

DATED

**BANK CONSORTIUM TRUST COMPANY LIMITED**

and

**MANULIFE (INTERNATIONAL) LIMITED**

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**SECOND CONSOLIDATED TRUST DEED**

relating to

**MANULIFE RETIRECHOICE (MPF) SCHEME**

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## **SECOND CONSOLIDATED TRUST DEED**

### **DATED**

### **BETWEEN:-**

- (1) **BANK CONSORTIUM TRUST COMPANY LIMITED**, whose registered office is at 18<sup>th</sup> Floor, Cosco Tower, 183 Queen's Road Central, Hong Kong, as Trustee; and
- (2) **MANULIFE (INTERNATIONAL) LIMITED**, a company incorporated in Bermuda (with Hong Kong registration number F-3218), whose registered office is at Canon's Court, 22 Victoria Street, Hamilton, HM 12, Bermuda, and principal place of business in Hong Kong is at 22/F, Tower A, Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong, as Sponsor.

### **RECITALS**

- (A) This Deed is supplemental to the consolidated trust deed dated 20<sup>th</sup> March 2008 as amended by all its supplemental deeds (namely, the first supplemental trust deed dated 20<sup>th</sup> October 2008, the second supplemental trust deed dated 24<sup>th</sup> August 2009, the deed of resignation and appointment dated 12<sup>th</sup> October 2009, the third supplemental trust deed dated 12<sup>th</sup> October 2009 the fourth supplemental trust deed dated 19<sup>th</sup> August 2011, the fifth supplemental trust deed dated 27<sup>th</sup> August 2012, the sixth supplemental trust deed dated 27<sup>th</sup> August 2012, the seventh supplemental trust deed dated 13<sup>th</sup> February 2015, the eighth supplemental trust deed dated 26<sup>th</sup> March 2015, the ninth supplemental trust deed dated 23<sup>rd</sup> December 2015, the tenth supplemental trust deed dated 9<sup>th</sup> December 2016, the eleventh supplemental trust deed dated 1<sup>st</sup> April 2019, the deed of variation dated 31<sup>st</sup> March 2020 and the deed of retirement and appointment of Sponsor and variation dated 23<sup>rd</sup> July 2021) all made between the Trustee and the Sponsor, relating to the Manulife RetireChoice (MPF) Scheme (formerly known as RCM MPF Plan and the Allianz Global Investors MPF Plan) (the "**Plan**") (The trust deed as so amended being hereafter referred to as the "**Principal Deed**").
- (B) Pursuant to Clause 39 of the Principal Deed, the Trustee and the Sponsor may, at the request of the Sponsor, at any time by deed alter, amend, extend, modify or add to any of the trusts, powers or provisions of the Principal Deed subject to the restrictions in such Clause 39.
- (C) The Sponsor wishes to consolidate the terms of the said trust deed with the terms of the said supplemental deeds and the Trustee has agreed to make such consolidation.

NOW THIS DEED WITNESSETH AS FOLLOWS:-

1. With effect from the date hereof the terms set out in the appendix hereto shall replace the terms set out in the Principal Deed and accordingly the Plan, as hereby amended, shall continue in effect in the form set out herein and the terms of this Deed including the Appendix hereto shall be conclusive to the exclusion of the Principal Deed.
2. The Trustee and the Sponsor hereby adopt the provisions set out in the Appendix to this Deed, in substitution for the provisions of the Principal Deed.
3. This Deed shall be governed by and interpreted in accordance with the laws of Hong Kong.

