation Agreement (so far as accrued benefits attributable to the Voluntary Contributions are concerned), a Member who retires on the ground of Total Incapacity shall be entitled to receive a lump sum benefit equal in value to the amount of his Combined Balance as at a Dealing Day as soon as reasonably practicable after the date of receipt of all necessary documents by the Trustee for making benefit payment of a claim submitted under this Rule 12.1 by or on behalf of the Member and after taking into account the relevant factors, including, without limitation, any outstanding contributions and/or surcharges in respect of the Member.

12.2 For the purposes of this Rule, the provisions in the MPFS Ordinance and the Regulation regarding payment of accrued benefits in the circumstance provided in this Rule shall be deemed to apply to the payment of accrued benefits derived from Voluntary Contributions in the same way as they apply to the payment of accrued benefits derived from Mandatory Contributions.

12A. **BENEFITS ON TERMINAL ILLNESS**

12A.1 Subject to the provisions of the MPFS Ordinance and the Regulation (including without limitation Section 15(2) and (3) of the MPFS Ordinance and Sections 162 and 164A of the Regulation) and the terms of the relevant Participation Agreement (so far as accrued benefits attributable to the Voluntary Contributions are concerned), a Member who suffers or is suffering from Terminal Illness shall be entitled to receive a lump sum benefit equal in value to the amount of his Combined Balance subject to Rule 12A.2 below, as at a Dealing Day as soon as practicable after the date of receipt of all necessary documents by the Trustee for making benefit payment of a claims submitted in accordance with this Rule 12A and after taking into account the relevant factors, including, without limitation, any outstanding contributions and/or surcharges in respect of the Member.

- 12A.2 For the avoidance of doubt, unless otherwise provided in the Participation Agreement, if a Member terminates his continuous employment of his Employer (in the case of an Employee Member) or self-employment (in the case of an SEP Member) on, or at any time after the Member lodges a claim for accrued benefits on the ground of Terminal Illness, his entitlement on leaving employment or cessation of being employed by his Employer under Rule 14 will not be affected.
- 12A.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 an SEP Member) after he submits a claim for accrued benefits on the ground of Terminal Illness, his obligations to make Mandatory Contribution and Voluntary Contribution, if applicable, will remain unchanged.
- 12A.4 When a Member lodged a claim for accrued benefits in the circumstances referred to in Rule 8, 9, 10, 11, 12 or 13, he shall be entitled to accrued benefits as specified according to the respective Rule, taking into account Rules 12A.1 and 12A.2, as soon as reasonably practicable after the date of receipt of all necessary documents by the Trustee for making benefit payment of the Member's claim and after taking into account the relevant factors, including, without limitation, any outstanding contributions and/or surcharges in respect of the Member.
- 12A.5 For the purposes of this Rule, the provisions in the MPFS Ordinance and the Regulation regarding payment of accrued benefits in the circumstance provided in this Rule shall be deemed to apply to the payment of accrued benefits derived from Voluntary Contributions in the same way as they apply to the payment of accrued benefits derived from Mandatory Contributions.

13. **BENEFITS ON SMALL BALANCE**

- 13.1 Subject to the provisions of the MPFS Ordinance and the Regulation (including, without limitation, Section 15(2) of the MPFS Ordinance and Sections 162 and 165 of the Regulation), the terms of the relevant Participation Agreement (so far as accrued benefits attributable to the Voluntary Contributions are concerned) and the receipt of all necessary documents by the Trustee for making benefit payment, if all conditions relating to the claim for payment of small balance prescribed from time to time by the MPFS Ordinance and the Regulation are satisfied, the Member shall be entitled to receive as a lump sum benefit equal in value to the amount of his Combined Balance as at a Dealing Day as soon as reasonably practicable after the date of receipt of all necessary documents by the Trustee for making benefit payment of a claim submitted under this Rule 13.1 by the Member and after taking into account the relevant factors, including, without limitation, any outstanding contributions and/or surcharges in respect of the Member.
- 13.2 For the purposes of this Rule, the provisions in the MPFS Ordinance and the Regulation regarding payment of accrued benefits in the circumstance provided in this Rule shall be deemed to apply to the payment of accrued benefits derived from Voluntary Contributions in the same way as they apply to the payment of accrued benefits derived from Mandatory Contributions.

- 13.3 The balance of any Units 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 redeemed on the same Dealing Day on which the other Units in the Employer's Voluntary Sub-Account are redeemed and the redemption proceeds of such balance shall be credited to the Forfeitures Account.

14. **BENEFITS ON LEAVING EMPLOYMENT**

- 14.1 Unless otherwise provided in the Participation Agreement, an Employee Member who ceases to be employed by his Employer (other than in circumstances as referred to in Rule 8, 9, 10, 11 or 12) shall be entitled to a lump sum benefit equal to the aggregate of the total balance of his Employee's Voluntary Sub-Account and Employee's Voluntary Transfer Sub-Account and the Vested Balance of his Employer's Voluntary Sub-Account as at a Dealing Day as soon as reasonably practicable after the date of receipt of all necessary documents by the Trustee for making benefit payment of a claim under this Rule 14 and after taking into account the relevant factors, including, without limitation, any outstanding contributions and/or surcharges in respect of the Member.

- 14.2 The balance of any Units 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 redeemed on the same Dealing Day on which the other Units in the Employer's Voluntary Sub-Account are redeemed and the redemption proceeds of such balance shall be credited to the Forfeitures Account.

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

- R.33(3) 15.1 If an Employer has failed, in respect of an Employee Member, to make a Voluntary Contribution to the Scheme within six (6) months after (i) if the amount of the Voluntary Contributions required to be made by the Employer is determined by reference to the income derived from the employee's employment with the employer, the end of the period covered by the payment of such income; or (ii) if the amount of the relevant contributions required to be made by the Employer is determined by reference to a period of employment of the Employee Member with the Employer, the end of such period, the relevant Employee Member shall be entitled to request the Trustee to pay him a lump sum benefit equal to the aggregate of the total balance of his Employee's Voluntary Sub-Account and Employee's Voluntary Transfer Sub-Account and the Vested Balance of his Employer's Voluntary Sub-Account as at the date of 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 (i) if such date is not a Dealing Day, the sub-accounts shall be valued as at the Dealing Day which immediately follows; and (ii) such request can be submitted to the Trustee only after the expiry of such 6-month period.

- 15.2 Any Employee Member who requests payment of accrued benefits pursuant to Rule 15.1 shall be responsible for all the tax consequences arising therefrom.
- 15.3 The balance of any Units 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 redeemed on the same Dealing Day on which the other Units in the Employer's Voluntary Sub-Account are redeemed and the redemption proceeds of such balance shall be credited to the Forfeitures Account.

