

DATED 31 March 2020

**PRINCIPAL INSURANCE COMPANY (HONG KONG) LIMITED**

and

**PRINCIPAL TRUST COMPANY (ASIA) LIMITED**

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**AMENDED AND RESTATED MASTER TRUST DEED**

relating to

**PRINCIPAL MPF - SIMPLE PLAN**

信安強積金 - 易富之選

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## TABLE OF CONTENTS

<b>Clause heading</b>	<b>Page Number</b>
<b>1. INTERPRETATION.....</b>	<b>1</b>
<b>PART I.....</b>	<b>11</b>
<b>ESTABLISHMENT OF THE PLAN .....</b>	<b>11</b>
<b>2. ESTABLISHMENT OF THE PLAN.....</b>	<b>11</b>
<b>3. ESTABLISHMENT OF CONSTITUENT FUNDS .....</b>	<b>11</b>
<b>4. TERMINATION OF CONSTITUENT FUNDS.....</b>	<b>12</b>
<b>5. VALUATION OF CONSTITUENT FUNDS.....</b>	<b>13</b>
<b>6. SUSPENSION OF VALUATION .....</b>	<b>13</b>
<b>7. ISSUE AND REALISATION OF UNITS .....</b>	<b>14</b>
<b>PART II.....</b>	<b>17</b>
<b>PARTICIPATION OF EMPLOYERS AND SELF-EMPLOYED PERSONS .....</b>	<b>17</b>
<b>8. PARTICIPATION BY AN EMPLOYER .....</b>	<b>17</b>
<b>9. PROVISIONS FOR SUBSTITUTION OF NEW EMPLOYER.....</b>	<b>18</b>
<b>10. PARTICIPATION BY A SELF-EMPLOYED PERSON.....</b>	<b>18</b>
<b>PART III.....</b>	<b>20</b>
<b>TRUSTEE, SPONSOR AND SERVICE PROVIDERS .....</b>	<b>20</b>
<b>11. [Intentionally deleted].....</b>	<b>20</b>
<b>12. APPOINTMENT, REMOVAL AND RETIREMENT OF TRUSTEE.....</b>	<b>20</b>
<b>13. COVENANTS OF THE TRUSTEE .....</b>	<b>20</b>
<b>14. SUBSTITUTION OF SPONSOR.....</b>	<b>21</b>
<b>15. APPOINTMENT AND REMOVAL OF INVESTMENT MANAGER .....</b>	<b>21</b>
<b>16. APPOINTMENT AND REMOVAL OF CUSTODIAN .....</b>	<b>22</b>
<b>17. APPOINTMENT AND REMOVAL OF ADMINISTRATOR .....</b>	<b>22</b>
<b>18. APPOINTMENT AND REMOVAL OF AUDITORS.....</b>	<b>22</b>
<b>PART IV .....</b>	<b>23</b>
<b>INVESTMENT AND BORROWING.....</b>	<b>23</b>

19. INVESTMENT MANDATES .....	23
20. SWITCHING INSTRUCTIONS.....	24
21. PROVISIONS APPLICABLE TO INVESTMENT MANDATES AND SWITCHING INSTRUCTIONS GENERALLY .....	25
22. INVESTMENT OF CONSTITUENT FUNDS .....	25
23. INVESTMENT RESTRICTIONS .....	26
24. BORROWING.....	27
25. VOTING RIGHTS ON INVESTMENTS .....	28
PART V.....	29
FEES AND CHARGES .....	29
26. TRUSTEE'S FEE .....	29
27. SPONSOR'S FEE .....	29
28. FEES PAYABLE BY EMPLOYERS AND MEMBERS.....	30
29. [Intentionally deleted].....	31
30. OTHER CHARGES, FEES, COSTS AND EXPENSES .....	31
31. PAYMENT AND WAIVER OF FEES, CHARGES, COSTS AND EXPENSES...	34
PART VI.....	35
PAYMENTS AND TRANSFERS.....	35
32. PAYMENTS.....	35
33. TRANSFERS INTO THE PLAN.....	36
34. PORTABILITY OF BENEFITS.....	38
PART VII.....	45
AMENDMENT OF THE PLAN .....	45
35. AMENDMENT OF THE PLAN .....	45
PART VIII.....	46
LIABILITIES AND INDEMNITIES.....	46
36. PROVISIONS RELATING TO THE TRUSTEE AND THE SPONSOR .....	46
37. PROVISIONS RELATING TO THE TRUSTEE .....	48
38. PROVISIONS RELATING TO THE SPONSOR.....	50
PART IX .....	51
GENERAL.....	51

<b>39. PROVISION OF INFORMATION AND REPORTS TO EMPLOYERS AND MEMBERS .....</b>	<b>51</b>
<b>40. ACCOUNTS AND REPORTS .....</b>	<b>51</b>
<b>41. MEMBER ACCOUNTS .....</b>	<b>51</b>
<b>42. MERGER OR SUBDIVISION OF THE PLAN .....</b>	<b>52</b>
<b>43. TERMINATION AND WINDING UP OF THE PLAN .....</b>	<b>52</b>
<b>44. DEED BINDING ON EMPLOYERS AND MEMBERS.....</b>	<b>52</b>
<b>45. DETERMINATION OF DISPUTES .....</b>	<b>52</b>
<b>46. NOTICES .....</b>	<b>53</b>
<b>47. PROVISION OF INFORMATION TO REGULATORS AND OTHERS .....</b>	<b>54</b>
<b>47A. AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION....</b>	<b>54</b>
<b>48. SEVERABILITY .....</b>	<b>55</b>
<b>49. PROPER LAW .....</b>	<b>55</b>
<b>SCHEDULE 1.....</b>	<b>57</b>
<b>VALUATION RULES.....</b>	<b>57</b>
<b>SCHEDULE 2.....</b>	<b>62</b>
<b>MEMBERSHIP, CONTRIBUTIONS AND BENEFITS .....</b>	<b>62</b>
<b>1. REQUIREMENTS FOR AND TERMS OF MEMBERSHIP.....</b>	<b>62</b>
<b>2. MANDATORY CONTRIBUTIONS .....</b>	<b>63</b>
<b>3. VOLUNTARY CONTRIBUTIONS .....</b>	<b>63</b>
<b>3A. SPECIAL VOLUNTARY CONTRIBUTIONS .....</b>	<b>65</b>
<b>4. REDUCTION OR SUSPENSION OF VOLUNTARY CONTRIBUTIONS .....</b>	<b>66</b>
<b>5. RECEIPT AND APPLICATION OF CONTRIBUTIONS .....</b>	<b>66</b>
<b>6. ENTITLEMENT TO BENEFITS.....</b>	<b>68</b>
<b>7. ENTITLEMENT TO VOLUNTARY CONTRIBUTIONS.....</b>	<b>70</b>
<b>7A. WITHDRAWAL OF SPECIAL VOLUNTARY CONTRIBUTION BY MEMBERS .....</b>	<b>71</b>
<b>7B. ENTITLEMENT TO SPECIAL VOLUNTARY CONTRIBUTIONS .....</b>	<b>71</b>
<b>8. RESERVE ACCOUNTS.....</b>	<b>71</b>
<b>9. SEVERANCE PAYMENTS AND LONG SERVICE PAYMENT .....</b>	<b>72</b>
<b>10. ASSIGNMENT OF INTERESTS .....</b>	<b>73</b>

<b>11. UNCLAIMED BENEFITS .....</b>	<b>73</b>
<b>12. CESSATION OF PARTICIPATION IN THE PLAN .....</b>	<b>74</b>

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

## PARTIES

- (1) **Principal Insurance Company (Hong Kong) Limited** whose registered office is at 30/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong (the "**Sponsor**"); and
- (2) **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**").

## RECITALS

1. The Trustee and the Sponsor has established the Principal MPF – Simple Plan as a master trust provident fund scheme to facilitate the provision of benefits to Members and persons claiming through them in accordance with the MPF Ordinance.
2. By a trust deed dated 5 January 2005 executed by the Trustee and the Sponsor ("**Original Trust Deed**"), the Trustee established a master scheme under trust called the Principal MPF – Simple Plan (formerly known as "**Elite Mandatory Provident Fund**") whereby employers and their employees, self-employed persons and other eligible persons may participate by executing a Participation Agreement.
3. The Original Trust Deed was subsequently amended by three deeds of variation dated 17 December 2010, 25 October 2012 and 1 September 2015 respectively. The trust deed was subsequently amended by the Fourth Supplemental Deed dated 8 December 2015, Fifth Supplemental Deed dated 4 June 2016 and Sixth Supplemental Deed dated 2 December 2016. The amended and restated trust deed shall be referred to as the "**Trust Deed**".
4. Subject to the approval of the Mandatory Provident Fund Schemes Authority, the Trustee has power pursuant to Clause 35 of the Trust Deed to amend any provisions of the Trust Deed.
5. The Trustee wishes to amend and restate the Trust Deed by the provisions set out in this Deed with effect from 31 March 2020.

**THIS DEED WITNESSES** as follows:-

### 1. INTERPRETATION

- 1.1. In this Deed including the Recitals the following words and expressions shall have the following meanings unless the context otherwise requires:-

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

"**Accounting Date**" means such date in each year during the continuance of the Plan as the Trustee with the agreement of the Sponsor may from time to time select in respect of the Plan;

**"Accounting Period"** means a period commencing on the date of establishment of the Plan or the date of establishment of a Constituent Fund (as the case may be) or on the date next following an Accounting Date and ending on the next succeeding Accounting Date;

**"Accrued Benefits"** has the same meaning as in the MPF Ordinance;

**"Administrative Procedures Section"** means the section headed **"Administrative Procedures"** in the Offering Document;

**"Administrator"** means the administrator appointed pursuant to Clause 17;

**"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;

**"Approved Pooled Investment Fund"** has the same meaning as in the MPF Ordinance;

**"Approved Trustee"** has the same meaning as in the MPF Ordinance;

**"Associate"** has the same meaning as in the MPF Ordinance;

**"Auditors"** means the auditors appointed pursuant to Clause 18;

**"Authority"** means the Mandatory Provident Fund Schemes Authority established by the MPF Ordinance;

**"Bid Price"** means the bid price of a Unit of a particular Constituent Fund calculated in accordance with Clause 7;

**"Business Day"** means a day (other than a Saturday) on which banks are open for normal banking business in Hong Kong;

**"Central Securities Depository"** has the same meaning as in the MPF Ordinance;

**"Collective Investment Scheme"** means any unit trust, mutual fund, investment company, insurance policy or other collective investment entity separately constituted;

**"Commission"** means the Securities and Futures Commission, pursuant to the Securities and Futures Ordinance;

**"Commodities"** (and likewise **"Commodity"**) means all precious metals and all other commodities or merchandise of any nature other than cash and includes any futures contract and any Financial Futures Contract;

**"Commodities Market"** means any commodities exchange or 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 Commodities Market deemed to be constituted by such firm, corporation or association;

**"Constituent Fund"** means any pool of assets established pursuant to Clause 3;

**"Contribution Account"** means in relation to an employee Member or Self-Employed Member, the account as referred to in Clause 41.1 or Clause 41.3 (as the case may be);

**"Contributions"** means Mandatory Contributions, Voluntary Contributions and Special Voluntary Contributions;

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

**"Credit Balance"** means in respect of a Member the value of the Units standing to the credit of such Member's account in the books of the Plan;

**"Custodian"** means the custodian appointed pursuant to Clause 16 and in the absence of such appointment means the Trustee;

**"Deed"** means this trust deed, as amended from time to time;

**"Default Investment Arrangement"** has the same meaning as prescribed in section 34DF of the MPF Ordinance;

**"Default Investment Strategy"** means the default investment strategy that complies with Part 2 of Schedule 10 to the MPF Ordinance;

**"DIS Funds"** mean the Principal Age 65 Plus Fund and the Principal Core Accumulation Fund, and **"DIS Fund"** means either of them;

**"DIS Launch Date"** means 1 April 2017;

**"DIS Section"** means the section headed **"MPF default investment strategy (the "DIS")"** in the Offering Document;

**"Employer"** means any person, firm, corporation or body which participates in the Plan pursuant to Clause 8;

**"Employer's Mandatory Contribution Balance"** means in respect of a Member (other than a Self-Employed Member, a SVC Member or a Personal Account Member) so much of such Member's Credit Balance as is derived from (a) such Member's Employer's Mandatory Contributions and (b) amounts transferred in respect of such Member to the Plan or from one account to another account within the Plan in accordance with this Deed in any of the situations in Section 12A(6) of the MPF Ordinance or where such Member continues to be employed by the same Employer, to the extent that such amounts relate to employer's mandatory contributions (as defined in the MPF Ordinance) or minimum MPF benefits (as defined in the MPF Ordinance);

**"Employer's Mandatory Contributions"** means in respect of a Member (other than a Self-Employed Member, a SVC Member or a Personal Account Member), amounts an Employer contributes to the Plan as mandatory contributions (as defined in the MPF Ordinance) in respect of such Member pursuant to the MPF Ordinance and includes any contribution surcharge paid in respect of such Member and required to be treated as employer's mandatory contributions (as defined in the MPF Ordinance) pursuant to the MPF Ordinance;



**"Employer's Mandatory Transfer Balance"** means in respect of a Member other than a SVC Member so much of such Member's Credit Balance as is derived from amounts transferred in respect of such Member to the Plan or from the Contribution Account to a Personal Account or vice versa of such Member in accordance with this Deed, to the extent that such amounts relate to an employer's mandatory contributions (as defined in the MPF Ordinance) or minimum MPF benefits (as defined in the MPF Ordinance);

**"Employer's Voluntary Contribution Balance"** means in respect of a Member (other than a Self-Employed Member, a SVC Member or a Personal Account Member), so much of such Member's Credit Balance as is derived from (a) such Member's Employer's Voluntary Contributions and (b) amounts transferred in respect of such Member to the Plan or from one account to another account within the Plan in accordance with this Deed in any of the situations in Section 12A(6) of the MPF Ordinance or where such Member continues to be employed by the same Employer, to the extent that such amounts relate to employer's voluntary contributions (as defined in the MPF Ordinance);

**"Employer's Voluntary Contributions"** means in respect of a Member (other than a Self-Employed Member, a SVC Member or a Personal Account Member), amounts that an Employer contributes to the Plan in respect of such Member in addition to Employer's Mandatory Contributions;

**"Employer's Voluntary Transfer Balance"** means in respect of a Member (other than a SVC Member) so much of such Member's Credit Balance as is derived from amounts transferred in respect of such Member to the Plan or from the Contribution Account to a Personal Account or vice versa, of such Member within the Plan in accordance with this Deed, to the extent that such amounts relate to an employer's voluntary contributions (as defined in the MPF Ordinance);

**"Feeder Fund"** means any Constituent Fund the objective of which is to invest solely in a particular Collective Investment Scheme provided that the Trustee may with the agreement of the Sponsor at any time determine that Constituent Fund shall cease to be a Feeder Fund;

**"Financial Futures Contract"** has the same meaning as in the MPF Ordinance;

**"HK\$"** and **"Hong Kong dollars"** means the lawful currency of Hong Kong;

**"Hong Kong"** means the Hong Kong Special Administrative Region of the People's Republic of China;

**"Initial Charge"** means the initial charge (where and to the extent such charge is permitted by the MPF Ordinance, MPF Regulation and other relevant guidelines issued by the Authority) in Clause 28.2;

**"Investment Manager"** means the investment manager appointed pursuant to Clause 15;

**"Investment Mandate"** means the instruction given by a Member pursuant to Clause 19;

**"Mandatory Contributions"** means Employer's Mandatory Contributions and Member's Mandatory Contributions;

**"Mandatory Credit Balance"** means in respect of a Member the aggregate of the (a) Employer's Mandatory Contribution Balance, (b) Member's Mandatory Contribution Balance and (c) Mandatory Transfer Balance of such Member;

**"Mandatory Transfer Balance"** means in respect of a Member the aggregate of the (a) Employer's Mandatory Transfer Balance and (b) Member's Mandatory Transfer Balance;

**"Member"** means an employee of an Employer, a Self-Employed Person, Personal Account Member or a SVC Member whose application for membership has been accepted by the Trustee, and includes any person participating in the Plan in one or more capacities mentioned above;

**"Member's Mandatory Contribution Balance"** means in respect of a Member other than a SVC Member or a Personal Account Member, so much of the Member's Credit Balance as is derived from (a) such Member's Mandatory Contributions and (b) amounts transferred in respect of such Member to the Plan or from one account to another account within the Plan in accordance with this Deed in any of the situations in Section 12A(6) of the MPF Ordinance or where such Member continues to be employed by the same Employer, to the extent that such amounts relate to such Member's mandatory contributions (as defined in the MPF Ordinance) or minimum MPF benefits (as defined in the MPF Ordinance);

**"Member's Mandatory Contributions"** means in respect of a Member other than a SVC Member or a Personal Account Member, amounts that such Member contributes to the Plan as mandatory contributions (as defined in the MPF Ordinance) pursuant to the MPF Ordinance and includes any contribution surcharge paid in respect of such Member pursuant to the MPF Ordinance which is not Employer's Mandatory Contributions;

**"Member's Mandatory Transfer Balance"** means in respect of a Member other than a SVC Member so much of such Member's Credit Balance as is derived from amounts transferred in respect of such Member to the Plan or from the Contribution Account to a Personal Account or vice versa of such Member within the Plan in accordance with this Deed, to the extent that such amounts relate to the Member's mandatory contributions (as defined in the MPF Ordinance) or minimum MPF benefits (as defined in the MPF Ordinance);

**"Member's Voluntary Contribution Balance"** means in respect of a Member other than a SVC Member or a Personal Account Member, so much of the Member's Credit Balance as is derived from (a) such Member's Voluntary Contributions and (b) amounts transferred in respect of such Member to the Plan or from one account to another account within the Plan in accordance with this Deed in any of the situations in Section 12A(6) of the MPF Ordinance or where such Member continues to be employed by the same Employer, to the extent that such amounts relate to such Member's voluntary contributions (as defined in the MPF Ordinance);

**"Member's Voluntary Contributions"** means in respect of a Member other than a SVC Member or a Personal Account Member, amounts that such Member contributes to the Plan in addition to Member's Mandatory Contributions;

**"Member's Voluntary Transfer Balance"** means in respect of a Member other than a SVC Member so much of such Member's Credit Balance as is derived from amounts

transferred in respect of such Member to the Plan or from the Contribution Account to a Personal Account or vice versa of such Member within the Plan in accordance with this Deed, to the extent that such amounts relate to such Member's voluntary contributions (as defined in the MPF Ordinance);

**"Minimum MPF Benefit"** has the meaning as given to it in Section 1(1) of Schedule 2 of the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485B of the Laws of Hong Kong);

**"MPF Ordinance"** means the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong);

**"MPF Regulation"** means the Mandatory Provident Fund Schemes (General) Regulation (Cap. 485A of the Laws of Hong Kong);

**"Net Asset Value"** in relation to a Constituent Fund means the net asset value of such Constituent Fund or, as the context may require, of a Unit relating to such Constituent Fund calculated in accordance with this Deed;

**"Notice"** means a notice given in accordance with Clause 46 and "notified" shall be construed accordingly;

**"Offer Price"** means the offer price of a Unit of a particular Constituent Fund as calculated in accordance with Clause 7;

**"Offering Document"** means the principal brochure, prospectus or other offering document issued by the Sponsor in relation to the Plan, as amended from time to time;

**"ORSO Exempted Scheme"** has the meaning as given to it in Section 2(1) of the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485B of the Laws of Hong Kong);

**"ORSO Registered Scheme"** has the meaning as given to it in Section 2(1) of the Mandatory Provident Fund Schemes (Exemption) Regulation (Cap. 485B of the Laws of Hong Kong);

**"out-of-pocket expenses"** has the same meaning as in section 34DA of the MPF Ordinance;

**"Participation Agreement"** means:-

- (a) in relation to an Employer and Members employed by that Employer, the agreement executed in accordance with Clause 8 by which that Employer agrees to participate in the Plan, as amended from time to time;
- (b) in relation to a Self-Employed Member, the agreement executed in accordance with Clause 10 by which that Self-Employed Member agrees to participate in the Plan, as amended from time to time,

and includes any schedule to the Participation Agreement;

**"person"** includes firm, joint venture, company, body corporate or unincorporate or federation, state or subdivision thereof or any government or agency thereof;

**"Personal Account"** in relation to a Personal Account Member, has the same meaning as given to the term "personal account" in Section 2 of the MPF Regulation and shall be divided into the sub-accounts as set out in Clause 41.4;

**"Personal Account Member"** means:

- (a) a person who, having accrued benefits in another Registered Provident Fund Scheme or an ORSO Exempted Scheme or ORSO Registered Scheme, has joined the Plan in accordance with the Trust Deed other than as an employee of an Employer or a Self-Employed Member and has transferred any of such accrued benefits to a Personal Account of the Plan; or
- (b) a person who, having Accrued Benefits in a Contribution Account in the Plan, has elected or is taken to have elected to have such Accrued Benefits transferred to a Personal Account of the Plan in accordance with Part XII of the MPF Regulation; or
- (c) any person, other than an employee of an Employer or a Self-Employed Member, who holds a Personal Account of the Plan in accordance with the MPF Ordinance and the MPF Regulation.