**IN WITNESS** whereof the Trustee and the Sponsor have executed this Deed the day and year first above written.

EXECUTED as a Deed )  
by )  
**BANK CONSORTIUM TRUST COMPANY LIMITED** )  
in the presence of:- )

EXECUTED as a Deed )  
by )  
**MANULIFE (INTERNATIONAL)** )  
**LIMITED** )  
in the presence of: )

# APPENDIX

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## **1. INTERPRETATION**

1.1 In this Deed 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 30 June in each year during the continuance of the Plan commencing 30 June 2001; or such other date or dates in each year as the Trustee with the approval of the Sponsor and the Authority may from time to time select in respect of the Plan and notify to Employers and Members;

*Note: s. 79 General Regulation, para. B1.3 MPF Code*

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

*Note: para. B1.3 MPF Code*

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

“**Administrator**” means an administrator (if any) appointed by the Trustee pursuant to Clause 17;

*Note: s. 2 MPF Ordinance*

“**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 Futures Exchange**” has the same meaning as in the Regulation;

“**Approved Pooled Investment Fund**” has the meaning given to it by section 6 of the Regulation;



*Note: ss. 2, 6 General Regulation*

“**Approved Stock Exchange**” has the same meaning as in the Regulation;

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

*Note: s. 2 MPF Ordinance*

“**Associate**” has the same meaning as in the MPF Ordinance;

*Note: s. 2, Schedule 8 MPF Ordinance*

“**the Auditors**” means the auditor or auditors appointed by the Trustee with the prior approval of the Sponsor pursuant to the provisions of Clause 18;

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

“**Authorized Financial Institution**” has the same meaning as in the Regulation;

*Note: s. 2 General Regulation*

“**Bid Spread**” means the bid spread (or an amount equivalent thereto) referred to in Clause 5.9;

“**Business Day**” means any 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 Regulation;

*Note: s. 2 General Regulation*

“**Collective Investment Scheme**” means:-

- (a) any arrangement made for the purpose, or having the effect, of providing facilities for the participation of persons, as beneficiaries under a trust, in

profits or income arising from the acquisition, holding, management or disposal of securities or any other property whatsoever; or

- (b) any other investment vehicle of a similar nature to that described in paragraph (a) of this definition, including without limiting the generality of the foregoing any other open-ended investment company and mutual fund;

which, in any such case, has in issue units, shares or other interests (howsoever described) which are redeemable at the option of the holder thereof Provided That:-

- (i) in the case of any such arrangement or investment vehicle the assets of which are divided into two or more separate portfolios (whether described as portfolios, sub-funds or by any other name) in which an investor may separately invest, each such portfolio shall be deemed to be a separate Collective Investment Scheme; and
- (ii) in relation to any such Collective Investment Scheme, "unit" means any unit, share or other interest (howsoever described) of similar nature in such Collective Investment Scheme;

“**Commission**” means the Securities and Futures Commission established by the Securities and Futures Commission Ordinance 1989 of Hong Kong;

“**Constituent Fund**” means any pool of assets established in the books of the Plan pursuant to Clause 3;

“**Contributions**” means Mandatory Contributions, Voluntary Contributions and TVC;

“**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 and any other investments and/or moneys derived from Contributions made by or on behalf of such Member and from Transfer Payments in respect of the Member from time to time standing to the credit of such Member’s account in the books of the Plan;

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

“**Deed**” means this deed, as amended from time to time;

“**Default Fund**” means:

the Allianz MPF Conservative Fund, provided that the Sponsor may, with the approval of the Trustee, change the Default Fund on giving 3 months’ notice (or such shorter period as the Authority and the Commission may agree) to Members (in the case of relevant employees, via the participating employers);

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

*Note: s. 2, 34DB(1)(b), MPF Ordinance*

“**Default Recipient Fund**” means (a) in the case where the termination of a Constituent Fund takes effect before 1 April 2017, the Constituent Fund with the next lower risk level relative to the Terminating Fund and has Units in issue, and (b) in the case where the termination of a Constituent Fund takes effect on or after 1 April 2017, the DIS Funds in accordance with the Default Investment Strategy, provided that the Sponsor may, with the approval of the Trustee, change the Default Recipient Fund on giving 3 months’ notice (or such shorter period as the Authority and the Commission may agree) to Members (in the case of relevant employees, via the participating employers);

“**Deposit**” has the same meaning as in section 2 of the Banking Ordinance (Chapter 155) of the Laws of Hong Kong but includes a certificate of deposit issued by an Authorized Financial Institution;