16. **BENEFITS OF VOLUNTARY CONTRIBUTIONS OF SEP MEMBER/PERSONAL ACCOUNT MEMBER/B300 MEMBER**

- 16.1 Subject to the MPFS Ordinance and the Regulation, a SEP Member or a Personal Account Member may withdraw the balance of the SEP Member's Voluntary Sub-Account, SEP Member's Voluntary Transfer Sub-Account or Voluntary Personal Sub-Account (as the case may be) or any part thereof from time to time by giving to the Trustee a written notice in such form as prescribed by the Trustee. A handling charge up to the maximum level, as may be determined by the Trustee from time to time and specified in the Principal Brochure or the Application Form or other relevant forms, may be imposed and deducted from the withdrawal proceeds and be retained by the Trustee for its own use and benefit.
- 16.2 Notwithstanding any other provisions in this Deed, subject to the MPFS Ordinance and the Regulation:
- (a) a B300 Member shall be entitled, subject to the consent of the Trustee and the relevant Employer, to withdraw the Vested Balance; and
 - (b) a B300 Member shall be entitled, by making a request to the Trustee in a form prescribed by the Trustee, to payment of a lump sum equal to the balance of the Employee's Voluntary Sub-Account, Employee's Voluntary Transfer Sub-Account, SEP Member's Voluntary Sub-Account, SEP Member's Voluntary Transfer Sub-Account or Voluntary Personal Sub-Account (as the case may be).
- 16.3 For each withdrawal under this Rule 16, redemption of the relevant Units shall be effected in accordance with the provisions of Clause 16 on a Dealing Day which shall not be later than the 30th day after the Trustee has received, reconciled and validated the written withdrawal request submitted by the SEP Member or Personal Account Member or B300 Member (as the case may be).

16A. **WITHDRAWAL OF SPECIAL VOLUNTARY CONTRIBUTIONS**

- 16A.1 Subject to the provisions of the Trust Deed, Principal Brochure, relevant Application Form and any other relevant forms, an SVC Member who has benefits accrued in his SVC Account may withdraw the balance of his SVC Account at any time by giving to

the Trustee a written notice in such form as prescribed by the Trustee.

The Trustee reserves the right to :

- (a) limit the number of withdrawals allowed for each SVC Member in a Financial Year to such number as may be determined by the Trustee from time to time and specified in the Principal Brochure or the Application Form or other relevant forms;
- (b) impose a minimum balance requirement for the SVC Account as may be determined by the Trustee from time to time and specified in the Principal Brochure or the Application Form or other relevant forms;
- (c) impose a minimum and/or maximum withdrawal amount or number of Units of each Constituent Fund to be redeemed requirement (as the case may be) as may be determined by the Trustee from time to time and specified in the Principal Brochure or the Application Form or other relevant forms.

16A.2 The Trustee reserves the right to impose a handling charge up to the maximum level as specified in the Principal Brochure or the Application Form or other relevant forms for each withdrawal effected pursuant to this Rule 16A. Such handling charge shall be deducted from the withdrawal proceeds and be retained by the Trustee for its own use and benefit.

16A.3 After the withdrawal proceeds have been paid to the relevant SVC Member under this Rule 16A, his SVC Balance shall be reduced accordingly.

16A.4 For each withdrawal under this Rule 16A, redemption of the relevant Units shall be effected in accordance with the provisions of Clause 16 on a Dealing Day which shall not be later than the 30th day after the Trustee has received, reconciled and validated the written withdrawal request submitted by the SVC Member.

17. **PRESERVATION OF ACCRUED BENEFITS DERIVED FROM MANDATORY CONTRIBUTIONS**

s.13 Notwithstanding anything contained in this Deed, the Rules and/or the Participation Agreement, for the purposes of preserving accrued benefits derived from Mandatory Contributions in the Scheme:

- (a) the Trustee shall not pay or otherwise dispose of any part of those accrued benefits derived from Mandatory Contributions 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 otherwise than in accordance with the provisions of the MPFS Ordinance and the Regulation.

18. **PORTABILITY OF BENEFITS**

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

- (a) another account in the Scheme that is allowed to receive such benefits; 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.

18.1.2 An election under this Rule 18.1 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 18.1.1(b), (c) or (d), when written notice is given to the approved trustee of the other Registered Scheme.

R.146(10) 18.2 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;
- (b) the Trustee is taken at the end of that period to have been notified of the election; and
- (c) The accrued benefits shall continue to be invested in the latest Constituent Fund(s) selected by the Employee Member concerned.

R.148 18.3 Subject to Rule 20.1, the provisions 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 an SEP Member are held in a Contribution

Account in the Scheme, the SEP Member may, at any time, elect to have those benefits transferred to:

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

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

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

R.148A(2)(a),
(b) 18.4A

18.4A.1 This Rule 18.4A shall not apply where an Employee Member ceases to be employed by his Employer as referred to in Rules 14 and 18.1.

18.4A.2 Subject to the provisions of the MPFS Ordinance and the Regulation (including without limitation Section 148A of the Regulation), if accrued benefits of an Employee Member are held in an Employee's Mandatory Sub-Account in the Scheme, the Employee Member may, at any time, subject to Rule 18.4A.4, elect to have all accrued benefits in such sub-account transferred to:

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

18.4A.3 An election under Rule 18.4A.2 is effective,

- (a) in relation to a Personal Account in the Scheme referred

to in Rule 18.4.A.2(a), when written notice of the election is given to the Trustee; and

- (b) in relation to a personal account referred to in Rule 18.4.A.2(b), when written notice of the election is given to the approved trustee of the other Registered Scheme.

18.4A.4 Notwithstanding Rule 18.4A.2, an election under Rule 18.4A.2 may only be made by an Employee Member only once every calendar year.

18.4B 18.4B.1 This Rule 18.4B shall not apply where an Employee Member has ceased to be employed by his Employer as referred to in Rules 14 and 18.1.

18.4B.2 Subject to the provisions of the MPFS Ordinance and the Regulation (including without limitation Section 148B of the Regulation), if accrued benefits of an Employee Member are held in an Employee's Mandatory Transfer Sub-Account in the Scheme, the Employee Member may, at any time, elect to have all accrued benefits in such sub-account transferred to:

R.148B(2)(a) (a) another Contribution Account of the Employee Member in the Scheme nominated by the Employee Member; or

R.148B(2)(b) (b) a contribution account of the Employee Member in another Registered Scheme nominated by the Employee Member; or

R.148B(2)(c) (c) a Personal Account of the Employee Member in the Scheme nominated by the Employee Member; or

R.148B(2)(d) (d) a personal account of the Employee Member in another Registered Scheme which is a master trust scheme or an industry scheme nominated by the Employee Member.

18.4B.3 An election under Rule 18.4B.2 is effective,

(a) in relation to a Contribution Account in the Scheme referred to in Rule 18.4B.2(a), when written notice of the election is given to the Trustee; or

(b) in relation to a contribution account in another Registered Scheme referred to in Rule 18.4B.2(b), when written notice of the election is given to the approved trustee of the other Registered Scheme; or

(c) in relation to a Personal Account in the Scheme referred

to in Rule 18.4B.2(c), when written notice of the election is given to the Trustee; or

- (d) in relation to a personal account in another Registered Scheme referred to in Rule 18.4B.2(d), when written notice of the election is given to the approved trustee of the other Registered Scheme.

18.5 18.5.1 Subject to Rule 20.1, the provisions in the MPFS Ordinance and the Regulation (including without limitation Section 14 of the MPFS Ordinance and Section 149 of the Regulation), a Member may, at any time, elect to have all the accrued benefits held in a Personal Account in the Scheme transferred to:

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

18.5.2 An election under Rule 18.5.1 is effective,

- (a) in relation to a Contribution Account in the Scheme referred to in Rule 18.5.1(a), when written notice of the election is given to the Trustee; or
- (b) in relation to a contribution account in another Registered Scheme referred to in Rule 18.5.1(b), when written notice of the election is given to the approved trustee of the other Registered Scheme; or
- (c) in relation to a Personal Account in the Scheme referred to in Rule 18.5.1(c), when written notice of the election is given to the Trustee; or
- (d) in relation to a personal account in another Registered Scheme referred to in Rule 18.5.1(d), when written notice of the election is given to the approved trustee of the other Registered Scheme.