**"Plan"** means the master trust provident fund scheme established by this Deed and known as the "Principal MPF - Simple Plan" in English and "信安強積金-易富之選" in Chinese or, subject to Clause 14.3, by such other name as the Trustee with the agreement of the Sponsor may determine from time to time;

**"Preliminary Charge"** means the preliminary charge (where and to the extent such charge is permitted by the MPF Ordinance, MPF Regulation and other relevant guidelines issued by the Authority) made by the Sponsor in accordance with Clause 7.4;

**"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 MPF Ordinance;

**"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 MPF Ordinance;

**"Registered Provident Fund Scheme"** means a registered scheme as defined in the MPF Ordinance;

**"Relevant Employee"** has the same meaning as in the MPF 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 Plan, 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 Account"** means an account maintained with the Plan pursuant to Paragraph 8 of Schedule 2;

**"Retirement Age"** has the same meaning as in the MPF Ordinance;

**"Securities and Futures Ordinance"** means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);

**"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 Member"** means a Member who is a Self-Employed Person;

**"Self-Employed Person"** has the same meaning as in the MPF Ordinance;

**"Special Voluntary Contributions" or "SVCs"** means (a) in respect of an employee Member, the Member's SVCs; and/or (b) in respect of a SVC Member, the SVC Member's SVCs;

**"Specified Form"**, in relation to an application, request, notice or other document given or to be given to the Trustee or the Sponsor or their delegates or agents pursuant to this Deed or any Participation Agreement, means the form prescribed by the Trustee with the agreement of the Sponsor in respect of such application, request, notice or other document provided that, in respect of each of the Investment Mandates and Switching Instructions, a "Specified Form" means a form meeting the requirements for a specific investment instruction as specified in the Offering Document;

**"Sponsor"** means Principal Insurance Company (Hong Kong) Limited or such other company acting as Sponsor pursuant to Clause 14;

**"Sponsor's Fee"** means any sum to which the Sponsor may become entitled pursuant to Clause 27;

**"SVC Account"** means, in relation to a SVC Member, the account as referred to in Clause 41.5;

**"SVC Balance"** means, in relation to a SVC Member or an employee Member, so much of such Member's Credit Balance (if any) as derived from (a) the SVCs made into his relevant account(s); and (b) the income or profits arising from any investments of those contributions, but taking into account any losses in respect thereof;

**"SVC Member"** means a person who has joined the Plan in accordance with Paragraph 1.2B of Schedule 2;

**"SVC Transfer Balance"** means such amounts as may be transferred into the Plan or from the Contribution Account to a SVC Account or vice versa of such Member (other than a Personal Account Member) within the Plan in accordance with this Deed, to the extent that such amounts relate to such Member's Special Voluntary Contributions;

**"Switching Instruction"** means the instruction given by a Member pursuant to Clause 20;

**"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;

**"Transfer Notice"** means a notice in the form specified or approved by the Authority from time to time to be completed and signed by a Member to enable his accrued benefits to be transferred in accordance with Part XII of the MPF Regulation;

**"Trustee"** means the trustee for the time being of the Plan;

**"Trustee Ordinance"** means the Trustee Ordinance (Cap. 29 of the Laws of Hong Kong);

**"Trustee's Fee"** means any sum to which the Trustee may become entitled pursuant to Clause 26;

**"Unclaimed Benefits Account"** means the account within the Plan to which all unclaimed benefits are credited in accordance with Clause 33.14 and Paragraph 11 of Schedule 2;

**"Unit"** means a notional unit by reference to a Constituent Fund or a fraction thereof;

**"Valuation Date"** means such day as the Trustee with the agreement of the Sponsor may from time to time determine either generally or in relation to a particular Constituent Fund;

**"Valuation Point"** means the close of business in the last relevant market to close or such other time as the Trustee with the agreement of the Sponsor may from time to time determine either generally or in relation to a particular Constituent Fund;

**"Value"**, except where otherwise expressly stated, means in relation to any asset of the Plan, the value thereof determined in accordance with Schedule 1;

**"Vested Portion"** means in respect of a Member's Employer's Voluntary Contribution Balance or Employer's Voluntary Transfer Balance, the portion which vests in such Member at any time in accordance with this Deed or the relevant Participation Agreement and the term **"Unvested Portion"** shall be interpreted accordingly;

**"Voluntary Contributions"** means Employer's Voluntary Contributions and Member's Voluntary Contributions;

**"Voluntary Credit Balance"** means in respect of a Member the aggregate of the (a) Vested Portion of the Employer's Voluntary Contribution Balance, (b) Member's Voluntary Contribution Balance, (c) Vested Portion of Employer's Voluntary Transfer Balance and (d) Member's Voluntary Transfer Balance of such Member;

**"Voluntary Transfer Balance"** means in respect of a Member the aggregate of the (a) Employer's Voluntary Transfer Balance and (b) Member's Voluntary Transfer Balance of such Member;

**"month"** means calendar month;

**"year"** means calendar year;

**"may"** shall be construed as permissive;

**"shall"** shall be construed as obligatory; and

**"in writing"** and **"written"** includes printing, photography and other modes of representing or reproducing words in permanent visible form (including facsimile transmission provided that the sender's machine shall have confirmed satisfactory transmission) and an electronic record in a form acceptable to the Trustee.

- 1.2. References to Clauses and Schedules are to clauses of and schedules to this Deed. Unless the context otherwise requires, references to Paragraphs are to paragraphs of the Schedule in which such reference occurs. Schedules shall form part of this Deed.
- 1.3. Clause and Paragraph headings, the index and the notes are inserted for convenience only and shall be ignored in construing the trusts, powers and provisions contained in this Deed.
- 1.4. Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing one gender shall include the other genders and words importing persons shall include corporations.
- 1.5. To the extent that the provisions of any Participation Agreement are inconsistent with or in conflict with the provisions of this Deed, the provisions of this Deed shall prevail.
- 1.6. References to any statute or law shall include any subsidiary legislation, regulation, rule, guideline or code made under that statute or law and any reference to any statute, law, subsidiary legislation, regulation, rule, guideline or code or any section, provision or paragraph of any statute, law, subsidiary legislation, regulation, rule, guideline or code shall be construed as a reference to that statute, law, subsidiary legislation, regulation, rule, guideline or code as modified, amended, codified, reenacted or extended and in force at the relevant time. Without limitation to the above, any reference to the MPF Ordinance (save for the definition thereof in Clause 1.1 or where a section of that Ordinance is specified in this Deed) shall include the MPF Regulation and any regulations, rules, guidelines and codes made under the MPF Ordinance or the MPF Regulation.
- 1.7. References to the Authority or the Commission shall include any other regulatory body or authority established under any statute or law to carry out and exercise any of the functions of the Authority or the Commission, as the case may be, whether as a separate body or authority or as an amalgamation or merger between another body or authority and the Authority or the Commission, as the case may be, or as a replacement or successor to the Authority or the Commission and whether established to act in conjunction with or in place of the Authority or the Commission.
- 1.8. Any provision of this Deed requiring the consent or approval of the Authority shall be construed as such consent or approval as may be required pursuant to the MPF Ordinance.

## **PART I**

### **ESTABLISHMENT OF THE PLAN**

#### **2. ESTABLISHMENT OF THE PLAN**

The Trustee and the Sponsor establish and constitute the Plan to be known as the "Principal MPF - Simple Plan" in English with effect from the date of execution of this Deed as a master trust provident fund scheme for the purpose of providing benefits to Members and persons claiming through them.

#### **3. ESTABLISHMENT OF CONSTITUENT FUNDS**

- 3.1. The Trustee may with the agreement of the Sponsor (and shall at the request of the Sponsor) at any time and from time to time establish one or more Constituent Funds, and the major features of each Constituent Fund as at any point in time shall be disclosed in the then current Offering Document.
- 3.2. The Trustee shall stand possessed of the assets of each Constituent Fund as a single common fund upon trust for the holders of Units relating to such Constituent Fund according and subject to this Deed.
- 3.3. The interest of each Member in respect of a Constituent Fund shall be represented by the Units relating to such Constituent Fund for the time being allocated to the Credit Balance of such Member. Members shall not have or acquire any rights against the Trustee in respect of Units other than those expressly conferred upon them by this Deed. No Member shall be entitled to any right, interest or share in any particular part of any Constituent Fund.
- 3.4. The following provisions shall apply in respect of each Constituent Fund:-
  - 3.4.1 The Constituent Fund shall comprise investments cash and other property held by the Trustee for the account of such Constituent Fund but less any amount distributed or paid out pursuant to this Deed.
  - 3.4.2 The Initial Charge shall be deducted from the Contributions and, subject to the MPF Ordinance, other sums transferred or paid to the Trustee for the account of Members. The balance of such Contributions and other sums shall be invested in accordance with Investment Mandates in Units and applied in the books of the Plan to the Constituent Fund maintained for such Units and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Constituent Fund.
  - 3.4.3 The proceeds from the realisation of Units shall be deducted in the books of the Plan from the Constituent Fund maintained for such Units.
  - 3.4.4 Subject to Clause 22.6, where any asset of the Plan is derived from another asset, such derivative asset shall be applied in the books of the Plan to the same Constituent Fund as the assets from which it was derived. On any valuation of



any asset comprised in a Constituent Fund, any increase or diminution in Value shall be applied to such Constituent Fund.

- 3.4.5 In the case of any asset of the Plan which is not attributable to a particular Constituent Fund, the Trustee shall have a discretion with the agreement of the Sponsor 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 provided that any such allocation shall be on a fair and equitable basis and that the agreement of the Sponsor shall not be required in any case where the asset is allocated between all the Constituent Funds pro-rata to their respective Net Asset Values.
- 3.4.6 In the case of any liability or contingent liability which is not attributable to a particular Constituent Fund, the Trustee shall have a discretion with the agreement of the Sponsor to determine the basis upon which any such liabilities 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 provided that any such allocation shall be on a fair and equitable basis and that the agreement of the Sponsor shall not be required if the allocation is made between all the Constituent Funds pro-rata to their respective Net Asset Values.

#### **4. TERMINATION OF CONSTITUENT FUNDS**

- 4.1. Subject to the MPF Ordinance and the prior written approval of the Authority, the Trustee may with the agreement of the Sponsor (and shall at the request of the Sponsor) from time to time determine that any Constituent Fund (the "**Terminating Fund**") shall cease to be such by giving not less than one month's Notice to each Employer and each Member holding Units in such Constituent Fund that, on the date specified in such Notice (the "**Termination Date**"), such Constituent Fund shall cease to be a Constituent Fund and no further Contributions or other moneys shall be invested in such Constituent Fund.
- 4.2. Where the Trustee makes a determination pursuant to this Clause 4, subject to Clause 4.3, the following provisions shall apply:-
- 4.2.1 where any Units in the Terminating Fund are held for the account of any Member, such Member shall be entitled to give a Switching Instruction prior to such date as the Trustee with the agreement of the Sponsor may determine directing the Trustee to realise such Units and invest the amount to be received by the Trustee in respect of such realisation into such other Constituent Fund as such Member may specify;
- 4.2.2 where an Investment Mandate directs the investment of all or part of the Contributions by or in respect of a Member in the Terminating Fund, such Member shall be entitled to give a new Investment Mandate prior to such date as the Trustee with the agreement of the Sponsor may determine directing the Trustee to invest future Contributions and other sums paid or transferred to the Trustee for the account of such Member in such other Constituent Fund as such Member may specify;

- 4.2.3 a relevant Member who fails to give a Switching Instruction in accordance with Clause 4.2.1 shall be deemed to have given a Switching Instruction to realise such Units and invest the amount to be received by the Trustee in respect of such realisation into the Default Investment Strategy;
  - 4.2.4 a relevant Member who fails to give a new Investment Mandate in accordance with Clause 4.2.2 shall be deemed to have given a new Investment Mandate in the same terms as the previous Investment Mandate, except that references to investing in the Terminating Fund shall be construed as references to investing in the Default Investment Strategy; and
  - 4.2.5 the Trustee shall realise all the Units in the Terminating Fund at a reasonable time prior to the Termination Date and shall, subject to Clause 4.2.2, invest the amount to be received by the Trustee in respect of such realisation in accordance with the relevant Switching Instruction in such other Constituent Fund within one month from the date of receipt of such amount in cleared funds. For this purpose, any period of suspension in accordance with Clause 6.1 shall not be included in calculating the time elapsed from the receipt of such amount in cleared funds.
- 4.3. [Intentionally deleted]
- 4.4. Subject to the MPF Ordinance and the prior written approval of the Authority, a Constituent Fund which is a Feeder Fund shall terminate on the termination of the Collective Investment Scheme in which such Constituent Fund invests. So far as is practicable, Clause 4.2 shall apply in respect of such termination.

## **5. VALUATION OF CONSTITUENT FUNDS**

- 5.1. The Trustee shall determine the Net Asset Value of each Constituent Fund and Net Asset Value of a Unit of each Constituent Fund in accordance with Schedule 1 and the Offer Price and Bid Price of Units relating to such Constituent Fund in accordance with Clause 7 as at the Valuation Point on each Valuation Date of such Constituent Fund.
- 5.2. Notwithstanding Clause 5.1 and the application of Schedule 1, the Trustee may with the agreement of the Sponsor make such adjustments as it thinks appropriate to take account of any other assets or liabilities attributable to the relevant Constituent Fund not otherwise reflected in a valuation.
- 5.3. The Trustee shall decide conclusively:-
  - 5.3.1 the period to which any income, expenses or liabilities are to be attributed; and
  - 5.3.2 how any taxation to which the Plan is or may be subject is to be treated.

## **6. SUSPENSION OF VALUATION**

- 6.1. The Trustee may with the agreement of the Sponsor declare a suspension of the determination of the Net Asset Value of any Constituent Fund:-
  - 6.1.1 during any period when any Securities Market or Commodities Market on which any investment for the time being held for the account of such

- Constituent Fund is quoted is closed otherwise than for ordinary holidays;  
or
- 6.1.2 during any period when any dealings on any such Securities Market or Commodities Market are restricted or suspended; or
  - 6.1.3 during the existence of any state of affairs as a result of which acquisition or disposal of investments for the time being comprised in such Constituent Fund cannot in the opinion of the Sponsor be effected normally; or
  - 6.1.4 during any breakdown in the means of communication normally employed in determining the Net Asset Value of such Constituent Fund or part thereof or the Offer Price or Bid Price of Units or when for any other reason the Value of any investment for the time being comprised in such Constituent Fund and representing a significant part of the Value thereof cannot in the opinion of the Sponsor be promptly and accurately ascertained; or
  - 6.1.5 during any period when the acquisition or realisation of any investment for the time being comprised in such Constituent Fund or the transfer of funds involved in such acquisition or realisation cannot be effected at normal prices or normal rates of exchange respectively; or
  - 6.1.6 during any period in which the determination of the Value of the Approved Pooled Investment Fund in such Constituent Fund is suspended.
- 6.2. Such suspension shall take effect forthwith upon the declaration thereof and thereafter there shall be no determination of the Net Asset Value of such Constituent Fund until the Trustee with the agreement of the Sponsor shall declare the suspension at an end having regard to the matters in Clause 6.1.
- 6.3. No Units relating to a Constituent Fund may be issued, realised or switched during any period when the determination of the Net Asset Value of such Constituent Fund is suspended or during such period which issue, realisation or switching of Units need to be suspended for the purpose of implementing any reorganisation of the Plan which involves a change of Trustee, Sponsor, Custodian, Administrator, any Investment Manager or investment manager of any underlying Approved Pooled Investment Fund.

## **7. ISSUE AND REALISATION OF UNITS**

- 7.1. The Trustee shall have the power to issue and realise Units on each Valuation Date, subject to and in accordance with this Deed. Fractions of less than one-ten thousandth of a Unit shall not be issued.
- 7.2. Units shall be issued at the Offer Price as at the Valuation Point on the appropriate Valuation Date.
- 7.3. Subject to Clause 7.8, the Offer Price shall be:-
  - 7.3.1 on the first issue of Units, such amount as the Sponsor and the Trustee may agree prior to the first issue of such Units; and

- 7.3.2 on any subsequent Valuation Date, the sum of the Net Asset Value of a Unit and (subject to the MPF Ordinance) the Preliminary Charge (if any), rounded down to seven decimal places PROVIDED THAT the Trustee may assess and impose such surcharge in respect of Units to be issued as shall in the reasonable estimation of the Trustee be appropriate in order to compensate for the difference between the prices at which the assets comprised in the Constituent Fund to which such Units relate are to be valued in accordance with this Deed and the total cost of acquiring such assets or making any deposit comprised in such Constituent Fund and for any relevant expenses including any stamp duty, other taxes, duties or governmental charges, brokerage, bank charges, transfer fees or registration fees.
- 7.4. A Preliminary Charge may be made by the Sponsor on the issue of each Unit of a percentage (not exceeding the authorised percentage) of the Offer Price as at the Valuation Point on the Valuation Date at which the Offer Price of such Unit is ascertained. The Preliminary Charge shall be paid to the Sponsor for its own absolute use and benefit. The authorised percentage shall be 2 per cent. or such higher or lower percentage as the Sponsor may determine from time to time. The authorised percentage as at any point in time shall be disclosed in the then current Offering Document.
- 7.5. The Sponsor may at any time differentiate between Employers and Members as to the amount of the Preliminary Charge to be included in the Offer Price of Units issued for the account of such Employers and Members by reference to the Constituent Fund, the Employer, the Member, the nature or amount of the sums to be invested in the Constituent Fund or otherwise.
- 7.6. Units of a Constituent Fund shall be realised at the Bid Price of such Constituent Fund as at the Valuation Point on the appropriate Valuation Date. All Units realised shall be cancelled immediately on realisation.
- 7.7. Subject to Clause 7.8, the Bid Price on a Valuation Date shall be the Net Asset Value per Unit, rounded down to seven decimal places PROVIDED THAT the Trustee may assess and impose such deduction in respect of Units to be realised as shall in the reasonable estimation of the Trustee be appropriate in order to compensate for the difference between the prices at which assets comprised in the Constituent Fund to which such Units relate are to be valued in accordance with this Deed and the net proceeds which would be received on the sale of such assets or the breaking of any deposit comprised in such Constituent Fund and for any relevant expenses including stamp duty, other taxes, duties or governmental charges, brokerage, bank charges or transfer fees. The benefit of any rounding referred to in this Clause 7.7 shall accrue to that part of the Constituent Fund to which the relevant Unit relates.
- 7.8. For a Constituent Fund that is a capital preservation fund (as defined in the MPF Ordinance), the Offer Price and Bid Price on a Valuation Date shall be the Net Asset Value per Unit.
- 7.9. If at any time during the period from the time as at which the Bid Price is calculated up to the time at which the proceeds of realisation of a Unit are converted out of any other currency into Hong Kong dollars there is an officially announced devaluation of that other currency, the proceeds of realisation of such Unit shall be reduced as the Trustee

with the agreement of the Sponsor shall consider appropriate and reasonable to take account of the effect of that devaluation.