*Note: para. 11(5) Schedule 1 General Regulation*

“**DIS Funds**” means the two Constituent Funds in the Plan having the attributes of, respectively, the Age 65 Plus Fund and the Core Accumulation Fund, as defined in Schedule 10 to the MPF Ordinance;

*Note: Schedule 10 to MPF Ordinance*

**“Elected Balance”** means the Credit Balance derived from a Member’s Mandatory Contributions, Employer’s Mandatory Contributions, Member’s Voluntary Contributions, Employer’s Voluntary Contributions, Mandatory Transfer Balance, TVC Balance and/or Voluntary Transfer Balance as may be elected to be transferred;

**“Eligible Employee”**, in respect of an Employer, means (i) a Relevant Employee of the Employer and (ii) any other employee of the Employer who is not prohibited by the MPF Ordinance from becoming a member of the Plan and who is determined by the Employer and agreed by the Trustee to be an Eligible Employee;

**“Eligible Overseas Bank”** has the same meaning as in the Regulation;

*Note: ss. 2, 13 General Regulation*

**“Employer”** means any person, firm, corporation or body which is participating in the Plan pursuant to Clause 8 including for the avoidance of doubt any Master Trust Employer;

**“Employer’s Mandatory Contribution Balance”** means in respect of a Member so much of the Member's Credit Balance as is derived from Employer’s Mandatory Contributions;

*Note: s. 78(6)(a) General Regulation*

**“Employer’s Mandatory Contributions”** means in respect of a Member amounts an Employer contributes to the Plan in respect of such Member pursuant to the MPF Ordinance as mandatory contributions (within the meaning of the MPF Ordinance) and includes (i) Minimum MPF Benefits of the Member transferred to the Plan, so far as such Minimum MPF Benefits relate to contributions by the Employer and (ii) any contribution surcharge paid in respect of the relevant Member pursuant to section 18 of the MPF Ordinance where (a) the relevant income (as defined in the MPF Ordinance) of the relevant Member is less than the minimum level of relevant income per month prescribed by the MPF Ordinance and (b) there is no sub-account in the records of the Trustee in respect of the relevant Member’s Mandatory Contribution Balance;

*Note: s. 78(6)(a) General Regulations*

**“Employer’s Voluntary Contribution Balance”** means in respect of a Member so much of the Member’s Credit Balance (if any) as is derived from Employer’s Voluntary Contributions;

*Note: s. 78(6)(d) General Regulation*

**“Employer’s Voluntary Contributions”** means in respect of a Member amounts (if any) an Employer contributes to the Plan in respect of such Member in addition to Employer’s Mandatory Contributions;

**“Feeder Fund”** means any Constituent Fund the objective of which is to invest solely (subject as otherwise provided in this Deed) in a single Approved Pooled Investment Fund provided that the Trustee with the approval of the Sponsor may at any time determine that such Constituent Fund shall cease to be a Feeder Fund;

**“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;

**“Investment Manager”** means the investment manager or investment managers (if any) appointed by the Trustee with the consent of the Sponsor pursuant to Clause 15;

**“Investment Mandate”** means any instruction as may from time to time be in effect and given or regarded as having been given in accordance with Clause 20 by a Member as to the percentage of the Contributions and Transfer Payments received by the Trustee in respect of the Member to be invested in the Constituent Funds and/or the Default Investment Strategy;

**“Issue Price”** means the issue price of a Unit of a particular class calculated in accordance with Clause 5;

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

**“Mandatory Contributions”** means Employer's Mandatory Contributions and Member's Mandatory Contributions;

**“Mandatory Transfer Balance”** means in respect of a Member so much of the Member's Credit Balance as is derived from Transfer Payments, to the extent that such amounts relate to mandatory contributions (as defined in the MPF Ordinance) or Minimum MPF Benefits;