18.5A A TVC Account Holder may elect to have all of his TVC Balance transferred to another Registered Scheme in accordance with section 14(2A) of the MPFS Ordinance and Part 12 of the Regulation.

18.6 Subject to the provision of Sections 156 and 157 of the Regulation and PROVIDED THAT all the information requested by the Trustee in relation to the transfer has been given to the Trustee, the Trustee must:

- (a) within thirty (30) days after being notified of an election by an approved trustee of another Registered Scheme pursuant to Section 153 of the Regulation; or
- (b) if an election is made by an employee who ceases to be employed by his Employer in the Scheme, within thirty (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 made or taken to have been made. As soon as practicable after making a transfer payment to another Registered Scheme, the Trustee must provide the outgoing Members concerned a transfer statement containing the information set out in Section 154(1) of the Regulation.

18.7 18.7.1 Subject to the provisions of Sections 156 and 157 of the Regulation, the Trustee after being notified of an election under Rule 18.1.2(a), Rule 18.2, Rule 18.4A.3(a), Rule 18.4B.3(a) or (c), or Rule 18.5.2(a) or (c), must:

- (a) within thirty (30) days after being so notified; or
- (b) if an election is made by an Employee Member who ceases to be employed by his Employer 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 the relevant Contribution Account or Personal Account in the Scheme in accordance with the election.

18.7.2 This Rule 18.7 shall not apply to a transfer referred to in Rule 18.5A.

18.8 After the making of a transfer payment under the Rule 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.

18.9 An election made under this Rule 18 must be in a form specified or approved by the MPF Authority.

18.10 If, within 30 days after the Trustee has been notified that a Member has ceased to be employed by an Employer or ceased to be self-employed, the Member has not given written notice of an election under Part XII of the Regulation, the Trustee must, by written notice, inform the Member of:

- (a) the different options that the Member has with respect to the transfer of accrued benefits and the time within which the Member may elect to exercise one of those options; and
- (b) the consequences of not electing to exercise one of those options within that time.

18.11 18.11.1 For the avoidance of doubt, no fees shall be charged and no financial penalties shall be imposed for transferring the accrued benefits:

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

other than an amount representing the necessary transaction costs 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 as permitted under Section 34 of the Regulation, provided that any amount so charged must be reimbursed to the relevant Constituent Fund(s).

18.11.2 For the avoidance of doubt, subject to the applicable provisions of the Regulation, Rule 18.11.1 above does not prejudice the Trustee's right to be reimbursed for any costs or expenses the Trustee incurred in effecting a transfer or the operation of Clause 20.

18.12 After the accrued benefits in respect of a Member have been transferred to another Registered Scheme under Rule 18, the Trustee shall have no further liabilities or obligations whatsoever in relation to the Member or to any other person who is entitled to make a claim of such accrued benefits.

19. **PAYMENT OF BENEFITS**

19.1 19.1.1 Subject to Section 167 of the Regulation and PROVIDED THAT all of the following conditions are satisfied, the Trustee must ensure that the relevant accrued benefits are paid to the claimant not later than 30 days after the claimant has lodged the claim,

- (a) a claim for the payment of a Member's accrued benefits is lodged with the Trustee in accordance with Part XIII of the Regulation;
- (b) the claimant satisfies the Trustee that the claimant is entitled to be paid those benefits; and

- (c) at the time of the lodgement of the claim, no contribution or contribution surcharge is outstanding in respect of the Member.

19.1.2 Subject to Section 167 of the Regulation and PROVIDED THAT all of the following conditions are satisfied, the Trustee must ensure that, not later than 60 days after a claimant has lodged the claim, the relevant accrued benefits are paid to the claimant together with all outstanding contributions and contribution surcharges paid to the Trustee in respect of the Member since the lodgement of the claim,

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

19.1.3 If after paying accrued benefits to a claimant in accordance with Rule 19.1.1 or 19.1.2, the Trustee receives an outstanding contribution or contribution surcharge for the benefit of the claimant, the Trustee must pay the contribution or surcharge to the claimant as soon as practicable after receiving it.

19.2 When the Trustee pays accrued benefits to a claimant in accordance with Part XIII of the Regulation, the Trustee must ensure that the claimant is provided with a final benefit statement containing the following information:

- (a) the name of the Trustee, the name of the Scheme and the account number of the account from which the payment is made;
- (b) the name and address of the Member concerned;
- (c) the total amount of the accrued benefits paid to the claimant and the date on which the benefits were paid to the claimant;
- (d) an itemised statement of any expenses relating to the payment of the accrued benefits that were deducted from those benefits by the Trustee before making the payment; and
- (e) if any contribution or contribution surcharge was outstanding at the time of the payment:
 - (i) the fact that a contribution or surcharge is outstanding; and
 - (ii) the amount of the contribution or surcharge if known to the Trustee; and

- (iii) if the contribution or surcharge was irrecoverable, the fact that it is irrecoverable and the amount concerned if known to the Trustee.
- 19.3 The Trustee may deduct from the payment of benefits made under the Rules the amount it is required or entitled under the prevailing law to deduct in respect of any income taxes or other taxes, duties, charges or assessments whatsoever.
- 19.4 The Trustee shall not be liable to account to any Employer or Member or otherwise for any payment made or suffered by the Trustee in good faith to any duly empowered fiscal authority of Hong Kong or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under this Deed and the Participation Agreement notwithstanding that any such payment ought not to be or need not have been made or suffered.
- 19.5 Subject to any prevailing legal restrictions, the Trustee shall make payment of moneys due to an Employer or Member in accordance with the provisions of the Scheme in Hong Kong dollars or such other currency as the Trustee sees fit or in such other currency as may be agreed between the relevant recipient and the Trustee. Payment shall be made in Hong Kong or such other place as may be agreed between the Trustee and the recipient. In the event of payment being requested in a currency other than Hong Kong dollars or in a place outside Hong Kong, the Trustee may deduct the costs of conversion and transmission (as the case may be) from the moneys payable. The applicable rate of exchange for such conversion shall be such prevailing rate as the Trustee considers appropriate. Any moneys payable by the Trustee shall as the Trustee thinks fit be paid by cheque or warrant or by telegraphic transfer to the recipient. Any cheque or warrant may be sent through the post to the address of the recipient as shown in the records of the Trustee. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant shall be deemed satisfaction of the moneys payable. Where payment is by telegraphic transfer, the Trustee shall be entitled to deduct the costs thereof from the moneys and payment shall be made to such account as designated by the recipient.
- 19.6 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 Plan, 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.
- 19.7 For the avoidance of doubt, Rules 19.1 and 19.2 shall not be applicable to an SVC Member.
20. **CESSATION OF PARTICIPATION IN THE SCHEME (EXCLUDING TVC ACCOUNT HOLDERS)**

- 20.1 Any Employer, SEP Member and Personal Account Member may cease to participate in the Scheme by giving to the Trustee notice of such intention in accordance with the MPFS Ordinance and Regulation and the Rules hereof. Any SVC Member may cease to participate in the Scheme by giving to the Trustee a notice of such intention in such form and manner as prescribed by the Trustee from time to time.
- 20.2 Subject to Rule 20.1, the relevant provisions of the MPFS Ordinance and the Regulation, an Employer who ceases to participate in the Scheme under Rule 20.1 shall 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.
- 20.3 An Employee Member, SEP Member or a Personal Account Member who ceases to participate in the Scheme under Rule 20.1 shall have the right to elect to have his accrued benefits transferred in accordance with Part XII of the Regulation.
- 20.4 Upon transfer of the assets attributable to a Participating Plan 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, or the SEP Member of the relevant Participating Plan or to any other person who is entitled to make a claim under that Participating Plan or the Scheme and the relevant Participation Agreement shall be automatically terminated.
- 20.5 Accrued benefits attributable to the Special Voluntary Contributions of an SVC Member shall become payable to the SVC Member upon the cessation of participation of the SVC Member in the Scheme. Upon payment of such accrued benefits to the SVC Member, the Trustee shall have no further liabilities or obligations whatsoever in relation to the SVC Member.