- 7.10. With a view to protecting the interests of all Members, the Trustee shall be entitled to limit the total number of Units relating to a Constituent Fund realised on any Valuation Date to 10 percent of the total number of Units of such Constituent Fund in issue (disregarding any Units which are to be issued on such Valuation Date). Such limitation shall apply pro rata to all Members' holding of Units of such Constituent Fund to be realised on such Valuation Date. Any Units which, by virtue of the powers conferred on the Trustee in this Clause 7.10, are not realised shall be realised (subject to any further application of this Clause 7.10) on the next succeeding Valuation Date of such Constituent Fund. The Trustee and the Sponsor shall not be liable for any losses, costs, damages or inconvenience that may be suffered by any person resulting from the application of this Clause 7.10.

## PART II

### PARTICIPATION OF EMPLOYERS AND SELF-EMPLOYED PERSONS

#### 8. PARTICIPATION BY AN EMPLOYER

- 8.1. An Employer may participate in the Plan by submitting to the Trustee an executed Participation Agreement in the Specified Form.
- 8.2. Each Employer who executes a Participation Agreement shall be deemed by such execution to:
  - 8.2.1 covenant to pay to the Trustee all sums of money now or hereafter due to be paid by it in accordance with this Deed and the relevant Participation Agreement and warrant that any such payment will not breach any applicable law or regulation relating to the prevention of money laundering or otherwise;
  - 8.2.2 covenant to comply with this Deed and the relevant Participation Agreement;
  - 8.2.3 undertake and agree to hold the Trustee indemnified against all and any losses, proceedings, costs, charges, liabilities and expenses occasioned by all and any claims, actions, demands or proceedings in connection with the Plan so far as they (i) relate to the Employer and Members who are attributable to the Employer (whether they relate to the Employer and such Members alone or together with another Employer or Employers and the Members attributable thereto), or (ii) are a result of any failure or omission on the part of the Employer to duly and punctually perform or observe any of the obligations on the part of the Employer to be performed or observed under this Deed, the relevant Participation Agreement and the MPF Ordinance. Notwithstanding any other provisions of this Deed, the Employer shall be responsible for all the legal costs and expenses of the Trustee in enforcing the performance of the obligations by the Employer under this Deed, the relevant Participation Agreement and the MPF Ordinance;
  - 8.2.4 undertake and agree to duly and punctually give to the Trustee all information and documents in the custody, power, possession or control of the Employer that the Trustee may require in connection with the performance of any obligations by the Trustee under this Deed, the relevant Participation Agreement and the MPF Ordinance; and
  - 8.2.5 warrant that all information provided or to be provided by the Employer pursuant to Clause 8.2.4 or in relation to Contributions and other sums transferred or paid to the Trustee or in respect of each Member, as to age, income, length of service and otherwise as the Trustee may require, will be true and correct in all respects and the Employer undertakes to indemnify and hold harmless the Trustee for any losses, proceedings, costs, charges, liabilities and expense arising out of any breach of this warranty.
- 8.3. An Employer may cease to participate in the Plan on three months' Notice in the Specified Form (or such shorter period of Notice as may be permitted under the MPF Ordinance or the Sponsor may agree) given to the Trustee. Upon the expiry of such

Notice and subject to Clause 34.14, the Trustee shall redesignate all the Members employed by such Employer as Personal Account Members.

## **9. PROVISIONS FOR SUBSTITUTION OF NEW EMPLOYER**

9.1. If any of the events referred to in Clause 9.2 occurs in respect of an Employer, then and in such event:-

9.1.1 such person referred to in Clause 9.2 shall be deemed to be substituted for such Employer and shall be liable to perform such obligations; and

9.1.2 this Deed and the relevant Participation Agreement shall thenceforth have effect as if such person had been a party to such Participation Agreement in place of such Employer.

9.2. The events referred to in Clause 9.1 are:-

9.2.1 an Employer (being a body corporate) enters into liquidation and another person (whether in contemplation of such liquidation or after the commencement thereof) enters into an agreement in the Specified Form with the Trustee and with such Employer or its liquidator to perform the obligations of such Employer under the Plan;

9.2.2 an Employer (being an individual or individuals) is adjudicated bankrupt and another person (whether in contemplation of such bankruptcy or after the commencement thereof) enters into an agreement in the Specified Form with the Trustee and with such Employer or its trustee in bankruptcy to perform the obligations of such Employer under the Plan;

9.2.3 the undertaking of an Employer is acquired by or vested in another person and such other person either enters into an agreement in the Specified Form with the Trustee and with such Employer or its liquidator or trustee in bankruptcy or is bound by virtue of or pursuant to any statutory provision or any order of any competent court or any ruling, order, regulation or direction made thereunder or otherwise to perform the obligations of such Employer under the Plan; and

9.2.4 an Employer (being a body corporate) is dissolved by virtue of or pursuant to any statutory provision or any order of any competent court or any ruling, order, regulation or direction made thereunder or otherwise and another person is bound by virtue of or pursuant to any statutory provision or any order of the court or any ruling, order, regulation or direction made thereunder or otherwise to perform the obligations of such Employer under the Plan.

## **10. PARTICIPATION BY A SELF-EMPLOYED PERSON**

10.1. A Self-Employed Person may participate in the Plan by submitting to the Trustee an executed Participation Agreement in the Specified Form.

10.2. A Self-Employed Person who executes a Participation Agreement shall be deemed by such execution to:-

- 10.2.1 covenant to pay to the Trustee all sums of money now or hereafter due to be paid by him in accordance with this Deed and the relevant Participation Agreement and warrants that any such payment will not breach any applicable law or regulation relating to the prevention of money laundering or otherwise;
  - 10.2.2 covenant to comply with this Deed and the relevant Participation Agreement;
  - 10.2.3 undertake and agree to hold the Trustee indemnified against all and any losses, proceedings, costs, charges, liabilities and expenses occasioned by all and any claims, actions, demands or proceedings in connection with the Plan so far as they (i) relate to the Self-Employed Person (whether they relate to the Self-Employed Person alone or together with other Members), or (ii) are a result of any failure or omission on the part of the Self-Employed Person to duly and punctually perform or observe any of the obligations on the part of the Self-Employed Person to be performed or observed under this Deed, the relevant Participation Agreement and the MPF Ordinance. Notwithstanding any other provisions of this Deed, the Self-Employed Person shall be responsible for all the legal costs and expenses of the Trustee in enforcing the performance of the obligations by the Self-Employed Person under this Deed, the relevant Participation Agreement and the MPF Ordinance;
  - 10.2.4 undertake and agree to duly and punctually give to the Trustee all information and documents in the custody, power, possession or control of the Self-Employed Person that the Trustee may require in connection with the performance of any obligations of the Trustee under this Deed, the relevant Participation Agreement and the MPF Ordinance; and
  - 10.2.5 warrant that all information provided or to be provided by the Self-Employed Person pursuant to Clause 10.2.4 or in relation to Contributions and other sums or in respect of the Self-Employed Person, as to age, income and otherwise as the Trustee may require, will be true and correct in all respects and the Self-Employed Person undertakes to indemnify and hold harmless the Trustee for any losses, proceedings, costs, charges, liabilities and expenses arising out of any breach of this warranty.
- 10.3. A Self-Employed Member shall cease to participate in the Plan upon the termination of membership of such Self-Employed Member in accordance with Paragraph 1.5 of Schedule 2.
- 10.4. Subject to Clause 10.3
- 10.4.1 a Self-Employed Member may cease to participate in the Plan on three months' Notice in the Specified Form (or such shorter period of Notice as may be permitted under the MPF Ordinance or the Sponsor may agree) given to the Trustee; and
  - 10.4.2 upon the expiry of such Notice, the Trustee shall redesignate the Self-Employed Member as a Personal Account Member.



## **PART III**

### **TRUSTEE, SPONSOR AND SERVICE PROVIDERS**

**11.** [Intentionally deleted]

**12. APPOINTMENT, REMOVAL AND RETIREMENT OF TRUSTEE**

12.1. The power (whether statutory or otherwise) of appointment of a new Trustee shall be vested in the Sponsor and shall be exercisable in writing.

12.2. The Trustee may resign as the trustee of the Plan by giving to the Sponsor not less than three months' Notice in writing (or such shorter period as the Sponsor may agree).

12.3. The Trustee shall resign as the trustee of the Plan on receipt of a written request from the Sponsor to do so. Such resignation shall take effect on the expiry of three months from the date of receipt of such written request (or such shorter period as the Trustee may agree).

12.4. Upon the resignation of a Trustee, the resigning Trustee shall assign, transfer or otherwise pay to the successor Trustee the assets of the Plan less the fees and charges payable to the resigning Trustee pursuant to this Deed and remaining unpaid for the period of its trusteeship up to (and including) the date on which the resignation of the resigning Trustee takes effect and any other proper costs and expenses against the Plan. The resigning Trustee shall thereafter be absolved and released from all further obligations under this Deed or any Participation Agreement but without prejudice to the rights of any person in respect of any act or omission of the Trustee prior to such resignation.

12.5. Every Trustee who resigns as the trustee of the Plan shall in respect of its period of trusteeship of the Plan and notwithstanding that it shall have resigned continue to have the benefits of all indemnities, releases, powers and privileges given to the trustee of the Plan by this Deed in addition to the indemnities, releases, powers and privileges given by law to such Trustee.

**13. COVENANTS OF THE TRUSTEE**

13.1. The Trustee covenants in favour of the Sponsor, the Employers and the Members as follows:-

13.1.1 to comply with this Deed and the relevant Participation Agreement;

13.1.2 to exercise the care, skill, diligence and prudence to be reasonably expected of a person who is administering provident fund schemes and is familiar with the operation of provident fund schemes;

13.1.3 to use in the administration of the Plan all knowledge and skill that the Trustee has, or ought reasonably to be expected to have, because of the Trustee's

business or occupation, in so far as that knowledge and skill is relevant to the operation of the Plan;

- 13.1.4 to act in the interests of Members and not in the Trustee's own interest;
- 13.1.5 to ensure that the funds of the Plan are invested in different investments so as to minimize the risk of losses of these funds, unless in particular circumstances it is prudent not to do so.

#### **14. SUBSTITUTION OF SPONSOR**

- 14.1. The Sponsor shall have power to retire in favour of some other person so long as such other person enters into a deed by which it agrees to assume the obligations of the Sponsor under this Deed. Upon such deed being entered into, the retiring Sponsor shall be absolved and released from all further obligations under this Deed or any Participation Agreement but without prejudice to the rights of any person in respect of any act or omission of the Sponsor prior to such retirement.
- 14.2. If the Sponsor goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation) or if a receiver is appointed over the majority in value of its assets, the Trustee may appoint any other person to act as the Sponsor so long as such other person enters into a deed by which it agrees to assume the obligations of the Sponsor under this Deed.
- 14.3. On the appointment of a new Sponsor, unless AXA China Region Insurance Company (Bermuda) Limited otherwise agrees in writing, the then Sponsor and/or the then Trustee shall change the name of the Plan to a name not including the words "Double Easy", "National Mutual", "NM", Elite or "AXA" or "Smart" or "Simple" or their equivalents in Chinese.
- 14.4. Every Sponsor who retires shall in respect of its period of acting as the Sponsor of the Plan and notwithstanding that it shall have retired continue to have the benefits of all indemnities, releases, powers and privileges given to the Sponsor by this Deed in addition to the indemnities, releases, powers and privileges given by law to such Sponsor.

#### **15. APPOINTMENT AND REMOVAL OF INVESTMENT MANAGER**

- 15.1. The Trustee may with the agreement of the Sponsor appoint a person (including the Sponsor or any Associate of the Sponsor or the Trustee) to act as the Investment Manager of all or part of the assets of the Plan.
- 15.2. The Trustee may with the agreement of the Sponsor, and shall at the request of the Sponsor, remove any Investment Manager so appointed and with the agreement of the Sponsor appoint a new Investment Manager.
- 15.3. The fees of an Investment Manager shall be as agreed between the Trustee, with the agreement of the Sponsor, and the Investment Manager and shall be payable out of the assets of the Plan.

**16. APPOINTMENT AND REMOVAL OF CUSTODIAN**

- 16.1. The Trustee may with the agreement of the Sponsor appoint a person (including the Sponsor or any Associate of the Sponsor or the Trustee) to act as the Custodian of all or part of the assets of the Plan.
- 16.2. The Trustee may with agreement of the Sponsor, and shall at the request of the Sponsor, remove any Custodian so appointed and with the agreement of the Sponsor appoint a new Custodian.
- 16.3. The fees of a Custodian shall be as agreed between the Trustee, with the agreement of the Sponsor, and the Custodian and shall be payable out of the assets of the Plan.

**17. APPOINTMENT AND REMOVAL OF ADMINISTRATOR**

- 17.1. The Trustee may with the agreement of the Sponsor appoint a person (including the Sponsor or any Associate of the Sponsor or the Trustee) to act as the Administrator in respect of all or part of the Plan and may delegate to such Administrator such of the powers, duties and discretions of the Trustee as the Trustee thinks fit.
- 17.2. The Trustee may with the agreement of the Sponsor, and shall at the request of the Sponsor, remove any Administrator so appointed and with the agreement of the Sponsor appoint a new Administrator.
- 17.3. The fees of an Administrator shall be as agreed between the Trustee, with the agreement of the Sponsor, and the Administrator and shall be payable out of the assets of the Plan.

**18. APPOINTMENT AND REMOVAL OF AUDITORS**

- 18.1. The Trustee shall with the agreement of the Sponsor appoint accountants qualified to act as auditors of Registered Provident Fund Schemes as Auditors of the Plan.
- 18.2. The Trustee may with the agreement of the Sponsor, and shall at the request of the Sponsor, remove any Auditors so appointed and, with the agreement of the Sponsor, appoint new Auditors.
- 18.3. The fees of the Auditors shall be as agreed between the Trustee, with the agreement of the Sponsor, and the Auditors and shall be payable out of the assets of the Plan.

## PART IV

### INVESTMENT AND BORROWING

#### 19. INVESTMENT MANDATES

19.1. On becoming a Member, such Member shall give to the Trustee an Investment Mandate specifying the Constituent Funds into which the Contributions and other sums transferred or paid to the Trustee which are for or from the Contribution Account, Personal Account or SVC Account of such Member after deduction (subject to the MPF Ordinance) of the Initial Charge are to be invested and the percentages thereof; subject to such restrictions and requirements as the Sponsor may specify in accordance with Paragraph 5.4 of Schedule 2.

19.1A Each Member may elect that the Investment Mandate 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 set out in the Offering Document; 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 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.

19.1B (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 less than one-ten thousandth of a Unit of the Principal Age 65 Plus Fund and/or the Principal Core Accumulation Fund (as the case may be) shall not be issued.

19.1C Notwithstanding Clause 19.1A:

- (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 6.5.2 headed "*Existing accounts set up before 1 April 2017*" of the Administrative Procedures Section, then Clause 19.1A shall not apply to that account and that account shall be treated in accordance with sub-section 6.5.2 headed "*Existing accounts set up before 1 April 2017*" of the Administrative Procedures Section;
- (iii) Any switching in and out of the Default Investment Strategy will be subject to the provisions specified in sub-section 6.7 headed "*Switching in and out of the DIS*" of the Administrative Procedures Section.

19.2. A Member may change such Member's Investment Mandate in respect of future Contributions and other sums transferred or paid to the Trustee which are for or from

the Contribution Account, Personal Account or SVC Account of such Member by giving a new Investment Mandate to the Trustee.

- 19.3. An Investment Mandate shall remain in effect until a new and valid Investment Mandate takes effect. In the event that there is no Investment Mandate (whether due to no Investment Mandate having been submitted or an invalid Investment Mandate having been submitted) in effect in respect of all or any percentage of the Contributions or other sums transferred or paid to the Trustee for the account of any Member, the Trustee shall invest such Contributions or other sums (or the relevant percentage thereof) after deduction of the Initial Charge (provided that any such deduction shall be subject to the MPF Ordinance) in the Default Investment Strategy.
- 19.4. An Investment Mandate is not valid unless it complies with the restrictions and requirements specified by the Sponsor in accordance with Paragraph 5.4 of Schedule 2 and until it is duly completed and signed by the relevant Member and received by the Trustee.

## 20. SWITCHING INSTRUCTIONS

- 20.1. A Member may give to the Trustee a Switching Instruction to require the realization of all or any percentage of the Units allocated to the Credit Balance of such Member and the investment of the amount to be received by the Trustee in respect of such realisation in other Constituent Funds, subject to such restrictions and requirements as the Sponsor may specify in accordance with Paragraph 5.4 of Schedule 2.
- 20.2. Units of a Constituent Fund (the "**existing Units**") shall be switched into Units of another Constituent Fund (the "**new Units**") in accordance (or as nearly as may be in accordance) with the following formula:-

$$N = \frac{R - SF}{O}$$

Where:-

N is the number of new Units to be issued, provided that amounts representing fractions of less than one ten-thousandth of a Unit shall be ignored and shall be retained by the Constituent Fund relating to the new Units;

R is the amount to be received by the Trustee in respect of the realisation of the existing Units;

O is the Offer Price per Unit for the new Units as at the Valuation Point on the Valuation Date the new Units are issued; and

SF is a switching fee charged in accordance with Clause 29.

Subject to Clause 21.1 the Valuation Dates on which existing Units are realised and

new Units are issued shall be determined by the Trustee with the agreement of the Sponsor. Different Valuation Dates may be determined in respect of the realisation of existing Units and the issue of new Units.

- 20.3. A Switching Instruction is not valid unless it complies with the restrictions and requirements specified by the Sponsor in accordance with Paragraph 5.4 of Schedule 2 and until it is duly completed and signed by the relevant Member and received by the Trustee.

## **21. PROVISIONS APPLICABLE TO INVESTMENT MANDATES AND SWITCHING INSTRUCTIONS GENERALLY**

- 21.1. Investment Mandates and Switching Instructions shall be given in the Specified Form and shall be in respect of such types of contributions according to the terms of the Administrative Procedures Section and subject to the restrictions and requirements in Clause 19 and Clause 20. Unless the Sponsor determines otherwise, a valid Investment Mandate shall take effect within fourteen (14) Business Days after receipt of such Investment Mandate by the Trustee. Unless the Sponsor determines otherwise, a valid Switching Instruction shall be implemented within one month after receipt of such Switching Instruction by the Trustee. For this purpose, any period of suspension in accordance with Clause 6.1 shall not be included in calculating the time elapsed from the receipt of an Investment Mandate or Switching Instruction.
- 21.2. If the determination of the Net Asset Value of any relevant Constituent Fund in respect of any Investment Mandate or Switching Instruction shall be suspended for any period, then the Trustee shall retain any Contributions or other sums transferred or paid to the Trustee for the account of a Member after deduction of the Initial Charge (provided that any such deduction shall be subject to the MPF Ordinance), which would otherwise be used to purchase Units of such Constituent Fund in cash or on deposit pending the resumption of the determination of the Net Asset Value of such Constituent Fund.
- 21.3. The Sponsor may limit the number of Investment Mandates or Switching Instructions to be given by or in respect of a Member in any Accounting Period of the Plan.

## **22. INVESTMENT OF CONSTITUENT FUNDS**

- 22.1. Subject to the provisions of this Deed, the Trustee shall have full power to invest and otherwise deal with the assets of the Plan as if it were the beneficial owner of such assets, including investment in investments not expressly authorised by law for the investment of trust funds, investments which do not produce income and investments which involve liability or the giving of security.
- 22.2. Without limit to the generality of Clause 22.1, all assets which in accordance with this Deed form part of a Constituent Fund can be invested:-
- 22.2.1 in any investments in which trustees may by the laws of Hong Kong invest trust moneys;
  - 22.2.2 in any Approved Pooled Investment Fund;

- 22.2.3 in preference or ordinary shares or stock in or debentures or debenture stock (whether convertible or not) issued in Hong Kong or elsewhere by any corporation;
  - 22.2.4 in any Collective Investment Scheme;
  - 22.2.5 in payment of premiums under any insurance policy; or
  - 22.2.6 in any other form of investment whatsoever, wherever situated and in whatever currency, considered by the Trustee to be appropriate.
- 22.3. Any assets comprised in a Constituent Fund may at any time be realised either in order to invest the proceeds 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 in cash or on deposit as aforesaid or partly one and partly another.
- 22.4. The Trustee may as principal sell or deal in the sale of investments to the Trustee for the account of any Constituent Fund. If the Trustee so sells or deals, the Trustee may retain for its own absolute use and benefit any benefit which it may derive therefrom or in connection therewith.
- 22.5. Any transaction authorised hereunder may be effected in and moneys may be held hereunder in cash or on deposit as aforesaid in a currency or currencies other than Hong Kong dollars and for such purpose foreign currency may be acquired either at the official rate of exchange or otherwise having regard to the prevailing market conditions and either for present or forward settlement and any costs and commissions thereby incurred shall be paid out of the relevant Constituent Fund.
- 22.6. Any cash transferred to or received or held by the Trustee under this Deed may be held by the Trustee in cash or on deposit (including on deposit with any Associate of the Trustee or the Sponsor). Any person who accepts such deposit shall be entitled to retain for its own use and benefit any benefit which it may derive from such deposit. If cash is held on deposit, the Trustee will use any interest earned for any one or more of the purposes permitted by the MPF Ordinance from time to time as the Trustee may determine in its discretion.
- 22.7. Notwithstanding any other provisions of this Deed, the Trustee must ensure that the Default Investment Strategy is available in the Plan 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 MPF Ordinance.