*Note: s. 78(6)(c), (7)(b), (8)(a) General Regulation*

**“Master Trust”** means Dresdner RCM MPF Master Trust constituted by means of a trust deed dated 31st January, 2000 and made between HSBC Provident Fund Trustee (Hong Kong) Limited and Allianz Global Investors Hong Kong Limited (formerly Allianz Dresdner Asset Management Hong Kong Limited) (as amended by 3 supplemental deeds dated 10th January, 2001, 15th August, 2002 and 5th December, 2002);

**“Master Trust Employer”** means an Employer who was previously a participating employer of the Master Trust and was transferred to the Plan as part of the Scheme Merger;

**“Master Trust Member”** means a Member who previously participated in the Master Trust and was transferred to the Plan as part of the Scheme Merger;

**“Member”** means an Eligible Employee of an Employer, a Self-Employed Person or any Other Eligible Person (including for the avoidance of doubt any Master Trust Member and TVC Account Holder) who has elected to participate in the Plan and who has not ceased to be a Member;

**“Member's Mandatory Contributions”** means in respect of a Member amounts that Member contributes to the Plan pursuant to the MPF Ordinance as mandatory contributions (within the meaning of the MPF Ordinance) and includes (i) Minimum MPF Benefits of the Member transferred to the Plan, so far as such Minimum MPF Benefits relate to contributions by the Member in respect of the Member's current employment and (ii) any contribution surcharge paid in respect of the relevant Member pursuant to section 18 of the MPF Ordinance which is not Employer's Mandatory Contributions;

*Note: ss. 78(6)(b), (7)(a) General Regulation*

**“Member’s Mandatory Contribution Balance”** means in respect of a Member so much of the Member’s Credit Balance as is derived from such Member’s Mandatory Contributions;

*Note: s. 78(6)(b), (7)(a) General Regulation*

**“Member’s Voluntary Contribution Balance”** means in respect of a Member so much of the Member’s Credit Balance (if any) as is derived from such Member’s Voluntary Contributions;

*Note: s. 78(6)(e), (7)(c) General Regulation*

**“Member’s Voluntary Contributions”** means in respect of a Member's amounts (if any) that Member contributes to the Plan but excluding: (i) Member’s Mandatory Contributions and (ii) TVC;

**“Minimum MPF Benefits”** has the same meaning as in the MPF Ordinance;

**“MPF Ordinance”** means the Mandatory Provident Fund Schemes Ordinance (Cap. 485) 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 of the class or classes relating to such Constituent Fund calculated in accordance with the provisions of Clause 5;

**“Offer Spread”** means the offer spread (or an amount equivalent thereto) referred to in Clause 5.7;

**“Original Trustee”** means Bermuda Trust (Far East) Limited;

**“Other Eligible Person”** means a person who, pursuant to the MPF Ordinance, is eligible to participate in the Plan and who applies to participate in the Plan other than as:-

- (a) an Eligible Employee employed by an Employer;
- (b) a Self-Employed Person; or
- (c) a TVC Account Applicant.

For the avoidance of doubt, “Other Eligible Person” includes any person, not being an Eligible Employee or Self-Employed Person, who previously participated in the Master Trust and was transferred to the Plan as part of the Scheme Merger;

**“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;
- (c) in relation to an Other Eligible Person, the agreement executed in accordance with Clause 10 by which that Other Eligible Person agrees to participate in the Plan, as amended from time to time; and
- (d) in relation to a TVC Account Holder, the agreement executed in accordance with Clause 10A by which the TVC Account Holder agrees to participate in the Plan;

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

**“Pre-existing Account”** means an account in the Plan which has been opened before 1 April 2017;

*Note: section 34DA, MPF Ordinance*



“**Plan**” means the master trust provident fund scheme established by this Deed and known as “Manulife RetireChoice (MPF) Scheme” in English and “宏利退休精選(強積金)計劃” in Chinese or, subject to Clause 14.3, such other name or names as the Trustee and the Sponsor may agree from time to time;