20A. **CESSATION OF PARTICIPATION IN THE SCHEME OF A TVC ACCOUNT HOLDER**

- 20A.1 Where any of the circumstances under section 31(5)(c) or section 31(5A) of the Regulation occurs in respect of a TVC Account Holder (in this Rule called the "**Retiring TVC Account Holder**"), that TVC Account Holder will cease to be a Member of the Scheme as from such date (in this Rule called the "**Cessation Date**") as the Trustee may decide.
- 20A.2 The Retiring TVC Account Holder may nominate (in accordance with Part 12 of the Regulation) a Registered Scheme in which he is a participant as a recipient of the TVC Balance and upon receipt of an election to transfer such amount to such Registered Scheme, the Trustee must comply with such election. The Trustee shall have no liability or obligation in relation to the Retiring TVC Account Holder upon the cessation of membership of the Retiring TVC Account Holder in the Scheme.
- 20A.3 If an event specified in Rule 20A.1 occurs at the same time or after an event specified

in Clause 19 of this Deed and there is a conflict between the provisions of Rule 20A.1 and those of that Clause 19, then the provisions of that Clause 19 will prevail.

21. **MISCELLANEOUS**

21.1 Any benefit under the Scheme shall be strictly personal and non-assignable. No part of any accrued benefits derived from Mandatory Contributions or Special Voluntary Contributions or the Employee's Voluntary Sub-Account or the Employee's Voluntary Transfer Sub-Account kept under the Scheme shall be taken in execution of a judgment debt or be the subject of any charge, pledge, lien, mortgage, transfer, assignment or alienation by or on behalf of a Member and any purported disposition to the contrary is void. Subject to the provisions of the Participation Agreement, if any attempt is made to alienate any benefit derived from Voluntary Contributions or Special 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.

21.2 Any benefit which is not claimed after the date on which it becomes payable shall be treated in accordance with the provisions in Part XIII of the Regulation relating to unclaimed benefits.

21.3 21.3.1 The interest of any Employee Member or any other person derived from Employer's Voluntary Contributions kept under the Scheme shall stand charged with the payment of any proven debts or liabilities owed to an Employer arising out of any criminal, negligent or fraudulent act or omission of the Employee Member. The Trustee may rely on a certificate from the Employer.

21.3.2 Where any liability arises to pay any tax or other expense in respect of any benefit under the Scheme, the Trustee may deduct the amount payable from the benefit.

S.12A 21.3.3 The Trustee may, at the request of the Employer and to the extent allowed by laws, reduce any benefit payable under the Scheme to an Employee Member to take account of any severance payment or long service payment payable to that Member under the Employment Ordinance. The Trustee may pay the amount of any such reduction to the Employee Member's Employer.

21.3.4 The Trustee may, at the request of the Employer and to the extent allowed by law, forfeit 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 of the Employer, and may pay the amount of any such reduction to the Employee Member's Employer.

21.4 If any mis-statement is made by a Member as to any relevant matter under this Deed, the Trustee shall be entitled to make adjustments to the benefits payable in respect of the Member.

IN WITNESS whereof this Amended and Restated Master Trust Deed has been executed by the party hereto on the day and year first above written.

SEALED with the Common Seal of)
PRINCIPAL TRUST COMPANY) [sd]
(ASIA) LIMITED)
in the presence of:)

[sd]

SCHEDULE I

[FOR THE USE OF PARTICIPATING EMPLOYER AND SELF-EMPLOYED PERSON ONLY]

PARTICIPATION AGREEMENT

THIS PARTICIPATION AGREEMENT is made on _____ (date)

BETWEEN:

- (1) **PRINCIPAL TRUST COMPANY (ASIA) LIMITED** whose registered office is at 30/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong (the “Trustee”); and
- (2) The applicant, whose name and address are given in the Application Form attached hereto (the “Scheme Participant”).

RECITALS:

- (A) The Trustee is the Trustee of the Principal MPF Scheme Series 800 (the “Master Trust Scheme”).
- (B) The Scheme Participant wishes to join the Master Trust Scheme for the benefit of the Scheme Participant and/or his employees.
- (C) The Participation of the Scheme Participant shall be governed by the trust deed of the Master Trust Scheme as amended from time to time (the “Deed”) and this Participation Agreement.

PROVISIONS

1. Unless otherwise stated, words and expressions used in this Participation Agreement shall have the meanings given to them in the Deed.
2. The Scheme Participant hereby participates in the Master Trust Scheme with effect from [●]. The participation is to be governed by the terms of the Deed and this Participation Agreement.
3. The Scheme Participant hereby covenants with the Trustee to comply with and be bound by the provisions of the Deed and this Participation Agreement and all applicable laws and regulations.
4. The Scheme Participant warrants that he has read and fully understood the content of the Principal Brochure and the Application Form (including the Statement of Personal Information Collection) and that the information contained in the Application Form and other information from time to time to be provided by the Scheme Participant in relation to contributions and as to the age, salary, length of service, benefits,

Investment Elections, Switching Instruction will be correct in all respects.

5. Subject to the provisions of the Deed and this Participation Agreement, the Scheme Participant undertakes and agrees to hold the Trustee indemnified against any and all proceedings, costs, charges, liabilities and expenses occasioned by any and all actions, claims, demands or proceedings in connection with the Master Trust Scheme and his participation either:
 - (a) arising out of the breach by the Scheme Participant of the warranty referred to in paragraph 4; or
 - (b) as a result of any failure or omission on the part of the Scheme Participant to duly and punctually perform or observe any obligations pursuant to the Deed and this Participation Agreement or otherwise so far as they relate to the Scheme Participant and his Employee Members (where applicable) (whether they relate to the Scheme Participant and such Employee Members alone or together with another Scheme Participant and the Employee Members).
6. The Scheme Participant undertakes and agrees to pay all fees and expenses which are payable by it under the terms of the Deed and this Participation Agreement.
7. This Participation Agreement shall be terminated in accordance with Rule 20 of the Deed.
8. This Participation Agreement shall be governed by the laws of Hong Kong.

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

For and on behalf of
PRINCIPAL TRUST COMPANY (ASIA)
LIMITED

Chief Executive Officer

Agreed by the Scheme Participant

Signature of Authorized Officer with Company
Chop
/Self-employed Person

Name & Title in print (where applicable)

[Chinese Version and Master Application Forms attached to the Participation Agreement]

PARTICIPATION AGREEMENT

THIS PARTICIPATION AGREEMENT is made on _____ (date)

BETWEEN:

- (1) **PRINCIPAL TRUST COMPANY (ASIA) LIMITED** whose registered office is at 30/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong (the “Trustee”); and
- (2) The applicant, whose name and address are given in the Application Form attached hereto (the “**Personal Account Member**”).

RECITALS:

- (A) The Trustee is the Trustee of the Principal MPF Scheme selected in the Application Form (the “Master Trust Scheme”).
- (B) The Personal Account Member wishes to establish a Personal Account in the Master Trust Scheme so as to hold the Personal Account Member’s accrued benefits in respect of his former employment or former self-employment.
- (C) The Participation of the Personal Account Member in the Master Trust Scheme shall be governed by the trust deed of the Master Trust Scheme as amended from time to time (the “Deed”) and this Participation Agreement.