## **23. INVESTMENT RESTRICTIONS**

- 23.1. The investment of the assets of each Constituent Fund shall be in accordance with and subject to the restrictions and limitations contained in the MPF Ordinance from time to time. Where as a result of an amendment to the MPF Ordinance such restrictions and limitations are further restricted, the revised restrictions and limitations shall apply in respect of each Constituent Fund on the expiry of such transitional period as may be specified in the amending legislation.
- 23.2. It shall not be necessary to effect changes of investments merely because, owing to appreciations or depreciations in the Value of the investments of a Constituent Fund,

any of the restrictions and limitations referred to in this Clause 23 shall be exceeded, nor by reason of any of those restrictions and limitations being exceeded as a result of such Constituent Fund receiving, taking up or participating in any rights, bonuses or benefits in the nature of capital, or any scheme or arrangement for amalgamation, reconstruction, conversion or exchange, or as a result of any realisation caused by a realisation of Units or any payment out of such Constituent Fund but if and so long as any of such restrictions and limitations shall be exceeded no further investments may be acquired (otherwise than as aforesaid) which would result in such restrictions and limitations being further exceeded, and the Trustee shall procure that all reasonable steps are taken to restore the position so that the restrictions and limitations exceeded in such cases will not persist.

## **24. BORROWING**

- 24.1. The Trustee may at any time make and vary arrangements for the borrowing by the Trustee for the account of any Constituent Fund of any currency.
- 24.2. The borrowing may be effected from any person including the Sponsor, the Trustee or an Associate of either of them.
- 24.3. 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 assets comprised in the relevant Constituent Fund.
- 24.4. Any interest on any borrowing effected under this Clause 24 and expenses incurred in negotiating, entering into, varying and carrying into effect with or without variation and terminating the borrowing arrangements shall be payable out of the relevant Constituent Fund.
- 24.5. For the purposes of securing any borrowing and interest and expenses thereof, the Trustee shall be entitled to charge, pledge or otherwise encumber in any manner all or any part of the relevant Constituent Fund.
- 24.6. The Trustee shall not incur any liability by reason of any loss which a person 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 and the Trustee shall be entitled to be indemnified out of and have recourse to such Constituent Fund in respect of any losses, proceedings, costs, charges, liabilities and expenses which it may suffer arising directly or indirectly from the operation of this Clause 24 and the arrangements referred to herein.
- 24.7. In the event that any arrangements for borrowing or making deposits under this Clause 24 shall be made with any of the Trustee, the Sponsor or any Associate of either of them, then such person shall be entitled to retain for its own use and benefit any benefit it may derive therefrom or in connection therewith.
- 24.8. 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 Trustee (save to the extent that the Trustee holds assets of such Constituent Fund in relation to which borrowings have been undertaken) or the assets of any other Constituent Fund.



## 25. VOTING RIGHTS ON INVESTMENTS

- 25.1. All rights of voting conferred by any investment comprised in a Constituted Fund shall be exercised in such manner as the Trustee or its delegates or agents may think fit. The Trustee and its delegates and agents may refrain at own discretion from the exercise of any voting rights and no person shall have any right to interfere or complain. The Trustee and its delegates and agents shall not be under any liability or responsibility in respect of any vote, action or consent given or taken or not given or taken by the Trustee, its delegates or agents whether in person, by proxy or by power of attorney. Neither the Trustee and its delegates and agents nor the holder of any such proxy or power of attorney shall incur any liability or responsibility by reason of any error of law or mistake of fact or any matter or thing done or omitted or approval voted or given or withheld by the Trustee or its delegates or agents or by the holder of such proxy or power of attorney under this Deed.
- 25.2. The phrase "**rights of voting**" or the word "**vote**" used in this Clause 25 shall be deemed to include not only a vote at a meeting but any consent to or approval of any arrangement, scheme or resolution or any alteration in or abandonment of any rights attaching to any investments comprised in a Constituted Fund and the right to requisition or join in a requisition to convene any meeting or to give notice of any resolution or to circulate any statement.

**PART V**  
**FEES AND CHARGES**

**26. TRUSTEE'S FEE**

- 26.1. The Trustee shall be entitled to receive for its own account out of each Constituent Fund as soon as practicable after the last Valuation Date of such Constituent Fund each month a monthly Trustee Fee calculated and accrued at the appropriate percentage per annum (as defined in Clause 26.2) over the appropriate period (as defined in Clause 26.3) of the Net Asset Value of each Constituent Fund on each Valuation Date of such Constituent Fund (irrespective of any fluctuation in such Net Asset Value either before or after such Valuation Date), provided that if the calculation of Net Asset Value of any Constituent Fund is suspended pursuant to Clause 6.1 on any Valuation Date relevant for the purposes of this Clause 26.1, the Trustee Fee shall be calculated by reference to the Net Asset Value of such Constituent Fund on the last Valuation Date of such Constituent Fund immediately preceding such suspension.
- 26.2. The "**appropriate percentage per annum**" shall be 0.5 per cent. or such higher or lower percentage per annum as may be agreed by the Trustee and the Sponsor from time to time. The Trustee may from time to time with the agreement of the Sponsor fix a scale of percentages (none of them exceeding the said percentage) reducing according to the size of the relevant Constituent Fund and in the event and for such period as may be agreed between the Trustee and the Sponsor such scale of percentages shall be the appropriate percentage for such Constituent Fund. The appropriate percentage as at any point in time shall be disclosed in the then current Offering Document.
- 26.3. The "**appropriate period**" shall be the period from the later of the date of establishment of the relevant Constituent Fund and the preceding Valuation Date of the relevant Constituent Fund on which the Trustee Fee was payable up to (and including) the Valuation Date of such Constituent Fund on or following which the Trustee Fee falls due.
- 26.4. Notwithstanding the delegation of any of its duties, powers and discretions under this Deed to any Investment Manager, Custodian, Administrator or other persons, the Trustee shall remain entitled to receive and retain in full the Trustee's Fee and other sums payable to the Trustee under this Deed.

**27. SPONSOR'S FEE**

- 27.1. The Sponsor shall be entitled to receive for its own account out of each Constituent Fund as soon as practicable after the last Valuation Date of such Constituent Fund each month a monthly Sponsor's Fee calculated and accrued at the appropriate percentage per annum (as defined in Clause 27.2) over the appropriate period (as defined in Clause 27.3) of the Net Asset Value of each Constituent Fund on each Valuation Date of such Constituent Fund (irrespective of any fluctuation in such Net Asset Value either before or after such Valuation Date), provided that if the calculation of Net Asset Value of any Constituent Fund is suspended pursuant to Clause 6.1 on any Valuation Date relevant for the purposes of this Clause 27.1, the Sponsor's Fee shall be calculated by reference

to Net Asset Value of such Constituent Fund on the last Valuation Date of such Constituent Fund immediately preceding such suspension.

- 27.2. The "**appropriate percentage per annum**" shall be 1.5 per cent. or such higher percentage per annum as may be determined by the Sponsor from time to time. **The** Sponsor may from time to time fix a scale of percentages (none of them exceeding the said percentage) reducing according to the size of the relevant Constituent Fund and in the event and for such period as the Sponsor may determine such scale of percentages shall be the appropriate percentage for such Constituent Fund. The appropriate percentage as at any point in time shall be disclosed in the then current Offering Document.
- 27.3. The "**appropriate period**" shall be the period from the later of the date of establishment of the relevant Constituent Fund and the preceding Valuation Date of the relevant Constituent Fund on which the Sponsor's Fee was payable up to (and including) the Valuation Date of such Constituent Fund on or following which the Sponsor's Fee falls due.

## **28. FEES PAYABLE BY EMPLOYERS AND MEMBERS**

- 28.1. Each Employer and each Self-Employed Person shall pay or reimburse to the Trustee or, as the case may be, the Sponsor the following fees and expenses:-
- 28.1.1 to the Sponsor, an establishment fee of such amount as may from time to time be determined by the Sponsor upon submission of the relevant Participation Agreement to the Trustee;
- 28.1.2 to the Trustee, the costs and expenses of amending the Participation Agreement or any of its schedules applicable to the relevant Employer or Self-Employed Member; and
- 28.1.3 any other costs, fees and expenses expressed to be payable by the Employer or the Self-Employed Member in this Deed or the relevant Participation Agreement.

The above fees, costs and expenses shall be paid by the relevant Employer or Self-Employed Member in addition to Contributions made or to be made by such Employer or Self-Employed Member.

- 28.2. The Trustee shall, subject to the MPF Ordinance, deduct from Contributions and other sums paid or transferred to the Trustee on account for the Members and pay to the Sponsor an Initial Charge equal to 1 per cent. or such higher or lower percentage of such Contributions or other sums as the Sponsor may determine (either generally or by reference to the Constituent Fund, the Employer, the Member, the nature, amount or mode of payment of such Contributions or other sums or otherwise) from time to time. The applicable percentage as at any point in time shall be disclosed in the then current Offering Document.
- 28.2A The Trustee and the Sponsor may at their sole discretion waive the payment of the Initial Charge in respect of Special Voluntary Contributions.

28.3. The Sponsor may charge such fees as may be determined by the Sponsor, and the Trustee may charge such fees as may be determined by the Trustee and agreed with the Sponsor, for providing or procuring the provision of services not specified in this Deed to an Employer or Member at the Employer's or Member's request, and such fees may be retained by, paid to or shared between the Sponsor, the Trustee, the Administrator or any other person appointed to provide such services (including any Associate of the Sponsor, the Trustee or the Administrator).

29. [Intentionally deleted]

### **30. OTHER CHARGES, FEES, COSTS AND EXPENSES**

30.1. Without prejudice to any other charges, fees, costs or expenses expressly authorized by this Deed to be charged against Employers or Members or against any Constituent Fund but subject as otherwise provided by the MPF Ordinance, there shall be payable out of the appropriate Constituent Fund (and where appropriate such charges, fees, costs and expenses, if not directly attributable to any Constituent Fund, shall be apportioned pro rata between all the Constituent Funds by reference to the respective Net Asset Values of the Constituent Funds or in such other manner as the Trustee with the agreement of the Sponsor shall determine provided that any such apportionment shall be on a fair and equitable basis):-

30.1.1 fees and expenses of the Custodian;

30.1.2 fees and expenses of the Investment Manager, and where the Trustee with the agreement of the Sponsor considers appropriate, the fees of the investment manager(s) of the Approved Pooled Investment Fund(s) in which a Constituent Fund invests and such fees shall be in respect of the amount invested by the Constituent Fund;

30.1.3 fees and expenses of the Auditors;

30.1.4 fees and expenses of the Administrator (including those of the Trustee which are agreed by the Sponsor where the Trustee is also acting as the Administrator);

30.1.5 all legal and other professional charges incurred by the Sponsor or the Trustee in connection with the Plan;

30.1.6 out-of-pocket expenses incurred by the Trustee, Sponsor, Investment Manager, Administrator or Custodian and their delegates and agents in connection with the Plan;

30.1.7 out-of-pocket expenses incurred by the Trustee in connection with participating in or being a member of any body or organisation in connection with the Plan;

30.1.8 costs and expenses in connection with the management and trusteeship of the Plan;

30.1.9 costs and expenses incurred by the Trustee with respect to effecting any indemnity insurance in connection with acting as the trustee of the Plan;

- 30.1.10 compensation levy payable under the MPF Ordinance in connection with the Plan;
- 30.1.11 costs and expenses in connection with the establishment of the Plan (which costs and expenses shall be amortised by being written off against the Constituent Funds in proportion to their respective Net Asset Values over the first five Accounting Periods of the Plan unless and until the Trustee with the agreement of the Sponsor shall determine that some other method shall be applied);
- 30.1.12 costs and expenses in connection with the establishment of each Constituent Fund and thereafter costs and expenses in connection with calculating the Net Asset Value of each Constituent Fund and the Offer Price and Bid Price of Units;
- 30.1.13 costs and expenses in winding up the Plan or terminating any Constituent Fund and fees for providing any additional services to any person as agreed by the Sponsor;
- 30.1.14 costs and expenses of obtaining and maintaining authorisation or other official approval or sanction of the Plan or any Constituent Fund under the MPF Ordinance or the Securities and Futures Ordinance or any other law or regulation in any part of the world (including any levy payable under any law or regulation) or in complying with any undertaking given, or agreement entered into in connection with, or any rules governing such authorisation or approval;
- 30.1.15 costs and expenses in connection with the operation of the Plan or any Constituent Fund including the filing of annual returns and other statutory information required to be filed with any regulatory authority having jurisdiction over the Plan;
- 30.1.16 costs and expenses of or incidental to the preparation of deeds supplemental hereto and agreements or other documents in connection with the participation by Employers and Members in the Plan;
- 30.1.17 costs and expenses of holding meetings of Employers and/or Members and of giving Notices to Employers and/or Members;
- 30.1.18 all stamp and other duties, taxes, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges, bank interests payable, transfer fees and expenses, registration fees and expenses, such transactional fees of the Trustee as may be agreed by the Sponsor in relation to transactions involving the whole or any part of the Plan, proxy fees and expenses, collection fees and expenses, fees and expenses in obtaining investment advice, insurance and security costs, and any other costs, charges or expenses payable in respect of the acquisition, holding and realisation of any investment or other property 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 the Sponsor or any of their Associates in the event of the Trustee or the Sponsor

or such Associate rendering services or effecting transactions giving rise to such fees or expenses);

- 30.1.19 all fees, costs and expenses for providing valuation and accounting services in connection with the Plan;
  - 30.1.20 without prejudice to the generality of the foregoing, costs and expenses incurred in publishing the Offer Price and Bid Price of Units, all costs of preparing, printing and distributing all statements, accounts and reports pursuant to this Deed (including the Auditors' fees, costs and expenses of preparing and printing any explanatory memorandum, and any other costs and expenses deemed by the Trustee to have been incurred in compliance with or connection with any change in or introduction of any law, regulation, rule, guideline or code of any governmental or other regulatory authority relating to Registered Provident Fund Schemes); and
  - 30.1.21 all other charges, fees, costs and expenses incurred by the Trustee, Sponsor, Investment Manager, Custodian or Administrator and their delegates and agents in connection with the Plan.
- 30.2. There may be paid out of the relevant Constituent Fund at the discretion of the Trustee all professional fees relating to the agreeing and/or contesting of taxation liabilities and recoveries to be discharged out of or paid into the Constituent Funds.
- 30.3. The Trustee shall at its discretion determine whether any particular sum payable pursuant to this Clause 30 out of any Constituent Fund shall be debited to capital or to income.
- 30.4. The Sponsor, and the Trustee with the agreement of the Sponsor, may from time to time specify any other fee or charge in relation to the Plan or any Constituent Fund to be paid by Employers or Members or out of any Constituent Fund for the benefit of the Trustee, the Sponsor, the Administrator or any other person (including any Associate of the Trustee, the Sponsor or the Administrator) and such fees and charges shall be paid to such person accordingly.
- 30.5. For the avoidance of doubt, nothing in this Deed shall prevent the Trustee, the Sponsor or any other person from paying any fees, charges or expenses otherwise payable out of the assets of the Plan.
- 30.6. The Trustee must ensure that:
- (i) no payment for the services specified in section 34DD(2) of the MPF 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 MPF Ordinance; and
  - (ii) the total amounts charged for payment of services and out-of-pocket expenses chargeable under section 34DD(4)(b) of the MPF Ordinance do not exceed the relevant limits specified in section 34DD(4) and Schedule 11 to the MPF Ordinance.

**31. PAYMENT AND WAIVER OF FEES, CHARGES, COSTS AND EXPENSES**

31.1. The fees, charges, costs and expenses payable in respect of a Constituent Fund may be payable, at the election of the Trustee with the agreement of the Sponsor, either:-

31.1.1 out of the assets of such Constituent Fund including out of Contributions or other amounts held pending investment in such Constituent Fund; or

31.1.2 by realising Units relating to such Constituent Fund,

or partly in one way and partly in the other.

31.2. Where the Trustee makes an election to pay fees, charges, costs and expenses in the manner set out in Clause 31.1.2, Units relating to the relevant Constituent Fund shall be debited from the Credit Balances of Members, Unclaimed Benefits Account and the Reserve Account pro rata to their holding of such Units or in such other manner as the Trustee shall with the agreement of the Sponsor determine.

31.3. The Sponsor may waive or reduce any fee or charge payable pursuant to this Deed and may differentiate between Constituent Funds, between Employers and between Members as to the grant of such waiver or the extent of such reduction.

## PART VI

### PAYMENTS AND TRANSFERS

#### 32. PAYMENTS

- 32.1. The Trustee shall pay amounts due under the Plan (including benefits) within the time specified for payment by the MPF Ordinance.
- 32.2. Before making any payment, the Trustee may make such deductions, as by the law of Hong Kong or any country in which such payment is made, the Trustee is required or entitled to make in respect of any income taxes or other taxes, duties, charges or assessments whatsoever. The Trustee may also deduct the amount of any stamp duties or other governmental taxes or charges for which it might be liable in respect of such payment or any documents signed by it in connection therewith.
- 32.3. The Trustee shall not be liable to account to any person for any payment made by the Trustee in good faith to any fiscal authority of any country, notwithstanding that any such payment need not or ought not to have been made.
- 32.4. The Trustee shall make payment of moneys due to or in respect of an Employer or Member in Hong Kong dollars. Payment shall be made in Hong Kong or such other place outside Hong Kong with banking facilities for the transmission of money as may be agreed between the Trustee and the recipient. In the event of payment being requested in a place outside Hong Kong, the Trustee may deduct the costs of transmission from the moneys payable.
- 32.5. Any amounts payable by the Trustee shall be paid by cheque or by telegraphic transfer to the recipient or such other method as the Trustee shall think fit. Any cheque may be sent through the post to the address of the recipient as shown in the records of the Trustee. Every such cheque shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque shall be deemed satisfaction of the amounts. The Trustee shall be entitled to deduct the costs of payment from the moneys.
- 32.6. If any sum is payable under this Deed to:
- 32.6.1 a minor; or
- 32.6.2 a person who in the opinion of the Trustee is by reason of mental or physical disability incapable of managing his own affairs,
- (each a "**restricted person**") the Trustee may pay such amount to such other person for the benefit of the restricted person as the Trustee thinks fit. The receipt of such other person constitutes a complete discharge of all obligations of the Trustee and the Plan to the restricted person.
- 32.7. Where any sum is payable in respect of a Member or any other person, in the absence of manifest error, the determination by the Trustee as to the identity of the proper payee and the amount properly payable to such payee shall be conclusive. Payment in accordance with such determination shall constitute a complete discharge of all obligations of the Trustee and the Plan to that Member or person.



### **33. TRANSFERS INTO THE PLAN**

- 33.1. The Trustee may, on the request of an employer, a trustee or a Member of another retirement scheme, fund or arrangement in Specified Form and with the agreement of the Sponsor, accept any amounts transferred from any other retirement scheme, fund or arrangement in respect of a Member.
- 33.2. In respect of a request from an employer of another retirement scheme, fund or arrangement who elects to have the accrued benefits held in the accounts in such retirement scheme, fund or arrangement in respect of its employees transferred to the Plan, the Trustee may accept a transfer payment from such other retirement scheme, fund or arrangement, the employer shall become an Employer of the Plan and the relevant employees shall each become a Member of the Plan. Any such transfer payment will be held by the Trustee in the relevant Contribution Account, of such employee Member.
- 33.3. In respect of a request from a trustee of another retirement scheme, fund or arrangement in respect of the transfer to the Plan of accrued benefits held in the accounts of a member of the other retirement scheme, fund or arrangement, the Trustee may accept a transfer payment from such other scheme, fund or arrangement and such member of the other scheme, fund or arrangement shall become a Member of the Plan. Any such transfer payment will be held by the Trustee in the relevant Contribution Account or Personal Account of such Member.
- 33.4. In respect of a request from a Member, the Trustee may accept a transfer payment from any scheme or arrangement of which a Member was formerly or currently a member. Any such transfer payment will be held by the Trustee in the relevant Contribution Account or Personal Account or SVC Account (as applicable) of such Member.