“**Allianz MPF Conservative Fund**” means:-

- (a) a Constituent Fund that has the attributes of a MPF conservative fund as described in the Regulation or such Regulation as may be amended from time to time;
- (b) unless the context otherwise requires, a Feeder Fund where the Approved Pooled Investment Fund in which such Feeder Fund invests has the attributes of a MPF conservative fund as described in the Regulation or such Regulation as may be amended from time to time;

“**Realisation Price**” means the realisation price of a Unit of a particular class calculated in accordance with Clause 5;

*Note: s. 2 General Regulation*

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

“**the Regulation**” means the Mandatory Provident Fund Schemes (General) Regulation (L.N. 294 of 1998) made pursuant to the MPF Ordinance;

“**Relevant Employee**” has the same meaning as in the MPF Ordinance;

*Note: s. 2 MPF Ordinance*

“**Relevant Member**” has the meaning set out in Clause 30.1;

**“Reportable Information”** means, in respect of any person or entity considered to be an account holder or controlling person, information (including but not limited to its/his/her name, address, date of birth, place of birth/incorporation, jurisdiction(s) of tax residence, tax identification number(s) in the relevant jurisdiction(s)) and account information (including but not limited to its/his/her account balance, income and payments to the account holders).

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

*Note: s. 2 MPF Ordinance*

**“Scheme Merger”** means the merger of the Master Trust into the Plan in accordance with section 34B of the MPF Ordinance;

**“Securities Ordinance”** means the Securities Ordinance (Chapter 333) of the Laws of Hong Kong;

**“Self-Employed Member”** means a Member who is a Self-Employed Person;

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

*Note: s. 2 MPF Ordinance*

**“Service Provider”** has the same meaning as in the MPF Ordinance;

*Note: s. 2 MPF Ordinance*

**“specified form”**, in relation to an application, request, notice or other document given or to be given to the Trustee pursuant to this Deed or any Participation Agreement, means the form (if any) prescribed by the Authority in respect of such application, request, notice or other document or, if no such form is so prescribed, an application, request, notice or other document in such form as the Trustee may require;

**“Specific Investment Instructions”** shall have the same meaning as ascribed to it under section 34DA of the MPF Ordinance;

“**Sponsor**” means Manulife (International) Limited or such other company acting as Sponsor pursuant to Clause 14;

“**Substantial Financial Institution**” has the same meaning as in the Regulation;

*Note: ss. 2, 7 General Regulation*

“**SVC Member**” means an Other Eligible Person who has entered into a Participation Agreement to participate in the Plan as an SVC Member;

“**Switching Instruction**” means an instruction given by a Member to the Trustee pursuant to Clause 21 requiring the realisation of assets comprised in the Credit Balance of such Member for the time being invested in one Constituent Fund and the reinvestment of the proceeds of such realisation in another Constituent Fund;

“**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.

“**Terminating Fund**” shall have the meaning as ascribed to it under Clause 4.1;

“**Total Incapacity**” has the same meaning as in the MPF Ordinance;

*Note: s. 2 MPF Ordinance*

“**Transfer Payments**” means in respect of a Member amounts transferred to the Plan in accordance with Clause 37 in respect of that Member and amounts transferred from one account within the Plan to another account within the Plan in respect of that Member;

“**Trustee**” means the trustee or trustees for the time being of the Plan;

“**Trustee's Fee**” means any sum to which the Trustee may become entitled pursuant to the provisions of Clause 28;

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

“**TVC**” means the tax deductible voluntary contributions as defined in section 2(1) of the MPF Ordinance;

“**TVC Account**” means an account opened under section 11A(1) of the MPF Ordinance;

“**TVC Account Applicant**” means a person referred to in section 11A(1) of the MPF Ordinance;

“**TVC Account Holder**” has its meaning given in Clause 10A.1;

“**TVC Balance**” means, in respect of a TVC Account Holder and at any date, the value (determined by the Trustee in accordance with Clause 5) on that date of the balance held in the TVC Account;