PROVISIONS:

1. Unless otherwise stated, words and expressions used in this Participation Agreement shall have the meanings given to them in the Deed.
2. The Personal Account Member hereby participates in the Master Trust Scheme with effect from [●]. The participation is to be governed by the terms of the Deed and this Participation Agreement.
3. The Personal Account Member hereby covenants with the Trustee to comply with and be bound by the provisions of the Deed and this Participation Agreement and all applicable laws and regulations.
4. The Personal Account Member warrants that he has read and fully understood the content of the Principal Brochure and the Application Form (including the Statement of Personal Information Collection) and that the information contained in the Application Form and other information from time to time to be provided by the Personal Account Member will be correct in all respects.

5. Subject to the provisions of the Deed and this Participation Agreement, the Personal Account Member undertakes and agrees to hold the Trustee indemnified against any and all proceedings, costs, charges, liabilities and expenses occasioned by any and all actions, claims, demands or proceedings in connection with the Master Trust Scheme either:
 - (a) arising out of the breach by the Personal Account Member of the warranty referred to in paragraph 4; or
 - (b) as a result of any failure or omission on the part of the Personal Account Member to duly and punctually perform or observe any obligations pursuant to the Deed and this Participation Agreement or otherwise so far as they relate to the Personal Account Member.
6. The Personal Account Member undertakes and agrees to pay all fees and expenses which are payable by it under the terms of the Deed and this Participation Agreement.
7. This Participation Agreement shall be terminated in accordance with Rule 20 of the Deed.
8. This Participation Agreement shall be governed by the laws of Hong Kong.

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

For and on behalf of
PRINCIPAL TRUST COMPANY (ASIA)
LIMITED

Chief Executive Officer

Agreed by

Signature of Personal Account Member

[Chinese Version and Master Application Forms attached to the Participation Agreement]

**DEED OF VARIATION FOR
PRINCIPAL MPF SCHEME SERIES 800**

dated

22 October 2020

by

PRINCIPAL TRUST COMPANY (ASIA) LIMITED

**Baker
McKenzie.**

貝克·麥堅時律師事務所

**Baker & McKenzie
14th Floor, One Taikoo Place
979 King's Road, Quarry Bay
Hong Kong SAR**

香港鰂魚涌
英皇道 979 號
太古坊一座十四樓

www.bakermckenzie.com

Deed of variation for Principal MPF Scheme Series 800

This Deed is dated 22 October 2020

By

PRINCIPAL TRUST COMPANY (ASIA) LIMITED whose registered office is at 30/F Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon (the "**Trustee**").

Whereas

- A. By a trust deed dated 31 January 2000 executed by the Trustee, the Trustee established a master trust scheme under trust called the Principal MPF Scheme Series 800 (信安強積金計劃 800 系列) whereby employers and their employees, self-employed persons and other eligible persons may participate by executing a Participation Agreement.
- B. The trust deed was subsequently amended by a supplemental deed dated 14 February 2001 and three deeds of variation dated 16 May 2002, 16 May 2003 and 29 June 2004 respectively. The trust deed was further amended and restated by a deed of variation dated 17 October 2005. The trust deed was subsequently amended by eleven deeds of variation dated 29 September 2006, 16 August 2007, 29 August 2008, 28 August 2009, 7 October 2011, 17 October 2012, 6 March 2015, 31 July 2015, 2 December 2016, 22 February 2019 and 1 April 2019. The trust deed was then further amended and restated by an amended and restated trust deed dated 31 March 2020 (the "**Trust Deed**").
- C. Subject to the approval of the Mandatory Provident Fund Schemes Authority, the Trustee has power pursuant to Clause 18 of the Trust Deed to amend any provisions of the Trust Deed.
- D. The Trustee wishes to amend the Trust Deed by the provisions set out in this Deed.

NOW THIS DEED WITNESSES as follows:

- 1. This Deed is supplemental to the Trust Deed. Unless the context otherwise requires, words and expressions used in this Deed shall have the meanings as are given to them in the Trust Deed.
- 2. Amendments set out in the Schedule to this Deed shall take effect from 22 October 2020.
- 3. Save as provided in the above, the Trust Deed shall remain in full force and effect.
- 4. This Deed shall be governed by and construed in accordance with the laws of Hong Kong.

IN WITNESS whereof this Deed has been executed by the party hereto on the day and year first above written.

SEALED with the Common Seal of)
PRINCIPAL TRUST COMPANY)
(ASIA) LIMITED) [sd]
in the presence of:)

[sd]

SCHEDULE

1. Clause 1 shall be amended by the insertion of the following definitions in the appropriate alphabetical order:

"Former S500 Employer"	has the meaning given to it in the Principal Brochure;
"Former S500 Member"	has the meaning given to it in the Principal Brochure;
"Post 2020 Merger"	means the merging of a Post 2020 Merging Scheme into the Scheme;
"Post 2020 Merger Date"	means, in relation to a Post 2020 Merger, the date (which has to be a date after 1 January 2020) on which the Post 2020 Merger takes effect;
"Post 2020 Merging Scheme"	means, in relation to a Post 2020 Merger, the Registered Scheme that is to be merged with the Scheme on or after the Post 2020 Merger Date;
"Transferring Participant"	means, in relation to a Post 2020 Merger, a participant (whether in his / her capacity as an employer, an employee member, a self-employed person, personal account holder or otherwise) under the Post 2020 Merging Scheme immediately before the Post 2020 Merger Date.

2. Clause 17.1 shall be amended by:

- (a) the replacement of the words "suspend dealing." at the end of Clause 17.1(e) with "suspend dealing;"; and
- (b) the insertion of the following new Clause 17.1(f) immediately after Clause 17(1)(e):
 - "(f) suspension is required for the purpose of implementation of a Post 2020 Merger."

3. The following new Rule 2A shall be inserted immediately after the existing Rule 2:

"2A. EFFECT OF SCHEME RESTRUCTURING

- (a) With effect from 22 October 2020, where any Merging Scheme merges into the Scheme, notwithstanding any other provisions of this Deed, effective from the Post 2020 Merger Date, the following provisions shall apply:
 - (i) each Transferring Participant shall automatically become an Employer, SEP Member, Employee Member, Personal Account Member or SVC Member (as the case may be) under the Scheme;
 - (ii) sums transferred from the Merging Scheme to the Scheme with respect to each Transferring Participant shall be treated in accordance with Rule 6;
 - (iii) subject to (v) below, all Participation Agreements, Application Forms, Investment Elections, Switching Instructions and any other agreements or instructions (including any amendments thereto) validly executed or given to the trustee of the Merging Scheme by each Transferring Participant shall, to the extent that they are not inconsistent with the terms of the

Merger, become as applicable to the participation of such Transferring Participant in the Scheme as if the same had been executed or given to the Trustee;

- (iv) without prejudice to the generality of (iii) above but subject to (v) below, any Investment Elections and Switching Instructions duly completed by each Transferring Participant and given to the trustee of the Merging Scheme shall be deemed to be a valid Investment Elections and Switching Instructions (as the case may be) for the purposes of this Deed (and in particular, Clause 13 and Rules 3.3 and 3.4);
- (v) where a Transferring Participant (each, an "**Transferring Participant**") is a Former S500 Member:
 - (A) the grandfathered arrangements as specified in this Principal Brochure that are specified to apply to only the Former S500 Members shall apply to such Transferring Participant; and
 - (B) Rules 21.3.5 and 21.3.6 shall apply in respect of such Transferring Participant, instead of Rules 21.3.1 and 21.3.4; and
- (vi) the scheme service years and benefit entitlement in respect of each Transferring Participant under the Merging Scheme shall be recognised under the Scheme."