#### *Transfers into the Plan—From Former Employment*

- 33.5. Without limiting the generality of Clause 33.4, a member who was formerly an employee member of another Registered Provident Fund Scheme or has accrued benefits in one or more accounts or sub-accounts (which are of the nature of Section 78(6)(c) of the MPF Regulation) in another Registered Provident Fund Scheme may at any time, submit a Transfer Notice to the Trustee requesting the Trustee to accept a transfer of his accrued benefits from such accounts or sub-accounts of that Registered Provident Fund Scheme, and
- 33.5.1 if that employee is already a Member of the Plan, such accrued benefits shall be held in his Contribution Accounts or Personal Account as specified by him in the Transfer Notice; and
- 33.5.2 if that employee is not a Member of the Plan, he shall become a Personal Account Member of the Plan, and the accrued benefits shall be held in his Personal Account as specified by him in the Transfer Notice.
- 33.6. Without limiting the generality of Clause 33.4, a self-employed person who was formerly a member of a former master trust scheme or a former industry scheme, may at any time, submit a Specified Form and/or a Transfer Notice (where necessary) 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

- 33.6.1 if that self-employed person is already a Member of the Plan, such accrued benefits shall be held in his Contribution Accounts or Personal Account as specified by him in the Transfer Notice; and
  - 33.6.2 if that self-employed person is not a Member of the Plan, he shall become a Personal Account Member of the Plan, and the accrued benefits shall be held in his Personal Account as specified by him in the Transfer Notice.
- 33.7. For the purpose of Clause 33.5, if the employee was a member of a former employer sponsored scheme and he fails to make an election as to which scheme his accrued benefits should be transferred within three (3) months after the approved trustee of the former employer sponsored scheme concerned has been notified that such member had ceased to be employed by his former employer, the Transfer Notice may be completed and given by the approved trustee of the former employer sponsored scheme.

Transfers into the Plan — From Current Employment

- 33.8. Without limiting the generality of Clause 33.4, an employee who has accrued benefits in one or more accounts or sub-accounts (which are of the nature of Section 78(6)(b) of the MPF Regulation) in another Registered Provident Fund Scheme, may at any time, submit a Transfer Notice to the Trustee requesting the Trustee to accept a transfer of his accrued benefits from that Registered Provident Fund Scheme, and
- 33.8.1 if that employee is already a Personal Account Member of the Plan, such accrued benefits shall be held in his Personal Account as specified by him in the Transfer Notice; and
  - 33.8.2 if that employee is not a Personal Account Member of the Plan, he shall become a Personal Account Member of the Plan, and the accrued benefits shall be held in his Personal Account as specified by him in the Transfer Notice.
- 33.9. There is no limit on the number of transfer payments that the Trustee may accept pursuant to Clause 33.8 during a calendar year.

Transfers into the Plan - General

- 33.10. The Trustee shall have no obligation to inquire into the appropriateness or accuracy of the content of the Transfer Notice.
- 33.11. For the avoidance of doubt, no fees will be charged, and no financial penalties will be imposed for transferring the accrued benefits to the Plan, except any amount representing the necessary transaction costs that are incurred, or reasonably likely to be incurred, by the Trustee in selling or purchasing investments in order to give effect to the transfer and are payable to a party other than the Trustee. Any such amount of transfer fees and charges imposed and received by the Trustee will be used to reimburse the relevant Constituent Fund(s).
- 33.12. Upon receipt of any accrued benefits transferred into the Plan in accordance with this Clause 33, the Trustee must as soon as practicable after receiving those benefits, give

to the relevant Member a written notice confirming the transfer and stating the amount (expressed in monetary terms) of those benefits.

33.13. Pursuant to this Clause 33, the Trustee shall:-

33.13.1 deduct the Initial Charge from the amounts received pursuant to this Clause 33 and credit and invest the balance in accordance with the following provisions of this Clause 33.13;

33.13.2 credit the balance of such amounts to the relevant Contribution Account or Personal Account of such Member; and

33.13.3 invest the balance of such amounts in Units in accordance with the Investment Mandate of such Member in effect in accordance with Clause 19.3 within fourteen (14) Business Days after the receipt of such amounts in cleared funds and such information as the Trustee may require in respect of such amounts. For this purpose, any period of suspension in accordance with Clause 6.1 shall not be included in calculating any time elapsed from the receipt of such amounts in cleared funds and information.

33.14. Where amounts received pursuant to this Clause 33 are to be treated as unclaimed benefits in accordance with the MPF Ordinance, the Trustee shall:-

33.14.1 designate the person in respect of whom the unclaimed benefits are vested as a Personal Account Member;

33.14.2 deduct the Initial Charge from the amounts received pursuant to this Clause 33, credit and invest the balance in accordance with the following provisions of this Clause 33;

33.14.3 credit the balance of such amounts to the Unclaimed Benefits Account and record the interest of such Personal Account Member in the Unclaimed Benefits Account; and

33.14.4 invest the balance of such amounts in the Default Investment Strategy within fourteen (14) Business Days of the receipt of such balance in cleared funds and such information as the Trustee may require in respect of such amounts. For this purpose, any period of suspension in accordance with Clause 6.1 shall not be included in calculating any time elapsed from the receipt of such cleared funds and information.

#### **34. PORTABILITY OF BENEFITS**

34.1. Subject to the provisions of the MPF Ordinance and the MPF Regulation (including without limitation Section 12A and 14 of the MPF Ordinance and Section 146 and 150A of the MPF Regulation), if Accrued Benefits of an employee of an Employer are held in a Contribution Account in the Plan and such employee ceases to be employed by an Employer, the employee may elect to have those benefits transferred to:

34.1.1 another account in the Plan; or

34.1.2 an account in another master trust scheme nominated by the employee; or

- 34.1.3 an existing account of the employee in an industry scheme; or
  - 34.1.4 if the employee subsequently becomes employed by another employer, the contribution account in the Registered Provident Fund Scheme in which the new employer is participating in relation to that employee.
- 34.2. An election under this Clause 34.1 is effective,
- 34.2.1 in relation to another account in the Plan referred to in Clause 34.1.1, when written notice of the election is given to the Trustee; and
  - 34.2.2 in relation to an account referred to in Clauses 34.1.2, 34.1.3 or 34.1.4, when written notice of the election is given to the approved trustee of the other Registered Provident Fund Scheme.
- 34.3. If an employee of an Employer fails to notify an election in accordance with Section 146 of the MPF Regulation within 3 months after the Trustee has been notified that the employee has ceased to be employed by the Employer:
- 34.3.1 the employee is taken at the end of that period to have elected to have his Accrued Benefits held in the Contribution Account concerned in the Plan transferred to a Personal Account in the Plan;
  - 34.3.2 the Trustee is taken at the end of that period to have been notified of the election; and
  - 34.3.3 the Accrued Benefits shall continue to be invested in the latest Constituent Fund(s) invested by the employee prior to the transfer.
- 34.4. In relation to a transfer or a claim of Accrued Benefits under the MPF Ordinance as a result of the cessation of employment by a Member, the Trustee shall as soon as reasonably practicable, in the books of the Plan, realise the Units standing to the credit of and transfer to the Reserve Account of the Employer, the Unvested Portion of the Employer's Voluntary Contribution Balance and the Unvested Portion of the Employer's Voluntary Transfer Balance, except so much of such Unvested Portions as the relevant Employer may determine and notify to the Trustee prior to the date of transfer.
- 34.5. Subject to Paragraph 12.1 of Schedule 2, the provisions of the MPF Ordinance and the MPF Regulation (including without limitation Section 14 of the MPF Ordinance and Section 148 of the MPF Regulation), if Accrued Benefits of an Self-Employed Member are held in a Contribution Account in the Plan, the Self-Employed Member may, at any time, elect to have those benefits transferred to:
- 34.5.1 an account in another master trust scheme nominated by the Self-Employed Member; or
  - 34.5.2 an existing account of the Self-Employed Member in an industry scheme; or
  - 34.5.3 an account in an industry scheme to which the Self-Employed Member is eligible to belong; or

- 34.5.4 if the Self-Employed Member subsequently becomes employed by an employer, to the contribution account in the Registered Provident Fund Scheme in which the employer is participating in relation to the Self-Employed Member.
- 34.6. If a Self-Employed Member fails to elect in accordance with Section 148 of the MPF Regulation within 3 months after the Trustee has been notified that the Self-Employed Member has ceased to be self-employed:
  - 34.6.1 the Self-Employed 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 Clause 34.6 but to retain the benefits in that account; and
  - 34.6.2 the Trustee is taken at the end of that period to have been notified of the election.
- 34.7. 34.7.1 This Clause 34.7 shall not apply where an employee ceases to be employed by his Employer as referred to in Clause 34.1 and Paragraph 7 of Schedule 2.
- 34.7.2. Subject to the provisions of the MPF Ordinance and the MPF Regulation (including without limitation Section 148A of the MPF Regulation), if Accrued Benefits of an employee are held to the credit of the Member's Mandatory Contribution Balance in the Plan, the employee may, at any time, subject to Clause 34.7.4, elect to have all Accrued Benefits in such sub-account transferred to:
  - (a) a Personal Account in the Plan nominated by the employee; or
  - (b) a personal account in another Registered Provident Fund Scheme which is a master trust scheme or an industry scheme nominated by the employee.
- 34.7.3. An election under Clause 34.7.2 is effective,
  - (a) in relation to a Personal Account in the Plan referred to in Clause 34.7.2(a), when written notice of the election is given to the Trustee; and
  - (b) in relation to a personal account referred to in Clause 34.7.2(b) when written notice of the election is given to the approved trustee of the other Registered Provident Fund Scheme.
- 34.7.4. Notwithstanding Clause 34.7.2, an election under Clause 34.7.2 may only be made by an employee Member only once in every calendar year.
- 34.8. 34.8.1 This Clause 34.8 shall not apply where an employee has ceased to be employed by his Employer as referred to in Clause 34.1 and Paragraph 7 of Schedule 2.
- 34.8.2. Subject to the provisions of the MPF Ordinance and the MPF Regulation (including without limitation Section 148B of the MPF Regulation), if Accrued Benefits of an employee of an Employer are held to the credit of the Member's Mandatory Transfer Balance and Employer's Mandatory Transfer Balance in the Plan, the employee may, at any time, elect to have all Accrued Benefits in such sub-accounts transferred to:

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

34.8.3. An election under Clause 34.8.2 is effective,

- (a) in relation to a Contribution Account in the Plan referred to in Clause 34.8.2(a), when written notice of the election is given to the Trustee; or
- (b) in relation to a contribution account in another Registered Provident Fund Scheme referred to in Clause 34.8.2(b), when written notice of the election is given to the approved trustee of the other Registered Provident Fund Scheme; or
- (c) in relation to a Personal Account in the Plan referred to in Clause 34.8.2(c), when written notice of the election is given to the Trustee; or
- (d) in relation to a personal account in another Registered Provident Fund Scheme referred to in Clause 34.8.2(d), when written notice of the election is given to the approved trustee of the other Registered Provident Fund Scheme.

34.9. 34.9.1. Subject to Paragraph 12 of Schedule 2, the provisions in the MPF Ordinance and the MPF Regulation (without limitation Section 14 of the MPF Ordinance and Section 149 of the MPF Regulation), a Member may, at any time, elect to have all the Accrued Benefits held in a Personal Account in the Plan transferred to:

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

34.9.2 An election under Clause 34.9.1 is effective,

- (a) in relation to a Contribution Account in the Plan referred to in Clause 34.9.1(a), when written notice of the election is given to the Trustee; or
- (b) in relation to a contribution account in another Registered Provident Fund Scheme referred to in Clause 34.9.1(b), when written notice of the election is given to the approved trustee of the other Registered Provident Fund Scheme; or
- (c) in relation to a Personal Account in the Plan referred to in Clause 34.9.1(c), when written notice of the election is given to the Trustee; or
- (d) in relation to a personal account in another Registered Provident Fund Scheme referred to in Clause 34.9.1(d), when written notice of the election is given to the approved trustee of the other Registered Provident Fund Scheme.

34.10. Subject to the provision of Sections 156 and 157 of the MPF Regulation and PROVIDED THAT all the information requested by the Trustee, in relation to the transfer to another Registered Provident Fund Scheme under Clause 34.1.2, 34.1.3, 34.1.4, 34.7.2(b), 34.8.2(b) or (d), 34.9.1 (b) or (d), 34.5.1, 34.5.2, 34.5.3 or 34.5.4 has been given to the Trustee, the Trustee shall within:

34.10.1 thirty (30) days after being notified of an election by an approved trustee of another Registered Provident Fund Scheme pursuant to Section 153 of the MPF Regulation; or

34.10.2 if an election is made by an employee who ceases to be employed by his Employer in the Plan, 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. As soon as practicable after making a transfer payment to another Registered Provident Fund Scheme, the Trustee must provide the Members concerned a transfer statement containing the information set out in Section 154(1) of the MPF Regulation.

34.11. Subject to the provisions of Sections 156 and 157 of the MPF Regulation, the Trustee after being notified of an election under Clauses 34.2.1, 34.3, 34.6, 34.7.3(a), 34.8.3 (a) or (c), or 34.9.2(a) or (c) shall within:

34.11.1 thirty (30) days after being so notified; or

34.11.2 if an election is made by an employee who ceases to be employed by his Employer in the Plan, within thirty (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 accordance with the election.

34.12. After the making of a transfer payment under this Clause or otherwise under the MPF Ordinance and/or the MPF 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 Plan in respect of the benefits to which the payment relates and the Trustee and the Plan shall be discharged of all liability for payment of those benefits to the Member and any other person.

34.13. If, within thirty (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 MPF Regulation, the Trustee must, by written notice, inform the Member of:

34.13.1 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

34.13.2 the consequences of not electing to exercise one of those options within that time.

34.14. Where amounts held for the account of a Member under the Plan are to be transferred to another Registered Provident Fund Scheme pursuant to this Clause, the Trustee shall:-

34.14.1 realise the Units standing to the credit of the relevant Credit Balance of such Member in accordance with the election made by such Member or made by his Employer under Paragraph 12.2 of Schedule 2 to transfer to another Registered Provident Fund Scheme;

34.14.2 pay to the trustee of the other Registered Provident Fund Scheme an amount equal to:

(a) all the Accrued Benefits which are relevant to the election made by such Member; and

(b) so much of the Unvested Portion of the Employer's Voluntary Contribution Balance and so much of the Unvested Portion of the Employer's Voluntary Transfer Balance, as the Employer of such Member may determine and notify to the Trustee prior to the date of payment; and

34.14.3 where relevant, transfer to the Reserve Account of the Employer any amount of the Employer's Voluntary Contribution Balance and any amount of the Employer's Voluntary Transfer Balance not paid to the trustee of the other Registered Provident Fund Scheme.

Pending such payment, the Trustee may hold the realisation proceeds in cash or on deposit.

34.15. Any transfer from a SVC Account in respect of the SVC Balance of a Member in the Plan to another account of the Member in the Plan or to another Registered Provident Fund Scheme, shall be made in such manner and under such other requirements as the Trustee may from time to time prescribe.

34.16. If an Employer has made an application to the Trustee in respect of an employee pursuant to Section 12A of the MPF Ordinance and the Trustee is satisfied as to the



Employer's entitlement to a payment under Section 12A, the Trustee shall as soon as reasonably practicable effect such redemption as shall be necessary to make the requisite payment to the Employer according to the relevant provisions of Section 12A.

- 34.17. For the avoidance of doubt, no fees shall be charged and no financial penalties shall be imposed for transfer made in accordance with this Clause 34, other than any 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 MPF Regulation. Any such amount of transfer fees and charges imposed and received by the Trustee will be used to reimburse the relevant Constituent Fund(s).
- 34.18. Upon transfer of Accrued Benefits to another Registered Provident Fund Scheme under Clause 34, 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.

## PART VII

### AMENDMENT OF THE PLAN

#### 35. AMENDMENT OF THE PLAN

- 35.1. The Trustee and the Sponsor may at any time by deed alter, amend, extend, modify, delete or add to any of the trusts, powers or provisions of this Deed (either generally so as to apply to all Employers and Members or so as to apply specifically to a particular Member or Members or a particular Employer or Employers and the Members employed by such Employer or Employers).
- 35.2. The Trustee may by written agreement with any Employer or, as the case may be, any Self-Employed Member and the Sponsor at any time alter, amend, extend, modify, delete or add to any of the provisions of the Participation Agreement applicable to such Employer and Members employed by such Employer or Self-Employed Member.
- 35.3. Any alteration, amendment, extension, modification, deletion or addition so made:
- 35.3.1 shall take effect as from the date of the deed or agreement or as from such earlier or later date as is specified for that purpose in the deed or agreement;
  - 35.3.2 shall be of the same validity as if it had been originally contained in this Deed or the Participation Agreement, as the case may be;
  - 35.3.3 may in like manner be altered, amended, extended, modified, deleted from and added to; and
  - 35.3.4 shall be binding on each Employer and Member whether such Employer has executed a Participation Agreement or whether such Member has become a Member before or after that alteration, amendment, extension, modification, deletion or addition.
- 35.4. Any alteration, amendment, extension, modification, deletion or addition so made to reflect (in whole or in part) the trusts, powers or provisions permitted by the MPF Ordinance shall be deemed not to be prejudicial to the interests of Members.

## **PART VIII**

### **LIABILITIES AND INDEMNITIES**

#### **36. PROVISIONS RELATING TO THE TRUSTEE AND THE SPONSOR**

- 36.1. The Trustee and the Sponsor and their delegates and agents shall not be in any way responsible for the solvency of the Plan nor shall they be liable for the payment of any amount pursuant to the Plan except out of the assets of the Plan. The assets of which the Plan for the time being consists shall be the only source to which persons who acquire rights under the Plan may look to for the payment of any amounts due to them pursuant to such rights provided that nothing herein shall be deemed to affect any rights such persons may have against the relevant Employer.
- 36.2. The Trustee and the Sponsor and their delegates and agents 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.
- 36.3. The Trustee and the Sponsor and their delegates and agents shall be entitled to rely and act on any guidelines, codes or other information published by the Authority or the Commission relating to Registered Provident Fund Schemes and shall not incur any liability to Employers or Members as a result of so relying and acting. The Trustee and the Sponsor and their delegates and agents shall not incur any liability to Employers or Members for doing or failing to do any act or thing which by reason of any provision of any present or future law or regulation or of any decree, order or judgment of any Court or by reason of any request, announcement or similar action (whether of binding legal effect or not) which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (whether legally or otherwise) either they or any of them shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out the provisions of this Deed or any relevant Participation Agreement, the Trustee and the Sponsor and their delegates and agents shall not be under any liability therefor or thereby.
- 36.4. The Trustee and the Sponsor and their delegates and agents shall not be responsible for the authenticity of any signature on or any seal affixed to any form of application, Participation Agreement, Investment Mandate, Switching Instruction, request for payment or other document or be in any way liable for any forged or unauthorized signature on or seal affixed to any such form or other document or for acting on or giving effect to any such forged or unauthorised signature or seal. The Trustee and the Sponsor and their delegates and agents respectively shall nevertheless be entitled but not bound to require that the signature of any Employer or Member to any document shall be verified by a banker or broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.