“**Unclaimed Benefits**” means all amounts to be treated as unclaimed benefits in accordance with the Regulation;

“**Unclaimed Benefits Account**” means the account within the Plan to which all Unclaimed Benefits are credited in accordance with this Deed or any relevant Participation Agreement;

“**Unit**” means such number of undivided shares or such fraction of an undivided share of the Constituent Fund to which a Unit relates as is represented by a Unit of the relevant class, determined in accordance with Clause 1.2 and except where used in relation to a particular class of Unit a reference to Units means and includes Units of all classes;

*Note: para. B1.10 MPF Code*

“**Valuation Date**” means each Business Day or such other day or days as the Trustee, with the approval of the Sponsor may from time to time determine either generally or in relation to a particular Constituent Fund and the class or classes of Units relating to such Constituent Fund;

*Note: para. B1.16 MPF Code*

**“Valuation Point”** means the close of business in the last relevant market to close or such other time as the Trustee with the approval of the Sponsor may agree either generally or in relation to a particular Constituent Fund and the class or classes of Units relating to such Constituent Fund;

*Note: para. B1.13 MPF Code*

**“Voluntary Contributions”** means Employer’s Voluntary Contributions and Member’s Voluntary Contributions;

**“Voluntary Credit Balance”** means in respect of a Member the aggregate of (a) the vested portion of the Employer's Voluntary Contribution Balance, (b) the Member's Voluntary Contribution Balance and (c) the Voluntary Transfer Balance of the relevant Member;

**“Voluntary Transfer Balance”** means in respect of a Member so much of the Member's Credit Balance as is derived from Transfer Payments, to the extent that such amounts relate to voluntary contributions (as defined in the MPF Ordinance);

*Note: s. 78(6)(f), (7)(d), (8)(b) General Regulation*

**“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 such other modes of sending and/or recording information as the Trustee and the Sponsor may agree.

- 1.2 A Unit shall represent such number of undivided shares or such fraction of an undivided share in the Constituent Fund to which it relates (calculated up to a maximum of ten decimal places) in accordance with the following provisions:-

- 1.2.1 where there is only one class of Units in issue in relation to a Constituent Fund, each Unit of such class shall represent one undivided share in the relevant Constituent Fund;
- 1.2.2 where there are two or more classes of Units in issue in relation to a Constituent Fund:-
- 1.2.2.1 each Unit of the initial class of Units in issue (or, where two or more classes of Units were initially issued, the class of Units deemed by the Trustee to be the initial class of Units in issue) (the “**Initial Class**”) shall on the first issue of such Units represent one undivided share in the relevant Constituent Fund;
- 1.2.2.2 each Unit of a class in issue other than the Initial Class shall initially represent such number of undivided shares in the relevant Constituent Fund as the proportion the price (excluding the Offer Spread) at which such Units are first issued bears to (a) where the initial issue of such Units is at the same time as the initial issue of Units of the Initial Class, the price (excluding the Offer Spread) at which Units of the Initial Class are first issued, or (b) where the initial issue of such Units falls after the initial issue of Units of the Initial Class, to the Net Asset Value per Unit of the Initial Class on the Valuation Day on which such other class of Units are first issued;
- 1.2.2.3 on each Valuation Date, the number of undivided shares of the relevant Constituent Fund represented by a Unit of a class other than the Initial Class then in issue or deemed to be in issue shall be decreased or increased, as the case may be, to such extent that the Net Asset Value of such Unit calculated in accordance with Clause 5.5 shall be decreased or increased, as the case may be, by the amount of the difference between (a) the Trustee’s Fee and any fee payable to the Investment Manager (if any) appointed to manage the investment of the relevant Constituent Fund accrued in respect of such Unit as at such Valuation Date and (b) the

Trustee's Fee and any fee payable to the Investment Manager (if any) appointed to manage the investment of the relevant Constituent Fund accrued in respect of a Unit of the Initial Class as at such Valuation Date;

- 1.2.3 each Unit of a class subsequently issued shall represent at the time of issue the same number of undivided shares of the relevant Constituent Fund as each other Unit of the same class then in issue.
- 1.3 References to Clauses, Parts and Schedules are to clauses and parts 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.
- 1.4 Clause, Part 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.
- 1.5 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.
- 1.6 To the extent that the provisions of any Participation Agreement are inconsistent with or conflict with the provisions of this Deed, the provisions of this Deed shall prevail.
- 1.7 References to statutory provisions shall be deemed to extend to any subsidiary legislation, statutory modification, codification or re-enactment thereof for the time being in force.
- 1.8 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.