4. Rule 5.3 shall be amended by the insertion of the words "or a Former S500 Member" immediately after the words "B300 Member".

5. Rule 21.3 shall be amended by:

- (a) the insertion of the words "(excluding an Employee Member who is a Former S500 Member)" immediately after the words "The interest of any Employee Member" appearing in Rule 21.3.1;
- (b) the insertion of the words "(excluding an Employee Member who is a Former S500 Member)" immediately after the words "forfeit any benefit which derives from the Employer's Voluntary Contributions to the Scheme in respect of an Employee Member" appearing in Rule 21.3.4; and
- (c) the insertion of the following new Rule 21.3.5 and Rule 21.3.6 immediately after the existing Rule 21.3.4:

"21.3.5 An Employer of a Former S500 Member shall have a lien over the benefits held in the Employer's Voluntary Sub-Account, Employee's Voluntary Sub-Account, and Employee's Voluntary Transfer Sub-Account, in respect of the Former S500 Member (collectively, the "**Relevant Benefits**") for any losses of the Employer arising directly from any dishonest acts committed by such Former S500 Member. The Trustee shall on the direction of the Employer and on receipt of evidence of the Employer's losses deduct from the Relevant Benefits payable to such Former S500 Member the amount of such losses. The Trustee shall pay such amount to the Employer for its own benefit.

21.3.6 Without prejudice to any other rights of an Employer in respect of the balance held in the Forfeitures Account of the Employer under this Deed,

where the Employer is a Former S500 Employer, such Employer may direct the Trustee in writing to:

- (a) refund all or any part of the balance held in the Forfeitures Account to such Employer; or
- (b) apply all or any part of such balance in any other manner."

DATED 22 October 2020

PRINCIPAL TRUST COMPANY (ASIA) LIMITED
(in its capacity as trustee of the PRINCIPAL MPF SCHEME SERIES 600)

PRINCIPAL TRUST COMPANY (ASIA) LIMITED
(in its capacity as trustee of the PRINCIPAL MPF SCHEME SERIES 800)

**DEED RELATING TO
RESTRUCTURING OF
PRINCIPAL MPF SCHEME SERIES 600
AND PRINCIPAL MPF SCHEME SERIES 800**

**Baker
McKenzie.**

貝克·麥堅時律師事務所

Baker & McKenzie
14th Floor, One Taikoo Place
979 King's Road, Quarry Bay
Hong Kong SAR

香港鰂魚涌
英皇道 979 號
太古坊一座十四樓

www.bakermckenzie.com

THIS DEED is made on 22nd October 2020 between:

PRINCIPAL TRUST COMPANY (ASIA) LIMITED (in its capacity as trustee of the Principal MPF Scheme Series 600, "**S600**"), a company incorporated under the laws of Hong Kong whose registered office is at 30/F Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon (the "**S600 Trustee**"); and

PRINCIPAL TRUST COMPANY (ASIA) LIMITED (in its capacity as trustee of the Principal MPF Scheme Series 800, "**S800**"), a company incorporated under the laws of Hong Kong whose registered office is at 30/F Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon (the "**S800 Trustee**").

WHEREAS:

- A. The S600 Trustee and the S800 Trustee are the trustees of S600 and S800 respectively (each, a "**Scheme**" and collectively, the "**Schemes**").
- B. An application ("**Application**") for restructuring of the Schemes has been submitted by Principal Trust Company (Asia) Limited ("**PTCA**") to the MPF Authority pursuant to section 34B of the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong, the "**MPFS Ordinance**") in December 2019.
- C. The parties are desirous to implement the Merger (as defined in the Application) in accordance with the provisions set out in this Deed.

NOW THIS DEED WITNESSES and it is hereby agreed and declared as follows:

GENERAL

1. Unless the context requires otherwise, expressions defined in the Application shall have the same meanings when used in this Deed.
2. Each of the parties hereto agrees that except for any circumstances beyond its reasonable control, it shall carry out the Merger in accordance with the provisions of this Deed.

IMPLEMENTATION OF THE RESTRUCTURING

Transfer of the assets and liabilities

3. On and with effect from the Effective Date, all assets, monies, investments and properties held by PTCA as the S600 Trustee (including without limitation all assets, monies, investments and properties the S600 Trustee may receive under S600 after the Effective Date) (the "**Transferring Assets**") shall be transferred to and held by the S800 Trustee.
4. On and with effect from the Effective Date, all obligations, duties and liabilities of the S600 Trustee or its agents arising in respect of the Transferring Assets (the "**Transferring Liabilities**") shall be transferred to and assumed by the S800 Trustee or its agents (or from any later date on which any such obligations, duties or liabilities arise).
5. On and with effect from the Effective Date, the S800 Trustee shall be entitled to any and all rights, demands, defences, claims and counterclaims which would have been available to the S600 Trustee under S600 prior to the transfer (the "**Transferring Rights**").
6. On and with effect from the Effective Date, all obligations, duties and liabilities of the S600 Trustee arising from the operation and administration of S600 (save for those liabilities set

out in paragraph 7 below) (the "**Operational Liabilities**") shall be transferred to and assumed by the S800 Trustee.

7. All obligations, duties and liabilities of the S600 Trustee arising from the operation and administration of S600 (which obligations, duties and liabilities are determined, pursuant to the governing rules, trust deed and other constituent documents of S600 or Hong Kong laws including without limitation the MPF Ordinance and its subsidiary legislation and general trust laws, to be borne by the S600 Trustee in its own capacity as a result of its own default, negligence or otherwise) shall remain to be borne by the S600 Trustee in its own capacity and shall not be transferred to or assumed by the S800 Trustee.
8. If:
 - (a) any Transferring Liabilities or Operational Liabilities under paragraphs 4 or 6 is not immediately transferred to and effectively assumed by the S800 Trustee on the Effective Date by reason of:
 - (i) the transfer of such Transferring Liabilities or Operational Liabilities being outside the legal effect of the restructuring proposal set out in the Application; or
 - (ii) for any other reason; or
 - (b) the transfer of any Transferring Liabilities or Operational Liabilities under paragraphs 4 or 6 is governed by the laws of a jurisdiction other than Hong Kong Special Administrative Region and such jurisdiction does not recognize the legal effect of the Merger in respect of such transfer,

then the S800 Trustee shall from and after the Effective Date perform any such obligations or duties or satisfy any such liabilities as referred to in (a) or (b) above on behalf of the S600 Trustee.

9. The S600 Trustee and the S800 Trustee shall as and when appropriate execute all such documents, including assignments and transfer instruments, and do all such other acts and things as may be requisite to effect or perfect the transfer to, vesting in and assumption by the S800 Trustee (or its agents or nominees, as appropriate) of any Transferring Assets, Transferring Liabilities, Transferring Rights and Operational Liabilities.