- 36.5. Any indemnity expressly given to the Trustee or to the Sponsor and their delegates and agents in this Deed is in addition to and without prejudice to any indemnity allowed by law.
- 36.6. Nothing in this Deed shall be construed so as to prevent the Sponsor or the Trustee and their delegates and agents in conjunction or separately from establishing or acting as sponsor, investment manager, investment adviser, trustee, custodian, administrator or otherwise for trusts separate and distinct from the Plan and retaining any benefit made in connection with such other trusts.
- 36.7. No decision of or exercise of a power or discretion by the Trustee or the Sponsor or their delegates or agents shall be invalidated or questioned on the ground that one or more of their directors or employees has or may have a direct or other personal interest by reason of being a Member. No decision of or exercise of a power or discretion by the Trustee or the Sponsor or their delegates or agents shall be invalidated or questioned on the ground that the Trustee or the Sponsor or their delegates or agents or any of their Associates had by reason of being the investment manager, investment adviser, trustee, custodian or administrator of any Collective Investment Scheme or otherwise a direct or other personal interest in the result of such decision or of exercising such power or discretion.
- 36.8. The Trustee shall have the powers conferred by the Trustee Ordinance to appoint agents and to delegate all or any of its duties, powers and discretions to other persons. The Trustee and the Sponsor and their delegates and agents may act upon any advice or information obtained from any bankers, accountants, brokers, lawyers, agents or other persons acting as agents or advisers either of the Trustee or of the Sponsor or of their delegates or agents and shall not be liable for anything done or suffered or omitted to be done in good faith in reliance upon such advice or information. The Trustee, the Sponsor and their delegates and agents shall not be responsible for or incur any liability in respect of any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such banker, accountant, broker, lawyer, agent or other person as aforesaid. Any such advice or information may be obtained or sent by letter, telegram, telex message, cablegram, facsimile transmission or electronic mail. The Trustee, the Sponsor and their delegates and agents shall not be liable for acting on any advice or information purported to be conveyed by any such letter, telegram, telex message, cablegram, facsimile transmission or electronic mail although the same contains some error or shall not be authentic.
- 36.9. Except as otherwise expressed in this Deed, the Trustee shall as regards all the trusts, powers, and discretions vested in it and the Sponsor shall as regards all the powers and discretions vested in it have absolute discretion as to the exercise thereof whether in relation to the manner, mode and time of the exercise thereof. The Trustee, the Sponsor and their delegates and agents shall not be in any way responsible for any losses, costs, damages or inconvenience that may result from the exercise, non-exercise, the manner, mode or time of exercise thereof.
- 36.10. Nothing in this Deed shall prevent the Trustee or the Sponsor or their delegates or agents or any of their Associates from contracting or entering into any financial, banking or other transaction with one another or with any Employer or Member or any company or body any of whose shares or securities form part of the Plan or from being interested in any such contract or transaction and the Trustee, the Sponsor, their delegates and

agents and their Associates shall not be in any way liable to account to the Plan or the Employers or the Members or any of them for any benefit derived from any such transaction or contract.

- 36.11. The Trustee, the Sponsor and their delegates and agents shall not incur any liability by reason of any error of law or anything done or suffered or omitted to be done in good faith under this Deed and in particular, but without prejudice to the generality of the foregoing, the Trustee, the Sponsor and their delegates and agents 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 relevant price for the purposes of Schedule 1 may be found not to be such. For the purposes of ascertaining the relevant price, the Trustee, the Sponsor and its delegates and agents shall be entitled to use and rely upon any recognised mechanised or electronic systems of valuation dissemination which provide a daily or more frequent valuation service.
- 36.12. If the Trustee or the Sponsor or their delegates or agents shall in good faith and in the absence of fraud or negligence make any error of law or do or suffer or omit to do anything which should not have been done or suffered or omitted under this Deed or any Participation Agreement or the MPF Ordinance, the Trustee or the Sponsor or their delegates or agents (as the case may be) shall promptly upon such error or matter or thing being brought to its notice use its reasonable endeavours to rectify and make good such error or matter or thing and the costs of such rectification and making good including the costs of acquiring or disposing of any investment and any loss attributable thereto shall be borne by the relevant Constituent Fund.
- 36.13. Nothing in this Deed shall prevent the Trustee or the Sponsor or their delegates or agents or any of their Associates from buying, holding and dealing in any investments upon their respective individual accounts notwithstanding that similar investments may be held under this Deed as part of the assets of the Plan provided in each case that any such transaction does not adversely affect the interests of Members. The Trustee, the Sponsor, their delegates and agents and their Associates shall not be liable to account to each other or to the Employers or Members for any benefit derived from or in connection with any such transaction.
- 36.14. Nothing in this Deed shall release or indemnify the Trustee or the Sponsor or their delegates or agents from any liability for anything done or omitted to be done for which such a release or indemnity is prohibited under the MPF Ordinance.

### **37. PROVISIONS RELATING TO THE TRUSTEE**

- 37.1. The Trustee shall be responsible for the safe-keeping of the assets of the Plan in accordance with this Deed and subject thereto such assets shall be dealt with as the Trustee may think proper for the purpose of providing for the safe keeping thereof.
- 37.2. The Trustee and its delegates and agents shall not be liable for any act or omission of any Central Securities Depository in relation to any assets of the Plan deposited with such Central Securities Depository from time to time.
- 37.3. The Trustee and its delegates and agents shall not be under any liability on account of anything done or suffered or omitted to be done by the Trustee and its delegates and agents in good faith in pursuance of any certificate, notice, request, advice or other

communication from the Sponsor. Whenever any certificate, notice, request, advice or other communication is given by the Sponsor or any other person to the Trustee or its delegate or agent, the Trustee and its delegates and agents may accept as sufficient evidence a document signed or purporting to be signed on behalf of the Sponsor or such other person by any person whose signature the Trustee and its delegates and agents is for the time being authorised by the Sponsor or such other person to accept.

- 37.4. In respect of any communication from an Employer to the Trustee or its delegate or agent, the Trustee and its delegates and agents shall be entitled to rely and act on any such communication given in writing signed by any person as the Employer may from time to time nominate in writing and the Trustee and its delegates and agents shall not be required or responsible to enquire into any such communication and shall not be liable in any way for acting on the same.
- 37.5. The Trustee and its delegates and agents shall not incur any liability to any Member for acting in accordance with any application, Investment Mandate, Switching Instruction, request for payment or other document or communication given or purported to be given by such Member.
- 37.6. The Trustee and its delegates and agents may accept as sufficient evidence of the Value of any investment of any Constituent Fund, or the price thereof, or of any Securities Market or Commodities Market, a certificate by a person, firm or association qualified in the opinion of the Trustee or its delegate or agent to provide such a certificate.
- 37.7. At all times and for all purposes of this Deed, the Trustee and its delegates and agents may rely upon the established practice and rulings of any Securities Market or Commodities Market and any committees and officials thereof on which any dealing in any investment of a Constituent Fund 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.
- 37.8. The Trustee and its delegates and agents shall not be under any obligation to appear in, prosecute or defend any action or suit in respect of this Deed or any Participation Agreement or in respect of the Plan or any Constituent Fund or any part thereof or the determination of any rights of the Employers or Members or any corporate or shareholders' action but may do so in their sole discretion and shall be indemnified out of the Plan for any cost or expense which they may incur as a result thereof.
- 37.9. The Trustee shall keep or cause to be kept proper books of account and records in respect of the management of the Plan and each Constituent Fund and shall permit the Sponsor from time to time on demand to examine and take copies of or extracts from any such records.
- 37.10. Subject as otherwise provided in this Deed, the Trustee shall be indemnified out of the assets of the Plan against all losses, proceedings, costs, charges, liabilities and expenses made against it by any person whatsoever and arising out of anything done or omitted to be done by it in its capacity as the Trustee.
- 37.11. The Trustee shall not be liable for any loss or depreciation of any of the assets of the Plan.

- 37.12. The Trustee shall be responsible for carrying out its duties and obligations under this Deed only in respect of such moneys or other property as the Trustee shall actually receive and in no event shall the Trustee be liable for any interest in respect of such moneys or other property. The Trustee shall not be under any duty to take proceedings to enforce payment of any Contributions or other amounts payable under this Deed or any Participation Agreement.
- 37.13. The Trustee and its delegates and agents shall be entitled to destroy all documents and records relating to an Employer or a Member and any other accounting records or documents or records relating to the Plan at any time after the expiration of the minimum holding period required by the MPF Ordinance. The Trustee and its delegates and agents shall not be under any liability whatsoever in consequence thereof and unless the contrary be proved every document destroyed pursuant to this Clause 37.13 shall be deemed to have been a valid and effective document in accordance with the recorded particulars thereof, provided that:-
- 37.13.1 nothing in this Clause 37.13 shall be construed as imposing upon the Trustee or its delegates or agents any duty or liability in respect of the destruction of any document earlier than as aforesaid; and
- 37.13.2 references herein to the destruction of any document include references to the disposal thereof in any manner.
- 37.14. The Trustee shall have the power generally to execute and do all such acts and things as the Trustee may consider necessary or expedient for the purpose of the Plan.

**38. PROVISIONS RELATING TO THE SPONSOR**

- 38.1. The Sponsor shall not be under any liability except such liability as may be expressly assumed by it under this Deed nor shall the Sponsor be liable for any act or omission of the Trustee and its delegates and agents.
- 38.2. The Sponsor shall be entitled to appoint agents and to delegate all or any of its powers and discretions under this Deed to other persons and notwithstanding such appointment or delegation the Sponsor shall remain entitled to receive and retain in full the Sponsor's Fee and other sums payable to the Sponsor under this Deed.

**PART IX**  
**GENERAL**

**39. PROVISION OF INFORMATION AND REPORTS TO EMPLOYERS AND MEMBERS**

The Trustee shall provide Employers and Members with the information, certificates , statements and reports required to be provided to Employers and Members pursuant to the MPF Ordinance, within such time as may be prescribed by the MPF Ordinance.

**40. ACCOUNTS AND REPORTS**

40.1. The Trustee shall cause to be made up and audited accounts relating to the Plan and each Constituent Fund in respect of each Accounting Period. The accounts relating to each Accounting Period for the Plan or a Constituent Fund with the Auditors' report on such accounts referred to in Clause 40.2 annexed thereto shall be conclusive and binding. The Trustee shall be absolutely protected in relying and acting upon such accounts.

40.2. The accounts referred to in Clause 40.1 shall be audited by the Auditors and shall be accompanied by a report of the Auditors.

**41. MEMBER ACCOUNTS**

41.1. The Trustee shall establish and maintain a separate contribution account in respect of each employee Member, and arrange for it to be divided into separate sub-accounts showing: the Credit Balance of (a) Employer's Mandatory Contribution Balance; (b) Member's Mandatory Contribution Balance; (c) Employer's Mandatory Transfer Balance; (d) Member's Mandatory Transfer Balance; (e) Employer's Voluntary Contribution Balance; (f) Member's Voluntary Contribution Balance; (g) Employer's Voluntary Transfer Balance; (h) Member's Voluntary Transfer Balance and (i) the employee Member's SVC Balance of such Member, and such any other sub-account as the Trustee shall consider appropriate or necessary.

41.2. The Trustee shall establish and maintain an Unclaimed Benefits Account to which all unclaimed benefits shall be credited in accordance with this Deed or any relevant Participation Agreement. The Trustee shall maintain records of the persons entitled to amounts held in the Unclaimed Benefits Account and the interests of such persons in the Units from time to time credited to the Unclaimed Benefits Account.

41.3. The Trustee shall establish and maintain a separate contribution account in respect of each Self-Employed Member, and arrange for it to be divided into separate sub-accounts showing: the Credit Balance of (a) Member's Mandatory Contribution Balance; (b) Member's Mandatory Transfer Balance; (c) Employer's Mandatory Transfer Balance; (d) Employer's Voluntary Transfer Balance (e) Member's Voluntary Contribution Balance; (f) Member's Voluntary Transfer Balance and such any other sub-account as the Trustee shall consider appropriate or necessary.



- 41.4. The Trustee shall establish and maintain a separate personal account in respect of each Personal Account Member, and arrange for it to be divided into separate sub-accounts showing: the Credit Balance of (a) Employer's Mandatory Transfer Balance; (b) Employer's Voluntary Transfer Balance; (c) Member's Mandatory Transfer Balance; (d) Member's Voluntary Transfer Balance, and such any other sub-account as the Trustee shall consider appropriate or necessary.
- 41.5. The Trustee shall establish and maintain a separate SVC account in respect of each SVC Member, and arrange for it to be divided into separate sub-accounts showing: (a) the SVC Member's SVC Balance; and (b) the SVC Transfer Balance, and such any other sub-account as the Trustee shall consider appropriate or necessary.
- 41.6. If a person is a member of the Plan in more capacities than one (such as in his capacity as an employee Member and a SVC Member of the Plan), the Trustee shall maintain the relevant accounts for each of such person's capacities.

#### **42. MERGER OR SUBDIVISION OF THE PLAN**

- 42.1. Subject to the prior written approval of the Authority, the Trustee may with the agreement of the Sponsor (and at the request of the Sponsor shall) do such things and enter into such arrangements with the trustee or trustees of one or more other Registered Provident Fund Schemes to provide for the merger of the Plan with such other Registered Provident Fund Schemes.
- 42.2. Subject to the prior written approval of the Authority, the Trustee may with the agreement of the Sponsor (and at the request of the Sponsor shall) do such things and enter into such arrangements to provide for the division of the Plan into two or more other Registered Provident Fund Schemes.

#### **43. TERMINATION AND WINDING UP OF THE PLAN**

- 43.1. The Trustee may with the agreement of the Sponsor (and at the request of the Sponsor shall) request the Authority to apply to the Court to wind up the Plan in accordance with the MPF Ordinance.
- 43.2. Subject to the MPF Ordinance, the Trustee may with the agreement of the Sponsor (and at the request of the Sponsor shall) apply to the Authority to cancel the registration of the Plan in accordance with the MPF Ordinance.

#### **44. DEED BINDING ON EMPLOYERS AND MEMBERS**

This Deed and the relevant Participation Agreement shall be binding on each Employer and each Member and all persons claiming through any of them as if those persons were a party to this Deed and such Participation Agreement and as if this Deed contained covenants on the part of each such person to observe and be bound by all the provisions of this Deed and such relevant Participation Agreement.

#### **45. DETERMINATION OF DISPUTES**

The Trustee shall have full power conclusively to determine in accordance with the MPF Ordinance whether or not any person is entitled to any amount from time to time

under the Plan and the quantity of any such amount and also conclusively to determine in accordance with the MPF Ordinance all questions and matters of doubt arising under or in connection with the Plan and the assets for the time being belonging to the Plan and whether relating to the construction thereof or otherwise. Any such determination whether made upon a question actually raised or implied in the acts or proceedings of the Trustee shall be conclusive and binding on all interested parties. Neither the Trustee nor the Sponsor shall be liable for any such determination or for the consequences of anything done or suffered or omitted to be done or any payment made or omitted to be made in pursuance or purported pursuance of any such determination notwithstanding that it is subsequently held to have been wrongly made.

#### **46. NOTICES**

- 46.1. A notice or other document required to be given or served for the purposes of the MPF Ordinance may be given or served in such manner as may be prescribed by the MPF Ordinance.
- 46.2. Any notice by the Trustee or the Sponsor to the other shall be addressed to the other at their respective address specified by such other party for the purpose and shall be delivered by hand or sent by facsimile or prepaid post (airmail if overseas) or in such other manner as the Trustee and the Sponsor may agree. Any such notice sent by facsimile shall be deemed to be served at the time of dispatch. Any such notice sent by post shall, in the absence of industrial action affecting any relevant part of the postal services, be deemed to have been served two days (or five days in the case of airmail) after the letter containing the same is posted, and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.
- 46.3. Subject as otherwise provided in this Deed or any Participation Agreement, any notice or other document required to be served upon or given to an Employer or a Member shall be deemed to have been duly served or given if sent by post (and by airmail in respect of any overseas address) to or left at the address as appearing in the records of the Trustee. Any notice or other document so served by post shall be deemed to have been served on the second day following (or in the case of airmail on the fifth day following) that on which the letter containing the same is posted and in proving such service it shall be sufficient to prove that such letter was properly addressed, stamped and posted.
- 46.4. Any notice or other document required to be served upon or given to a Member may be forwarded to the Employer for transmission to the Member and in that case shall be deemed to have been duly served or given if served upon or given to the Employer of such Member.
- 46.5. Any notice or document sent by post to or left at the address of an Employer or a Member in pursuance of this Deed or any Participation Agreement or sent in such other manner as is permitted under this Deed shall notwithstanding that such person be then in liquidation, receivership, dead or bankrupt and whether or not the Trustee or the Sponsor have notice of such liquidation, receivership, death or bankruptcy be deemed to have been duly served.
- 46.6. All notices and documents sent by post to Employers or Members or in accordance with their instructions shall be sent at the risk of the persons entitled thereto.

46.7. Any notice or documents sent by an Employer or a Member to the Trustee or its delegate or agent shall be received only on actual receipt by the Trustee or its delegate or agent.

#### **47. PROVISION OF INFORMATION TO REGULATORS AND OTHERS**

If the Trustee or the Sponsor or any Investment Manager, Custodian or Administrator or any of their delegates or agents is requested by any regulatory body or any department of any government or administration to provide any information regarding the Plan and/or any Constituent Fund and/or Employers and/or Members and/or the investments and income of the Plan and/or the provisions of this Deed and/or any Participation Agreement, and complies with such request, whether or not it was in fact enforceable, no Employer or Member shall be entitled to claim against the Trustee or the Sponsor or any Investment Manager, Custodian or Administrator or any of their delegates or agents as a result. The Trustee and the Sponsor and any Investment Manager, Custodian and Administrator and their delegates and agents shall not incur any liability to Employers or Members or to any other person in connection with such compliance.

#### **47A. AUTOMATIC EXCHANGE OF FINANCIAL ACCOUNT INFORMATION**

47A.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.

47A.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 Plan 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 Plan under the AEOI to enable the Plan to comply with applicable laws and regulations of Hong Kong and other jurisdictions.

47A.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:

47A.3.1 assist the Plan with the fulfilment of its obligations under AEOI; and/or

47A.3.2 act on the Plan's behalf in relation to its obligations under AEOI.

47A.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 Plan must:

47A.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 Plan's obligations under AEOI;

47A.4.2 update or replace any Required Information;

47A.4.3 comply with any reporting obligations imposed by Hong Kong or any other jurisdiction; and

- 47A.4.4 assist the Plan in complying with any of the due diligence and reporting obligations imposed on the Plan under AEOI.
- 47A.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:
- 47A.5.1 demand from any Account Holder or Controlling Person of an Account Holder (where applicable) the information the Plan needs in order to fulfil the Plan's obligations under AEOI;
  - 47A.5.2 refuse to accept any applicant to the Plan, provided that where such power is exercised by an authorised person, such authorised person has to be a "service provider" within the meaning of MPF Ordinance;
  - 47A.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);
  - 47A.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 Plan;
  - 47A.5.5 take or refrain from taking any other actions with respect to any applicant or Account Holder (as the case may be); and
  - 47A.5.6 share the Required Information of any Account Holder or Controlling Person of an Account Holder (where applicable) of the Plan with each other or among the authorised persons.

#### **48. SEVERABILITY**

- 48.1. If at any time a provision of this Deed or any Participation Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Deed or any Participation Agreement under the law of that or any other jurisdiction nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.
- 48.2. If at any time any provision of this Deed or any Participation Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction but would have been legal, valid and enforceable if part of the wording thereof had been deleted or the scope thereof had been reduced or restricted, such provision shall apply in such jurisdiction with such modification as may be necessary to make it legal, valid and enforceable in that jurisdiction.

#### **49. PROPER LAW**

- 49.1. This Deed and any Participation Agreement shall be governed by and interpreted in accordance with the laws of Hong Kong.
- 49.2. This Deed and any Participation Agreement shall be interpreted in accordance with and subject to the MPF Ordinance and any guidelines, codes and other requirements applicable to Registered Provident Fund Schemes and issued by the Authority or the Commission from time to time provided always that no provision of the MPF Ordinance

or any such guideline, code or other requirement shall form part of this Deed or such Participation Agreement.

- 49.3. The Trustee and the Sponsor submit to the jurisdiction of the Courts of Hong Kong in connection with the Plan. Each Employer shall be deemed by execution of the Participation Agreement and each Member shall be deemed by execution of an application to become a Member to submit to the jurisdiction of the Courts of Hong Kong.