**PART I**  
**ESTABLISHMENT OF THE PLAN**

**2. ESTABLISHMENT OF THE PLAN**

The Original Trustee and the Sponsor establish and constitute the Plan with effect from the date 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**

*Note: s. 36 General Regulation, s.34DB(1)(a) MPF Ordinance*

- 3.1 The Trustee shall in the books of the Plan establish three or more Constituent Funds, which shall include the Allianz MPF Conservative Fund and the DIS Funds, and shall in the books of the Plan allocate the assets and liabilities of the Plan to each such Constituent Fund in accordance with and subject to this Deed. Each Constituent Fund shall have a separate statement of investment policy in accordance with Clause 24 and subject to Clause 22 shall be available to all Members.
- 3.2 The initial Constituent Funds shall be known as the Allianz MPF Conservative Fund, the Allianz Capital Stable Fund, the Allianz Stable Growth Fund, the Allianz Balanced Fund and the Allianz Growth Fund.
- 3.3 The Trustee may with the consent of the Sponsor (and shall at the request of the Sponsor) at any time and from time to time, subject to any applicable regulatory requirements and any necessary regulatory approvals, establish a new Constituent Fund and a new class or classes of Units related to such Constituent Fund or establish a new class or classes of Units relating to an existing Constituent Fund. Prior to the establishment of a new Constituent Fund, the Sponsor shall, in consultation with the Trustee, prepare or cause to be prepared a statement of investment policy for such Constituent Fund containing such information as is required by the Regulation. The Trustee shall give notice of the establishment of any new Constituent Fund to Employers and Members as soon as practicable on or after such establishment.
- 3.4 Members shall not have or acquire any rights against the Trustee in respect of Units allocated to the Credit Balance of such Member other than the right to receive benefits in accordance with this Deed and the relevant Participation Agreement. No



Member shall be entitled to any interest or share in any particular part of any Constituent Fund nor shall any Unit confer any interest or share in any particular part of any Constituent Fund.

*Note: para. B1.10 MPF Code*

3.5 Subject to Clause 3.6, the following provisions shall apply in respect of each Constituent Fund:-

3.5.1 The Constituent Fund shall initially comprise the first amounts to be invested in accordance with Investment Mandates in Units of the class or classes relating to such Constituent Fund following the establishment of such Constituent Fund (after providing for the Offer Spread).

3.5.2 The Constituent Fund shall thereafter be comprised of investments cash and other property held or received by or on behalf of the Trustee for the account of such Constituent Fund, arising from the said first amounts and also out of the subsequent amounts to be invested in accordance with Investment Mandates in Units relating to such Constituent Fund (after providing for the Offer Spread) but less any amount distributed or paid out pursuant to this Deed.

3.5.3 Amounts to be invested in accordance with Investment Mandates in Units of a class shall be applied in the books of the Plan to the Constituent Fund to which such Units relate and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Constituent Fund.

3.5.4 Where any asset is derived from another asset (whether of cash or otherwise), 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 and on any valuation of any investment comprised in a Constituent Fund any increase or diminution in value shall be applied to the relevant Constituent Fund.

3.5.5 In the case of any asset of the Plan which the Trustee after consultation with the Auditors does not consider is attributable to a particular Constituent Fund, the Trustee shall have a discretion subject to the approval of the Auditors, 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 the approval of the Auditors shall not be required in any case where the asset is allocated between all the Constituent Funds pro-rata to their respective values.