Transfer of the members

10. On and with effect from the Effective Date, all the participating employers, employee members, self-employed members and personal account holders of S600 (the "**Transferring Participants**") shall be automatically transferred to S800 as participating employers, employee members, self-employed participants and personal account holders (as the case may be) under S800 and shall be bound by all applicable provisions and governing rules of S800 as set out in the trust deed and other constitutive documents of S800.
11. All fund units standing to the credit of each account of a Transferring Participant will be redeemed as at the Effective Date and units of the Merger In-Scope S800 CFs will be subscribed for each such Transferring Participant, which will be credited to a corresponding account set up for such Transferring Participant under S800. Such redemptions and subscriptions shall be effected at the respective unit prices as of the Effective Date. The S800 Trustee shall recognize all vesting scales and the years of service of the Transferring Participants under the participating agreements and application forms (and any amendments

thereto) of the participating employers under S600, after such participating employers are transferred to S800 as part of the Merger.

12. On and with effect from the Effective Date, the S800 Trustee shall assume all obligations and rights of the S600 Trustee (statutory or otherwise) in relation to the Transferring Participants.
13. On and with effect from the Effective Date, all rights and demands against the S600 Trustee, its agents or nominees (apart from any rights or demands arising from any obligations, duties and liabilities as described in paragraph 7) available to every Transferring Participants shall cease and, subject to the governing rules of S800, shall be substituted by rights and demands against the S800 Trustee. In respect of a Transferring Participant who has become a participating employer or member of S800, for any matters to which the participation period of such participating employer or member in S800 is relevant (including without limitation the calculation of the vesting of benefits), the S800 Trustee shall, in determining such participation period, take into account the participation period of such employer or member in S600.
14. On and with effect from the Effective Date, any amounts which are payable by the Transferring Participants (including without limitation contributions and contribution surcharges and other scheme fees and charges) shall be payable to the S800 Trustee as and when they become due.

Participation agreement / Investment mandates / Switching instructions

15.
 - (i) On and with effect from the Effective Date, all participation agreements, application forms, enrolment forms, investment mandates and any other agreements or instructions including direct debit instructions and any outstanding instructions (including any amendments thereto) validly executed or given to the S600 Trustee by the Transferring Participants will become as applicable to the participation of such Transferring Participants in S800 and will take effect as if the same had been executed or given to the S800 Trustee under S800. For this purpose, the investment mandates for the S600 CFs shall become investment mandates for the respective Merger In-Scope S800 CFs.
 - (ii) Under S800, the default investment arrangement is the default investment strategy (DIS). Such default investment arrangement will also become the default investment arrangement for the Transferring Participants after the Merger.
16.
 - (i) For the purpose of paragraph 15, no participation agreements, application forms or other agreements will need to be executed or given by the Transferring Participants under S600 after 21 October 2020, unless otherwise agreed by the S600 Trustee.
 - (ii) Suspension of dealings

To facilitate the Merger, dealings (including subscriptions, switchings, allocation of the accrued benefits transferred to S600 and redemptions) in S600, other than for the purposes of transferring of assets from S600 to S800 as part of the Merger on Effective Date, will be suspended for 4 business days from 20 October 2020 to 23 October 2020 (both dates inclusive).

Scheme participants may submit valid dealing instructions to PTCA by the following respective cut-off date in order to have their instructions processed under S600 before the Effective Date:

Instruction	Received on or before
<i>Participating employers and members</i>	
Contributions	By DDA - 6:00pm, Effective Date - 10 business days (8 October 2020) By Cheque - 6:00pm, Effective Date - 7 business days (13 October 2020)
<i>Members</i>	
Switching / change of investment mandate instruction (whether by mail or electronic form)	via mail / e-mail / handing in/facsimile: Effective Date – 4 business days (16 October 2020) via internet / IVRS: 4:00pm on Effective Date – 3 business days (19 October 2020)
Redemption (excluding transfer-out)	Via paper form Permanent departure from Hong Kong: 6:00pm, Effective Date – 3 weeks (30 September 2020) Other circumstances: 6:00pm, Effective Date – 5 business days (15 October 2020)
<i>Participating employers and members</i>	
Transfer out instructions*	Any valid request to transfer out of S600 must reach PTCA via the designated new trustee by: <ul style="list-style-type: none"> ➤ Scheme - by Effective Date – 6 business days (14 October 2020) ➤ Member - by Effective Date – 5 business days (15 October 2020)
Member Transfer in instructions	Any valid request to transfer into S600 must reach PTCA by: <ul style="list-style-type: none"> ➤ Non-ECA (Employee Choice Arrangement) - by Effective Date - 5 business days (15 October 2020) ➤ ECA - by Effective Date - 3 weeks (30 September 2020) <p>Any ECA transfer in instructions received after the cut-off time will not be processed due to the restructure. PTCA will contact the members within four business days and ask them to change the instructions such that the instructions are with respect to transferring into S800..</p>

**Any valid request to transfer out must be submitted in paper form, and must be accompanied by a transfer form completed by all relevant parties, including the transferee trustee and submitted through the transferee trustee.*

Valid dealing instructions given by the scheme participants after the respective dates in the table above will also be processed in the normal business manner. However, note that dealing instructions cannot be given via internet or interactive voice response system ("IVRS") during the period after 4:00pm, 19 October 2020 (Effective Date – 3 business days) to 9:00am, 27 October 2020 (Effective Date + 2

business days) (both days inclusive). If any dealing instructions (including transfer-in instructions but excluding the ECA transfer in instructions) cannot be effected under S600 before the Effective Date, they will be carried out under S800 as soon as practicable after the Effective Date as if the instructions were given under S800. Accordingly, any valid request to transfer out of S600 by a scheme participant who does not wish to be transferred to S800 under the Merger must be submitted through the transferee trustee and reach the PTCA per the cut-off dates above. Any instructions received after the cut-off date will not be effected under S600 before the Effective Date and will be carried out under S800 per the timeline imposed by the service pledges and applicable regulatory requirements as soon as practicable after the Effective Date.

All other instructions, such as updating members' records and particulars, will continue to be handled and processed in the normal business manner. In addition, determination of the net asset value of the constituent funds of the Schemes will continue and will not be affected by the suspension of dealings.

PTCA arrived at the cut-off time proposed in the table above, taking into account: (i) the normal time required for processing the instructions; (ii) the Effective Date of the Merger, i.e. 22 October 2020; and (iii) the service pledges.

The suspension of dealings will mean that PTCA may not be able to meet some of its service pledges for processing transactions that are submitted after the cut-off time in the table above, including contribution allocation, fund switching, transfer of MPF benefits and withdrawal of MPF benefits and the investment manager of the CFs may not be able to deliver the investment objectives of the CFs during the restructure process as the normal trade cycles may be interrupted due to the suspension of dealing during the 4 business days (from 20 October 2020 to 23 October 2020). PTCA will inform members and participating employers that the PTCA's service pledge cannot be met by the Merger Notice. PTCA believes that the Merger Notice would operate as proper communication arrangement in this regard.

(iii) Suspension of services

To facilitate smooth transition and system migration for the purposes of the Merger, services (including without limitation account balance enquiries to scheme participants through internet or IVRS, online fund switching instruction submission, member record enquiries and change of personal information) will be suspended from 4:00pm, 19 October 2020 to 9:00am, 27 October 2020 (both days inclusive). A message will be posted on Principal's website and recorded in Principal's telephone system to inform scheme participants of the suspension of service.

Where the scheme participant participates in both S600 and S800, because the member records of S800 and S600 share the same login credentials, during the period at which the services are suspended while the information on S600 will be updated, he / she will not be able to utilise the above suspended services during the suspension period in respect of his / her participation in S800 and S600. However, a scheme participant who participates in S800 (and not S600) will not be affected by the suspension of services.