## SCHEDULE 1

### VALUATION RULES

1. The Net Asset Value of a Constituent Fund as at the Valuation Point on a Valuation Date shall be determined by valuing the assets of such Constituent Fund as at that Valuation Point on that Valuation Date and deducting the liabilities attributable to such Constituent Fund on that Valuation Point on that Valuation Date.
2. The Net Asset Value of a Unit of a Constituent Fund as at the Valuation Point on a Valuation Date shall be the Net Asset Value of the Constituent Fund as at that Valuation Point on that Valuation Date divided by the number of Units of the relevant Constituent Fund in issue on that Valuation Date.
3. The Value of the assets comprised in a Constituent Fund shall be calculated on the following basis:-
  - 3.1. The Value of any investment (other than an interest in a Collective Investment Scheme or a Commodity) quoted, listed or normally dealt in on a Securities Market shall be calculated by reference to the price appearing to the Trustee to be the last closing price or (if no last closing price is available) midway between the latest available market dealing offered price and the latest available market dealing bid price on the Securities Market on which the investment is quoted, listed or normally dealt in for such amount of such investment as the Trustee may consider in the circumstances to provide a fair criterion, provided that:-
    - 3.1.1. if an investment is quoted, listed or normally dealt in on more than one Securities Market, the Trustee shall adopt the price or, as the case may be, middle market quotation on the Securities Market which, in its opinion, provides the principal market for such investment;
    - 3.1.2. in the case of any investment which is quoted, listed or normally dealt in on a Securities Market but in respect of which, for any reason, prices on that Securities 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 investment as may be appointed for such purpose by the Trustee;
    - 3.1.3. there shall be taken into account interest accrued on interest-bearing 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
    - 3.1.4. for the purpose of the foregoing provisions, the Trustee shall be entitled to use and rely upon electronically transmitted information from such source as it may from time to time think fit with regard to the pricing of investments on any Securities Market.
  - 3.2. The Value of any investment (other than an interest in a Collective Investment Scheme or a Commodity) which is not quoted, listed or normally dealt in on a Securities Market shall be the initial value thereof ascertained as hereinafter provided or the Value thereof as assessed on the latest revaluation thereof made in accordance with the following provisions. For this purpose:-

- 3.2.1. the initial value of such an 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); and
- 3.2.2. the Trustee may at any time cause a revaluation to be made of such an investment by a professional person determined by the Trustee as qualified to value such an investment.

Notwithstanding the above, the Trustee may determine to value on a straight line basis investments in debt instruments acquired at a discount or premium to their face value.

- 3.3. Cash, deposits and similar investments shall be valued at their face value (together with accrued interest, if any) unless, in the opinion of the Trustee, any adjustment should be made to reflect the value thereof.
- 3.4. The Value of any Commodity shall be ascertained in such manner as the Trustee thinks fit, but so that:-
  - 3.4.1. if such Commodity is dealt in on any Commodities Market, then the Trustee shall, in ascertaining the Value of such Commodity, have regard to the latest ascertainable price ruling or officially fixed in respect of such investment on such Commodities Market or (if there shall be more than one such Commodities Market) on such Commodities Market as the Trustee shall consider appropriate;
  - 3.4.2. if any such price as referred to in Paragraph 3.4.1 is not reasonably up-to-date (in the opinion of the Trustee) or is not ascertainable at any relevant time, then the Trustee shall, in ascertaining the Value of the relevant Commodity, have regard to any certificate as to such Value provided by a firm or institution making a market in such Commodity;
  - 3.4.3. 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 entered into by the Trustee for the purposes of the relevant Constituent Fund in order to close the relevant Contract, such determination to be based on the latest available price or (if bid and offered quotations are made) the latest available middle market

quotation on the Commodities Market in which the relevant Contract was entered into by the Trustee; 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; and

- 3.4.4. if the provisions set out in Paragraph 3.4.1 and Paragraph 3.4.2 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 Paragraph 3.2 if such Commodity were an investment which was not quoted, listed or normally dealt in on a Securities Market.
- 3.5. Subject as provided in Paragraph 3.6 and Paragraph 3.7, the Value of each unit, share or other interest in any Collective Investment Scheme shall be the latest available net asset value per unit, share or other interest in such Collective Investment Scheme (where available) or (if the same is not available) the latest available bid price for such a unit, share or other interest.
- 3.6. If no net asset value, bid and offer prices or price quotations are available as provided in Paragraph 3.5, the Value of the relevant unit, share or other interest shall be determined from time to time in such manner as the Trustee shall determine.
- 3.7. Notwithstanding Paragraphs 3.1 to 3.6 (inclusive), the Trustee may adjust the Value of any asset or permit some other method of valuation to be used if, having regard to currency, applicable rate of interest, maturity, marketability and other considerations the Trustee deems relevant, the Trustee considers that such adjustment or use of such other method is required to reflect the fair value thereof.
- 3.8. Assets 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 determine.
4. In calculating the Net Asset Value of a Constituent Fund:-
  - 4.1. Every Unit relating to such Constituent Fund agreed to be issued as at a date prior to the date as at which the valuation is made and not subsequently cancelled shall be deemed to be in issue and such Constituent Fund shall be deemed to include not only cash and any other property in the hands of the Trustee in respect of such Constituent Fund but also the value of any cash or other property to be received in respect of Units agreed to be issued prior to the date as at which the valuation is made after deducting therefrom or providing thereout (subject to the MPF Ordinance) the Preliminary Charge provided that such Constituent Fund shall not include the Units to be issued on the date as at which the valuation is made.
  - 4.2. Where, in accordance with this Deed, Units relating to a Constituent Fund have been realised but payment in respect of such realisation has not been made, the Units in question shall be deemed not to be in issue and the proceeds of realisation thereof shall be deducted from such Constituent Fund, provided that no deduction shall be made in respect of Units of such Constituent Fund to be realised on the date as at which the valuation is made.



- 4.3. 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 (as the case may be) and the net 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.
- 4.4. There shall be included in the assets of such Constituent Fund an amount equal to the appropriate portion for such Constituent Fund of the total of the costs, charges, fees and expenses incurred in establishing the Plan and referred to in Clause 30 less the amount thereof which has previously been or is then to be written off.
- 4.5. There shall be deducted from the value of such Constituent Fund the appropriate portion for such Constituent Fund of the following amounts: -
- 4.5.1. the Trustee's Fee and other expenses and liabilities of the Trustee;
  - 4.5.2. the Sponsor's Fee and other expenses and liabilities of the Sponsor;
  - 4.5.3. fees, charges, costs and expenses payable in accordance with Clause 30;
  - 4.5.4. the amount of tax on capital gains accrued attributable to such Constituent Fund;
  - 4.5.5. the aggregate amount for the time being outstanding of any borrowing effected under Clause 24 for the account of such Constituent Fund and the amount of any interest and expenses accrued pursuant to Clause 24 but not paid;
  - 4.5.6. any other costs or expenses payable out of such Constituent Fund but not paid which are expressly authorised by the terms of this Deed to be payable out of such Constituent Fund; and
  - 4.5.7. an appropriate allowance for any contingent liabilities,
- and such amounts may be amortized over such periods as the Trustee may with the agreement of the Sponsor from time to time determine in accordance with applicable accounting standards.
- 4.6. There shall be taken into account such sum (if any) as in the estimate of the Trustee will fall to be paid or reclaimed for the account of such Constituent Fund in respect of taxation related to income and transactions up to the date as at which the valuation is made.
- 4.7. Any Value (whether of a borrowing or other liability or an investment or cash) otherwise than in Hong Kong dollars and any borrowing 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 with the agreement of the Sponsor deem appropriate in the circumstances having regard to any premium or discount which may be relevant and to costs of exchange.
- 4.8. Income derived from loans and deposits and from securities bearing fixed interest shall be deemed to accrue from day to day.
- 4.9. Dividend payments on securities which are quoted on or dealt in on a Securities Market shall be deemed to be received on the date on which the investment is first quoted ex the dividend payment in question.

- 4.10. Where the current price of an investment is quoted "ex" any dividend (including stock dividend), interest or other rights but such dividend, interest or the property or cash to which such rights relate has not been received and is not taken into account under any other provisions of this Schedule 1, the amount of such dividend, interest, property or cash shall be taken into account.
- 4.11. Liabilities shall (where appropriate) be treated as accruing from day to day.

## SCHEDULE 2

### MEMBERSHIP, CONTRIBUTIONS AND BENEFITS

#### 1. REQUIREMENTS FOR AND TERMS OF MEMBERSHIP

1.1 An employee of an Employer, or a person who wishes to participate in the Plan as a Personal Account Member, may apply to become a Member by submitting to the Trustee an application in the Specified Form and providing such other information as the Trustee may require.

1.2 A Self-Employed Person may apply to become a Member by submitting to the Trustee a Participation Agreement in accordance with Clause 10 of this Deed and an application in the Specified Form and providing such other information as the Trustee may require.

1.2A A person may apply to become a Personal Account Member under the following circumstances by submitting to the Trustee an application in the Specified Form and providing such other information as the Trustee may require:

1.2A.1 if an employee of an Employer or a Self-Employed Member elects or is taken to have elected to transfer his benefits accrued under the Plan to a Personal Account of the Plan upon his cessation of employment or self-employment (as the case may be); or

1.2A.2 if a person is an employee member of another MPF scheme and has accrued benefits deriving from mandatory and voluntary contributions\* made by him or his employer in respect of his former employment or former self-employment, the person elects to transfer all such accrued benefits to a Personal Account of the Plan; or

1.2A.3 if a person is an employee member of another MPF scheme and has accrued benefits deriving from mandatory and voluntary contributions\* made in respect of his current employment, the person elects to transfer all such accrued benefits to a Personal Account of the Plan; or

\*Transfer of accrued benefits derived from voluntary contributions will be subject to the governing rules of the transferor MPF scheme.

1.2A.4 if a person wishes to transfer his benefits accrued in another Registered Provident Fund Scheme or ORSO Exempted Scheme or ORSO Registered Scheme to a Personal Account of the Plan.

Such person shall become a Personal Account Member of the Plan on such date determined by the Trustee after the Trustee accepts such person's application for membership.

1.2B Subject to the approval of the Trustee, a person who is or had been a member of a Registered Provident Fund Scheme or an occupational retirement scheme and wishes to participate in the Plan as a SVC Member, may apply to become a SVC Member by submitting to the Trustee an application in the Specified Form and providing such other information as the Trustee may require. Such person shall become a SVC

Member on such date determined by the Trustee after the Trustee accepts such person's application for membership.

- 1.3 A person who makes an application in accordance with Paragraph 1.1 or Paragraph 1.2 shall become a Member on such date determined by the Trustee after the Trustee accepts such person's application for membership.
- 1.4 A person who becomes a Member and any person claiming benefits through such person shall be bound by this Deed and by any relevant Participation Agreement as if a party to this Deed and such Participation Agreement.
- 1.5 A Member shall continue as a Member of the Plan until such membership is terminated upon the payment or transfer to another retirement scheme, fund or arrangement of the Accrued Benefits of such Member in accordance with this Deed and the relevant Participation Agreement.
- 1.6 A Personal Account Member who wishes to cease to be a Personal Account Member may submit an application to the Trustee in the Specified Form and provide such other information as the Trustee may require. Upon acceptance of such application by the Trustee, such Personal Account Member shall cease to be a Personal Account Member.
- 1.7 A SVC Member who wishes to cease to be a SVC Member may submit an application to the Trustee in the Specified Form and provide such other information as the Trustee may require. Upon acceptance of such application by the Trustee, such SVC Member shall cease to be a SVC Member.

## **2. MANDATORY CONTRIBUTIONS**

- 2.1 Each Employer must pay Employer's Mandatory Contributions to the Trustee in respect of each Member employed by such Employer (other than a Personal Account Member) who has not reached Retirement Age.
- 2.2 Each Employer must:-
  - 2.2.1 deduct from the relevant income (as defined in the MPF Ordinance) of each Member employed by such Employer (other than a Personal Account Member) and who has not reached Retirement Age an amount equal to the Member's Mandatory Contributions of such Member; and
  - 2.2.2 pay such amount to the Trustee.
- 2.3 Each Self-Employed Member (other than a Personal Account Member) who has not reached Retirement Age must pay Member's Mandatory Contributions to the Trustee.
- 2.4 Mandatory Contributions shall be calculated in accordance with the MPF Ordinance.
- 2.5 Mandatory Contributions shall be paid to the Trustee at such times and in such manner as may be prescribed by the MPF Ordinance.

## **3. VOLUNTARY CONTRIBUTIONS**

- 3.1 Without prejudice to Paragraph 3.4 and Paragraph 3.5 but subject to Paragraph 3.3:
  - 3.1.1 a Member (other than a Personal Account Member) may elect to make Member's Voluntary Contributions; and

- 3.1.2 an Employer may elect to make Employer's Voluntary Contributions in respect of all or some only of the Members employed by such Employer.
- 3.2** An election to make Voluntary Contributions:-
- 3.2.1 shall be in the Participation Agreement or the Specified Form;
- 3.2.2 shall contain such information as the Trustee may require, including the method of calculation and the frequency of payment of such Voluntary Contributions;
- 3.2.3 shall be given to the Trustee and (if applicable) the relevant Employer; and
- 3.2.4 unless otherwise agreed with the Trustee and (if applicable) the relevant Employer, shall take effect fourteen (14) Business Days from the date the Trustee receives such election.
- 3.3** The Sponsor may from time to time specify:-
- 3.3.1 the method or formula to be used in calculating Voluntary Contributions by reference to amount or percentage of income or otherwise;
- 3.3.2 the contribution scales and number of contribution scales that may be applied in determining Voluntary Contributions;
- 3.3.3 the vesting scales and number of vesting scales that may be applied in determining the Vested Portion of the Employer's Voluntary Contribution Balance or the Vested Portion of the Employer's Voluntary Transfer Balance of a Member at any time; and
- 3.3.4 such other matters in relation to Voluntary Contributions, contribution scales, vesting scales and vesting as the Sponsor may determine.
- 3.4** An election to make Voluntary Contributions may be revoked by Notice to the Trustee and (if applicable) the relevant Employer in the Specified Form. Unless otherwise agreed with the Trustee and (if applicable) the relevant Employer, such revocation shall take effect within fourteen Business Days from the date the Trustee receives such revocation.
- 3.5** A Participation Agreement or Specified Form may require the relevant Employer and/or Members employed by that Employer or the relevant Self-Employed Member to make Voluntary Contributions. Where a Participation Agreement or Specified Form does so then, subject to Paragraph 4, the relevant Employer and/or Members employed by such Employer or the relevant Self-Employed Member must make Voluntary Contributions in accordance with such Participation Agreement or Specified Form.
- 3.6** Unless otherwise determined by the Trustee with the agreement of the Sponsor, Voluntary Contributions shall be paid to the Trustee at the same time and in the same manner as Mandatory Contributions. An Employer must, on the request of a Member employed by the Employer, deduct from the income of such Member and pay to the Trustee Member's Voluntary Contributions of such Member.
- 3.7** Member's Voluntary Contributions shall at all times be fully vested in the relevant Member.

- 3.8** Employer's Voluntary Contributions shall vest in the relevant Member in accordance with this Deed or the relevant Participation Agreement or the relevant Specified Form.
- 3.9 (i) Notwithstanding any other provisions of this Deed, the Trustee may reject all or part of the contributions otherwise payable by a Member or an Employer under Paragraph 3 without reasons.
- (ii) Any return of any contributions rejected under Paragraph 3.9 shall be made in such manner and at such time (which in any event shall not exceed 60 days of receipt of any such contributions unless for some exceptional regulatory reasons the Trustee is unable to effect a return within such timeframe) as the Trustee may consider appropriate.
- (iii) No interest is payable on any contributions returned under Paragraph 3.9(ii).

### **3A. SPECIAL VOLUNTARY CONTRIBUTIONS**

- 3A.1 Subject to the approval of the Trustee, (a) an employee Member may request the Trustee to credit such amount of SVCs he wishes to make into a Contribution Account of the Plan and (b) a SVC Member may request the Trustee to credit such amount of SVCs he wishes to make into a SVC Account of the Plan.
- 3A.2 Subject to Paragraph 3A.1, SVCs may be paid on a regular basis or in a lump sum, subject to such maximum and minimum amounts as the Trustee may from time to time prescribe.
- 3A.3 A request to make SVCs:-
- 3A.3.1 shall be in the Specified Form as the Trustee may from time to time prescribe;
- 3A.3.2 shall contain such information as the Trustee may require, including, but not limited to, the method of calculation, the frequency of payment of such SVCs and the Investment Mandate pursuant to Clause 19.1 of Part IV;
- 3A.3.3 shall be given to the Trustee with at least one month's notice (or such shorter period of notice as the Trustee may agree from time to time); and
- 3A.3.4 unless otherwise agreed with the Trustee, shall take effect within 20 Business Days from the date the Trustee receives such request.
- 3A.4 Subject to Paragraph 3A.7, SVCs may either be paid by the Member from his own funds or, subject to the approval of the Trustee from time to time, deducted from his relevant income (as defined in the MPF Ordinance) provided that if it is deducted from his relevant income, the amount of deduction shall be restricted to the extent permitted by law.
- 3A.5 In respect of the SVCs made by an employee Member pursuant to Paragraph 3A.1(a), such SVCs will be credited to the Member's SVC Balance of his Contribution Account.
- 3A.6 In respect of the SVCs made by a SVC Member pursuant to Paragraph 3A.1(b), such SVCs will be credited to the SVC Member's SVC Balance of his SVC Account.
- 3A.7 If a Member is permitted to make SVCs under Paragraph 3A.1 above, the amount of the SVCs must not be lower than or exceed the respective limits as may be determined by the Trustee from time to time. Notwithstanding the above and subject to any

applicable provisions under Section 33(2) of the MPF Regulation, the Trustee reserves the right not to accept any SVCs at any time.

3A.8 The Trustee reserves the right to impose a handling fee up to the maximum level as specified in the Offering Document for each SVC made to the Plan. Such handling fee shall be deducted from the SVCs and retained by the Trustee for its own use and benefit.

3A.9 The SVCs shall at all times be fully vested in the relevant Member.

#### **4. REDUCTION OR SUSPENSION OF VOLUNTARY CONTRIBUTIONS**

**4.1** Subject to the restrictions specified by the Sponsor, an Employer who has agreed in the election made pursuant to Paragraph 3.1 to pay Employer's Voluntary Contributions may vary, suspend or recommence payment of such Employer's Voluntary Contributions by giving not less than one month's Notice to the Trustee in the Specified Form. The variation, suspension or recommencement of payment of Employer's Voluntary Contributions may be in respect of a class or classes of Members employed by the Employer only or in respect of all Members employed by the Employer.

**4.2** Subject to the restrictions specified by the Sponsor, a Member who has agreed in the election made pursuant to Paragraph 3.1 to pay Member's Voluntary Contributions may vary, suspend or recommence payment of such Member's Voluntary Contributions by giving not less than one month's Notice to the Trustee in the Specified Form.

**4.3** A Notice given pursuant to Paragraph 4.1 or Paragraph 4.2 shall take effect from the last day of the calendar month in which such Notice expires. Upon such Notice taking effect, the liability of such Employer or Member shall be varied, suspended or recommenced to the extent specified in the Notice except in respect of any amounts due before the date upon which the Notice takes effect.

#### **5. RECEIPT AND APPLICATION OF CONTRIBUTIONS**

**5.1** The Trustee shall deal with all Contributions properly paid to the Trustee for the purposes of the Plan in accordance with this Deed and any relevant Participation Agreement.

**5.2** On receipt of Contributions (other than SVCs) , the Trustee shall:-

5.2.1 deduct the Initial Charge from such Contributions and credit the balance in accordance with the following provisions of this Paragraph;

5.2.2 credit the balance of the Employer's Mandatory Contributions to the Employer's Mandatory Contribution Balance of the relevant Member;

5.2.3 credit the balance of the Employer's Voluntary Contributions to the Employer's Voluntary Contribution Balance of such Member;

5.2.4 credit the balance of the Member's Mandatory Contributions to the Member's Mandatory Contribution Balance of such Member; and

5.2.5 credit the balance of the Member's Voluntary Contributions to the Member's Voluntary Contribution Balance of such Member.

**5.2A** On receipt of SVCs pursuant to Paragraph 3A.1(a), credit the balance of such SVCs to the SVC Balance of the relevant employee Member.