Payment of contributions

17. With effect from the Effective Date, all amounts received or receivable by the S600 Trustee or its agents or nominees under S600 (including without limitation contributions, contribution surcharges or other transfer-in payments) shall be transferred and assigned to the S800 Trustee.
18. With effect from the Effective Date, in respect of any amounts payable to the S600 Trustee under S600 (including without limitation contributions, contribution surcharges or other transfer-in payments), the S600 Trustee shall endorse such payments in favour of the S800 Trustee.
19. With effect from the Effective Date, the S800 Trustee shall have the sole responsibility for collecting all amounts (including without limitation contributions, contributions surcharges or other transfer-in payments) which would have been payable to the S600 Trustee under S600.

Trustee's obligations

20. The S600 Trustee agrees that it shall:
 - (i) terminate, with effect from the Effective Date, the investment management agreements, custodian agreement and any other ancillary agreements entered into by it in respect of S600 provided that it shall ensure that for the period from the Effective Date to the date of de-registration of S600, the relevant service providers will carry out any post-termination duties which it may deem necessary;
 - (ii) ascertain the amount of all fees, charges and expenses accrued to S600 up to but excluding the Effective Date and deduct it from the assets of S600 before the Transferring Assets are transferred to S800.
21. The S600 Trustee and the S800 Trustee agree that:
 - (i) if the amount of fees and charges ascertained by the S600 Trustee under paragraph 20(ii) above is insufficient to cover the actual fees and charges accrued under S600 up to but excluding the Effective Date, the S600 Trustee shall waive the shortfall;
 - (ii) if the amount of fees, charges and expenses ascertained by the S600 Trustee under paragraph 20(ii) above exceeds the actual fees, charges and expenses accrued under S600 up to but excluding the Effective Date, the S800 Trustee shall credit the excess amount to the Transferring Assets which are attributable to S600 (or if such Transferring Assets have been distributed into the respective accounts of the Transferring Participants, credit such amounts as may be appropriate to the accounts of such Transferring Participants);
 - (iii) if in respect of the Merger there are any complaints, concerns or objections raised by the members of S800 or the Transferring Participants, the S600 Trustee and the S800 Trustee shall report the same to the MPF Authority and address the same to the reasonable satisfaction of the MPF Authority; and
 - (iv) they will implement the Merger and exercise their best endeavours to take such measures and steps to ensure that the accrued benefits and interests of all members of S800 and the Transferring Participants continue to be adequately protected; and where necessary, compensate any losses to the accrued benefits of any members of S800 and the Transferring Participants.

De-registration of S600

22. As soon as reasonably practicable after the successful transfer of the Transferring Participants to S800 and the transfer to, vesting in and assumption by the S800 Trustee (or its agents or nominees) of the Transferring Assets, Transferring Liabilities, Transferring Rights and Operational Liabilities, PTCA shall apply to the MPF Authority for cancellation of the registration of S600. After cancellation, S600 shall be terminated in its entirety and the S600 Trustee shall be discharged from all its duties and obligations in respect of S600, save and except those referred to in the Application and any other undertakings which are intended to survive termination.

Costs of Merger

23. The costs of the Merger will be borne by Principal Insurance Company (Hong Kong) Limited and PTCA, to be agreed between themselves. No costs of the Merger will be borne by any of Schemes or their scheme participants.

Effective Date

24. The Merger shall become effective on the Effective Date.

Modification

25. The terms of the Merger shall not be amended unless with the written agreement of the S600 Trustee and the S800 Trustee and the approval of the MPF Authority.

Governing law and jurisdiction

26. This Deed shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region.

IN WITNESS WHEREOF this Deed has been duly executed by the parties listed below on the date appearing at the beginning of this Deed.

EXECUTED as a Deed)
by)
and)
Pursuant to a Power of Attorney for and on behalf of) [sd]
PRINCIPAL TRUST COMPANY (ASIA) LIMITED)
in the presence of:)

[sd]

**DEED OF VARIATION FOR
PRINCIPAL MPF SCHEME SERIES 800**

dated

18 July 2023

by

PRINCIPAL TRUST COMPANY (ASIA) LIMITED

**Baker
McKenzie.**

貝克·麥堅時律師事務所

**Baker & McKenzie
14th Floor, One Taikoo Place
979 King's Road, Quarry Bay
Hong Kong SAR**

香港鰂魚涌
英皇道 979 號
太古坊一座十四樓
www.bakermckenzie.com

Deed of variation for Principal MPF Scheme Series 800

This Deed is dated 18 July 2023

By

PRINCIPAL TRUST COMPANY (ASIA) LIMITED whose registered office is at 30/F Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon (the "**Trustee**").

Whereas

- A. By a trust deed dated 31 January 2000 executed by the Trustee, the Trustee established a master trust scheme under trust called the Principal MPF Scheme Series 800 (信安強積金計劃800系列) whereby employers and their employees, self-employed persons and other eligible persons may participate by executing a Participation Agreement.
- B. The trust deed was subsequently amended by a supplemental deed dated 14 February 2001 and three deeds of variation dated 16 May 2002, 16 May 2003 and 29 June 2004 respectively. The trust deed was further amended and restated by a deed of variation dated 17 October 2005. The trust deed was subsequently amended by eleven deeds of variation dated 29 September 2006, 16 August 2007, 29 August 2008, 28 August 2009, 7 October 2011, 17 October 2012, 6 March 2015, 31 July 2015, 2 December 2016, 22 February 2019 and 1 April 2019. The trust deed was then further amended and restated by an amended and restated trust deed dated 31 March 2020 and subsequently amended by a deed of variation dated 22 October 2020 (collectively, the "**Trust Deed**").
- C. Subject to the approval of the Mandatory Provident Fund Schemes Authority, the Trustee has power pursuant to Clause 18 of the Trust Deed to amend any provisions of the Trust Deed.
- D. The Trustee wishes to amend the Trust Deed by the provisions set out in this Deed.

NOW THIS DEED WITNESSES as follows:

- 1. This Deed is supplemental to the Trust Deed. Unless the context otherwise requires, words and expressions used in this Deed shall have the meanings as are given to them in the Trust Deed.
- 2. Amendments set out in the Schedule to this Deed shall take effect from 25 October 2023.
- 3. Save as provided in the above, the Trust Deed shall remain in full force and effect.
- 4. This Deed shall be governed by and construed in accordance with the laws of Hong Kong.

IN **WITNESS** whereof this Deed has been executed by the party hereto on the day and year first above written.

SEALED with the Common Seal of)
PRINCIPAL TRUST COMPANY)
(ASIA) LIMITED) [sd]
in the presence of:)

[sd]

SCHEDULE

- I. Clause 11.1.1(b) shall be deleted in its entirety and replaced with the following:
"[Deleted.]"
2. Clause 11.1.1(c) shall be deleted in its entirety and replaced with the following:
"[Deleted.]"
3. Clause 11.4 shall be deleted in its entirety and replaced with the following:
"If a relevant Member fails to notify the Trustee of his new Investment Election 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 "**Termination Notice**") or such other timeframe as specified in the Termination Notice, 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 acquire Units in the Terminating Constituent Fund to acquire Units in the DIS Funds under the Default Investment Strategy, or such other Constituent Fund as determined by the Trustee and specified in the Termination Notice, and the Units so acquired must be of a class which is made available to the Member concerned."
4. The following new Clause 17.4 shall be added immediately after the existing Clause 17.3:
"17.4 Notwithstanding the preceding provisions of this Clause 17, the Trustee may declare a suspension of issuance, realization or switching of Units relating to a Constituent Fund without a suspension of the determination of the Net Asset Value of the Constituent Fund should any of the circumstances set out in Clause 17.1 occur."