- 5.2B On receipt of SVCs pursuant to Paragraph 3A.1(b), credit the balance of such SVCs to the SVC Balance of the relevant SVC Member.
- 5.3 The Trustee shall invest Contributions received for the account of a Member after deduction of the Initial Charge in Units in accordance with the Investment Mandate of such Member in effect in accordance with Clause 19.3 within fourteen Business Days following the date of receipt of such Contributions in cleared funds and such information the Trustee may require in respect of such Contributions. For this purpose, any period of suspension in accordance with Clause 6.1 of this Deed shall not be included in calculating the time elapsed from the receipt of such Contributions in cleared funds and information.
- 5.4 The Sponsor may from time to time:-
- 5.4.1 restrict or vary the number of Constituent Funds in which Employer's Mandatory Contributions and Employer's Voluntary Contributions of a Member, after deduction (subject to the MPF Ordinance) of the Initial Charge, and Employer's Mandatory Contribution Balance, Employer's Voluntary Contribution Balance, Employer's Mandatory Transfer Balance and Employer's Voluntary Transfer Balance of such Member may be invested;
  - 5.4.2 restrict or vary the number of Constituent Funds in which the Member's Mandatory Contributions, Member's Voluntary Contributions and the Special Voluntary Contributions of a Member (after deduction (subject to the MPF Ordinance) of the Initial Charge) and Member's Mandatory Contribution Balance, Member's Voluntary Contribution Balance, Member's Mandatory Transfer Balance, Member's Voluntary Transfer Balance, Special Voluntary Contributions and SVC Transfer Balance of such Member may be invested;
  - 5.4.3 require all the Employer's Mandatory Contributions and Employer's Voluntary Contributions of a Member, after deduction (subject to the MPF Ordinance) of the Initial Charge, and Employer's Mandatory Contribution Balance, Employer's Voluntary Contribution Balance, Employer's Mandatory Transfer Balance and Employer's Voluntary Transfer Balance of such Member to be invested in the same manner;
  - 5.4.4 require all the Member's Mandatory Contributions, Member's Voluntary Contributions and SVCs of such Member, (after deduction (subject to the MPF Ordinance) of the Initial Charge), and Member's Mandatory Contribution Balance, Member's Voluntary Contribution Balance, Member's Mandatory Transfer Balance, Member's Voluntary Transfer Balance, SVC Balance of an employee Member and/or a SVC Member and SVC Transfer Balance of such Member to be invested in the same manner;



- 5.4.5 specify the minimum amount or percentage of:-
- 5.4.5.1 Contributions, after deduction (subject to the MPF Ordinance) of the Initial Charge, of a Member; or
  - 5.4.5.2 Employer's Mandatory Contributions or Employer's Voluntary Contributions of such Member, after deduction of the Initial Charge; or
  - 5.4.5.3 Member's Mandatory Contributions or Member's Voluntary Contributions of such Member, after deduction of the Initial Charge; or
  - 5.4.5.4 SVCs in respect of an employee Member or a SVC Member, that may be invested in a Constituent Fund;
- 5.4.6 specify the minimum amount or percentage of:-
- 5.4.6.1 the Credit Balance of a Member; or
  - 5.4.6.2 the Employer's Mandatory Contribution Balance or Employer's Voluntary Contribution Balance or Employer's Mandatory Transfer Balance or Employer's Voluntary Transfer Balance of such Member; or
  - 5.4.6.3 the Member's Mandatory Contribution Balance or Member's Voluntary Contribution Balance or Member's Mandatory Transfer Balance or Member's Voluntary Transfer Balance of such Member; or
  - 5.4.6.4 SVCs in respect of an employee Member or a SVC Member, that may be realised from or invested in a Constituent Fund.
- 5.5 The operations of Paragraphs 5.1 to 5.4 shall at all times be subject to Clauses 19.1A, 19.1B and 19.1C.

## **6. ENTITLEMENT TO BENEFITS**

- 6.1 Subject to Paragraph 11, where:-
- 6.1.1 a Member or any other person becomes entitled to any amount pursuant to this Deed in respect of Mandatory Contributions upon such Member or such person giving a request to the Trustee in the Specified Form and complying with such other requirements as may be imposed by the MPF Ordinance, the Trustee shall realise the Units standing to the credit of the Employer's Mandatory Contribution Balance, Member's Mandatory Contribution Balance and Mandatory Transfer Balance of such Member; or
  - 6.1.2 a Member or any other person becomes entitled to any amount pursuant to this Deed in respect of Voluntary Contributions upon such Member or such person giving a request to the Trustee in the Specified Form and complying with such other requirements as may be imposed by the MPF Ordinance, the Trustee shall realise the Units standing to the credit of the Employer's Voluntary Contribution Balance, Member's Voluntary Contribution Balance and Voluntary Transfer Balance of such Member.

- 6.2 A Member who has attained the Retirement Age shall be entitled, on giving a request to the Trustee in the Specified Form and complying with such other requirements as may be imposed by the MPF Ordinance, to payment of a sum equal to the aggregate of:-
- 6.2.1 the Mandatory Credit Balance of such Member;
  - 6.2.2 the Voluntary Credit Balance of such Member; and
  - 6.2.3 so much of the Unvested Portion of the Employer's Voluntary Contribution Balance (if any) and so much of the Unvested Portion of the Employer's Voluntary Transfer Balance (if any), as the Employer of such Member may determine and notify to the Trustee prior to the date of payment.
- 6.3 A Member who satisfies the requirements of section 15(2) of the MPF Ordinance shall be entitled, on giving a request to the Trustee in the Specified Form and complying with such other requirements as may be imposed by the MPF Ordinance, to payment of a sum equal to the aggregate of:-
- 6.3.1 the Mandatory Credit Balance of such Member;
  - 6.3.2 the Voluntary Credit Balance of such Member; and
  - 6.3.3 so much of the Unvested Portion of the Employer's Voluntary Contribution Balance and so much of the Unvested Portion of the Employer's Voluntary Transfer Balance, as the Employer of such Member may determine and notify to the Trustee prior to the date of payment.
- 6.4 If a Member dies, the Trustee shall, on receipt of a request from a personal representative of the Member in the Specified Form and on the personal representative complying with such other requirements as may be imposed by the MPF Ordinance, pay to the personal representative a sum equal to the aggregate of:-
- 6.4.1 the Mandatory Credit Balance of such Member;
  - 6.4.2 the Voluntary Credit Balance of such Member; and
  - 6.4.3 so much of the Unvested Portion of the Employer's Voluntary Contribution Balance and so much of the Unvested Portion of the Employer's Voluntary Transfer Balance, as the Employer of such Member may determine and notify to the Trustee prior to the date of payment.
- 6.4A.1 A Member who has an illness that is likely to reduce the life expectancy of the Member to 12 months or less shall be entitled, on giving a request to the Trustee in the Specified Form and complying with such requirements as may be imposed by the MPF Ordinance, to payment of a sum equal to the aggregate of the Mandatory Credit Balance of such Member.
- 6.4A.2 A Member who claims benefits under Rule 6.4A.1 shall not be entitled to any part of the Voluntary Credit Balance of such Member, which entitlement shall be subject to Rule 7.
- 6.5 In the case of Paragraph 6.2, Paragraph 6.3 and Paragraph 6.4, the Trustee shall transfer to the Reserve Account of the relevant Employer any amount of the Employer's

Voluntary Contribution Balance and any amount of the Employer's Voluntary Transfer Balance not paid.

- 6.6 Notwithstanding any other provisions of this Deed, a Member who is entitled to the Mandatory Credit Balance pursuant to this Deed under: (a) Paragraph 6.2, or (b) Paragraph 6.3 on the ground of permanently ceasing his employment or self-employment at the age specified in Schedule 7 to the MPF Ordinance, shall be entitled to elect (in such form and on such conditions as the Trustee may, subject to the applicable provisions of the MPF Ordinance or MPF Regulation, from time to time prescribe) to receive the Mandatory Credit Balance either in a lump sum or in instalments, pursuant to the applicable provisions of the MPF Ordinance and MPF Regulation.

## **7. ENTITLEMENT TO VOLUNTARY CONTRIBUTIONS**

- 7.1 Subject as otherwise provided in Clause 34 or in the relevant Participation Agreement, a Member (other than a Self-Employed Member) who ceases employment with an Employer shall be entitled on request to the Trustee in the Specified Form to payment of a sum equal to the aggregate of:

7.1.1 the Voluntary Credit Balance of such Member; and

7.1.2 so much of the Unvested Portion of the Employer's Voluntary Contribution Balance and so much of the Unvested Portion of the Employer's Voluntary Transfer Balance, as the Employer of such Member may determine and notify to the Trustee prior to the date of payment.

- 7.2 Subject as otherwise provided in the relevant Participation Agreement, a Self-Employed Member shall at any time be entitled on request to the Trustee in the Specified Form to payment of a sum equal to the aggregate of (a) the Member's Voluntary Contribution Balance and (b) the Voluntary Transfer Balance of such Member.

- 7.3 Where in respect of a Member:-

7.3.1 the relevant Participation Agreement requires the Employer of such Member to make Employer's Voluntary Contributions; and

7.3.2 the Employer has failed to make such Employer's Voluntary Contributions within six months (or such other period as may be prescribed by the MPF Ordinance) after the end of the period determined in accordance with the MPF Ordinance,

such Member shall be entitled on giving Notice to the Trustee in the Specified Form to payment of a sum equal to the Voluntary Credit Balance of such Member.

- 7.4 A Participation Agreement may specify other situations in which a Member shall be entitled to payment of all or part of the Employer's Voluntary Contribution Balance, Member's Voluntary Contribution Balance and/or Voluntary Transfer Balance (if any), of such Member.

- 7.5 On the termination of employment of a Member with an Employer, the Trustee shall transfer any amount of the Employer's Voluntary Contribution Balance and any amount

of the Employer's Voluntary Transfer Balance, of such Member which is not otherwise paid or transferred in accordance with this Deed or any relevant Participation Agreement to the Reserve Account.

**7A. WITHDRAWAL OF SPECIAL VOLUNTARY CONTRIBUTION BY MEMBERS**

7A.1 Subject to the provisions of the relevant Specified Form, a Member who has benefits accrued in the SVC Balance of his relevant Contribution Account and/or SVC Account in the Plan (as the case may be), shall be entitled at any time to make a withdrawal request to the Trustee for payment of the SVC Balance (or any part thereof) PROVIDED THAT:

7A.1.1 the withdrawal request is made in the Specified Form and given to the Trustee with at least one month prior notice (or such shorter period of notice as the Trustee may agree);

7A.1.2 the number of such withdrawal requests allowed for each Member in a year shall not exceed the maximum number as may be determined by the Trustee from time to time;

7A.1.3 the minimum amount of each such withdrawal or the minimum number of Units of any Constituent Fund to be withdrawn in each withdrawal shall not be less than such amount or number (as the case may be) as may be determined by the Trustee from time to time; and

7A.1.4 the maximum amount of each withdrawal or the maximum number of Units of any Constituent Fund to be withdrawn in each withdrawal shall not exceed such amount or number (as the case may be) as may be determined by the Trustee from time to time.

7A.2 The Trustee reserves the right to impose a withdrawal fee up to the maximum level as specified in the Offering Document for each withdrawal request made in this Paragraph. Such withdrawal fee shall be deducted from the withdrawal proceeds and be retained by the Trustee for its own use and benefit.

**7B. ENTITLEMENT TO SPECIAL VOLUNTARY CONTRIBUTIONS**

7B.1 Any Accrued Benefits attributable to the Special Voluntary Contributions of a Member shall become payable to the Member upon that Member's cessation of participation in the Plan under Paragraph 12.1. Upon payment of such Accrued Benefits to the Member, the Trustee shall have no further liabilities or obligations whatsoever in relation to the Member.

**8. RESERVE ACCOUNTS**

8.1 The Trustee shall maintain within the Plan a Reserve Account in respect of each Employer and each Self-Employed Member.

8.2 An Employer or a Self-Employed Member may with the agreement of the Sponsor elect to pay into the Reserve Account maintained in respect of such Employer or such Self-Employed Member all or part of any fee, charge, cost or expense payable under this Deed or the relevant Participation Agreement or other amounts.

- 8.3 All payments made by an Employer or a Self-Employed Member pursuant to Paragraph 8.2 shall be credited by the Trustee to the Reserve Account maintained in respect of such Employer or such Self-Employed Member. Any amount transferred by the Trustee pursuant to Clause 34.4, Clause 34.14.3, Paragraph 6.5 and Paragraph 7.5 in relation to such Employer shall be credited by the Trustee to the Reserve Account maintained in respect of such Employer.
- 8.4 The Trustee shall invest the amounts received for the Reserve Account of an Employer or a Self-Employed Member in Units in the Principal - MPF Conservative Fund within fourteen Business Days following the date of receipt of such amounts in cleared funds and such information the Trustee may require in respect of such amounts. For this purpose, the period of suspension in accordance with Clause 6.1 shall not be included in calculating the time elapsed from the receipt of such amounts in cleared funds and information.
- 8.5 An Employer or a Self-Employed Member may from time to time request in the Specified Form the Trustee to realise all or a percentage of the Units standing to the credit of such Employer's or such Self-Employed Member's Reserve Account, subject to a minimum amount or percentage specified by the Sponsor from time to time, and to apply the amount to be received by the Trustee in respect of such realisation: -
- 8.5.1 to reduce Contributions due to the Plan from such Employer or such Self-Employed Member; and/or
  - 8.5.2 to pay any fees, charges, costs or expenses relating to the Plan and payable by such Employer or such Self-Employed Member; and/or
  - 8.5.3 to refund all or part of such amount to such Employer or such Self-Employed Member; and/or
  - 8.5.4 in the case of an Employer to distribute such amount in whole or in part to the Members employed by such Employer in such manner and within such period as may be agreed by the Sponsor with such Employer.

Upon receipt of such request, the Trustee shall realise such Units and shall apply such amount in accordance with such request within one month after the date of receipt of such request and such information the Trustee may require in respect of such request. For this purpose, any period of suspension in accordance with Clause 6.1 shall not be included in calculating the time elapsed from the receipt of such request.

## 9. SEVERANCE PAYMENTS AND LONG SERVICE PAYMENT

- 9.1 An Employer may make an application to the Trustee in the Specified Form for payment to such Employer of any amount which such Employer has paid to or in respect of a Member employed by such Employer as a severance payment or a long service payment in accordance with the Employment Ordinance (Cap. 57 of the Laws of Hong Kong) (such amount is referred to in this Paragraph 9.1 as the "**Relevant Amount**"). Subject to the MPF Ordinance, on receipt of such application the Trustee shall realise such Units and pay the Relevant Amount to such Employer:-
- 9.1.1 out of the Vested Portion of the Employer's Voluntary Contribution Balance (if any) of such Member; and

- 9.1.2 if after payment under Paragraph 9.1.1 any part of the Relevant Amount remains outstanding, out of the Employer's Mandatory Contribution Balance of such Member.
- 9.2 A Member or an Employer in respect of such Member may make an application to the Trustee in the Specified Form for payment to such Member of any amount which the Employer is required to pay to or in respect of such Member as a severance payment or a long service payment in accordance with the Employment Ordinance (Cap. 57 of the Laws of Hong Kong) and which, at the time of the application, has not been paid to or in respect of such Member (such amount is referred to in this Paragraph 9.2 as the "**Relevant Amount**"). Subject to the MPF Ordinance, on receipt of such application the Trustee shall realise such Units and pay the Relevant Amount to such Member:-
- 9.2.1 out of the Vested Portion of the Employer's Voluntary Contribution Balance (if any) of such Member; and
- 9.2.2 if after payment under Paragraph 9.2.1 any part of the Relevant Amount remains outstanding, out of the Employer's Mandatory Contribution Balance of such Member.
- 9.3 No payment shall be made out of the Plan pursuant to this Paragraph 9 in respect of the excess of the Relevant Amount over the aggregate of the Vested Portion of the Employer's Voluntary Contribution Balance and the Employer's Mandatory Contribution Balance of such Member.

## **10. ASSIGNMENT OF INTERESTS**

- 10.1 No Member may in any way assign, transfer, charge, pledge or otherwise dispose of his Accrued Benefits or other interests under the Plan howsoever derived or any part thereof or purport or attempt to do so.
- 10.2 No Employer may in any way assign, transfer, charge, pledge or otherwise dispose of its interests under the Plan howsoever derived or any part thereof or purport or attempt to do so.
- 10.3 Any assignment, transfer, charge, pledge or disposition of any Accrued Benefits or interests made or purported or attempted to be made contrary to Paragraph 10.1 or Paragraph 10.2 shall be invalid and of no effect. The person to whom such Accrued Benefits or interests are purported or attempted to be assigned, transferred, charged, pledged or disposed shall have no right or entitlement to or interest in such Accrued Benefits or interests. The Trustee shall not take notice of any right, entitlement or interest of such person in connection with such purported or attempted assignment, transfer, charge, pledge or disposal and shall hold and pay such Accrued Benefits or interests in accordance with and for the benefit of the persons entitled under this Deed.

## **11. UNCLAIMED BENEFITS**

- 11.1 Where any amounts due to a Member are to be treated as unclaimed benefits in accordance with the MPF Ordinance, the Trustee shall:
- 11.1.1 designate such Member as a Personal Account Member;

- 11.1.2 transfer such amounts in the books of the Plan to the Unclaimed Benefits Account and record the interest of such Personal Account Member in the Unclaimed Benefits Account; and
- 11.1.3 continue to hold such amounts for such period as may be prescribed by the MPF Ordinance and shall:-
  - 11.1.3.1 where such amounts are invested in one or more Constituent Funds immediately prior to being treated as unclaimed benefits in accordance with the MPF Ordinance, continue to invest such amounts in such Constituent Fund or Constituent Funds;
  - 11.1.3.2 where such amounts are not invested in one or more of the Constituent Funds immediately prior to being treated as unclaimed benefits in accordance with the MPF Ordinance, invest such amounts in the Default Investment Strategy within fourteen Business Days of the date on which such amounts are to be treated as unclaimed benefits in accordance with the MPF Ordinance. For this purpose, any period of suspension in accordance with Clause 6.1 shall not be included in calculating the time elapsed from such date.
- 11.2 Where a person becomes entitled to any amount pursuant to this Deed in respect of unclaimed benefits and upon the person giving a request to the Trustee in the Specified Form and complying with such other requirements as may be imposed by the MPF Ordinance, the Trustee shall realise the Units standing to the credit of the Unclaimed Benefits Account which are attributable to such person and pay the amount to be received by the Trustee in respect of such realisation to such person.

**12. CESSATION OF PARTICIPATION IN THE PLAN**

- 12.1 Any Employer, Self-Employed Member, Personal Account Member and SVC Member may cease to participate in the Plan by giving to the Trustee notice of such intention in accordance with the MPF Ordinance and MPF Regulation and the relevant provisions of this Deed.
- 12.2 Subject to Paragraph 12.1, the relevant provisions of the MPF Ordinance and the MPF Regulation, an Employer who ceases to participate in the Plan under Paragraph 12.1 shall elect to have the Accrued Benefits of its employee Members held in their Contribution Accounts, if any, transferred to another Registered Provident Fund Scheme in which the Employer is a participant.
- 12.3 An employee Member, Self-Employed Member or a Personal Account Member who ceases to participate in the Plan under Paragraph 12.1 shall have the right to elect to have his Accrued Benefits, if any, transferred in accordance with Part XII of the MPF Regulation.
- 12.4 Paragraph 7B shall be applicable in respect of a SVC Member who ceases to participate in the Plan under Paragraph 12.1.
- 12.5 Upon transfer of the assets to another Registered Provident Fund Scheme under this Deed, the Trustee shall have no further liabilities or obligations whatsoever in relation to the Employer, employee Member, the Personal Account Member, or the Self-Employed Member or to any other person who is entitled to make a claim under the Plan and the relevant Participation Agreement shall be automatically terminated.

IN WITNESS whereof this Amended and Restated Master Trust Deed has been entered into the day and year first above written.

**SEALED** with the **COMMON SEAL** of )  
**PRINCIPAL INSURANCE COMPANY** )  
**(HONG KONG) LIMITED** ) [sd]  
in the presence of:- )  
)

[sd]

**SEALED** with the **COMMON SEAL** of )  
**PRINCIPAL TRUST COMPANY** )  
**(ASIA) LIMITED** ) [sd]  
in the presence of:- )  
)

[sd]