3.5.6 In the case of any liability or contingent liability which the Trustee after consultation with the Auditors does not consider is attributable to a particular Constituent Fund and is not to be attributed to any particular Constituent Fund pursuant to any express provision of this Deed, the Trustee shall have a discretion subject to the approval of the Auditors 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 the approval of the Auditors shall not be required if the allocation is made between all the Constituent Funds pro-rata to their respective values.

3.6 Where:-

3.6.1 all or part of the assets of a Constituent Fund are invested in an Approved Pooled Investment Fund that is guaranteed; and

3.6.2 an amount is paid to the Trustee in respect of such guarantee (such amount the “**top-up amount**”); and

3.6.3 the top-up amount is paid in respect of a particular Member,

then (a) the Trustee shall credit the top-up amount between the Employer’s Mandatory Contribution Balance, the Employer’s Voluntary Contribution Balance (if any), the Member’s Mandatory Contribution Balance, the Member’s Voluntary Contribution Balance (if any), the Mandatory Transfer Balance (if any), the Voluntary Transfer Balance (if any) and the Member’s TVC Balance (if any) of the Member in respect of whom the top-up amount is paid in such proportions as the Trustee deems fit and (b) the top-up amount shall not form part of the assets of the relevant Constituent Fund.

### 3A. DEFAULT INVESTMENT STRATEGY

The Trustee shall, subject to Clause 22, make available the Default Investment Strategy under the Plan for selection by Members and must ensure that any investment related to the Default Investment Strategy accords with the requirements under Part 4AA of the MPF Ordinance and Part 2 of Schedule 10 to the MPF Ordinance.

### 4. TERMINATION OF CONSTITUENT FUNDS

4.1 Subject to any applicable regulatory requirements and any necessary regulatory approvals, the Trustee may with the consent of the Sponsor (and shall at the request of the Sponsor) at any time and from time to time determine that any Constituent Fund (the "**Terminating Fund**") shall cease to be such by giving not less than one (1) month's Notice to each Employer and each Member (or such other period of notice as the Authority or the Commission may require) that, on the date specified in such notice (the "**Fund Termination Date**"), such Constituent Fund shall cease to be a Constituent Fund and no further Contributions or other moneys may be invested therein. The Sponsor shall not unreasonably withhold its consent to any such determination.

4.2 Where the Trustee makes a determination pursuant to Clause 4.1, the following provisions shall apply:-

4.2.1 Where any Units of a class relating to the Terminating Fund are credited to the account of any Member, the relevant Member shall be entitled to give a Switching Instruction prior to such date as the Trustee may determine directing the Trustee to realise such Units and invest the proceeds of realisation into such other Constituent Fund or Constituent Funds as the relevant 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, the relevant Member shall be entitled to give a new Investment Mandate prior to such date as the Trustee may determine directing the Trustee to invest future Contributions in such other Constituent Fund or Constituent Funds as the relevant 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 regarded as having given a Switching Instruction to realise such Units and invest the proceeds of realisation into the Default Recipient Fund;
- 4.2.4 A relevant Member who fails to give a new Investment Mandate in accordance Clause 4.2.2 shall be regarded as having 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 Recipient Fund;
- 4.2.5 The Trustee shall realise all the Units of the class or classes relating to the Terminating Fund on the Valuation Date for the Terminating Fund coincident with or immediately preceding the Fund Termination Date (the "**relevant Valuation Date**") and shall invest the proceeds of realisation in accordance with the relevant Switching Instruction in such other Constituent Fund or Constituent Funds on the Valuation Date for the relevant Constituent Fund coincident with or next following the relevant Valuation Date.

*Note: para. B1.13 MPF Code*

- 4.3 Subject to any applicable regulatory requirements and any necessary regulatory approvals, a Constituent Fund which is a Feeder Fund shall terminate on the termination of the Approved Pooled Investment Fund in which such Constituent Fund invests unless the Trustee with the consent of the Sponsor and (if required) the approval of the Authority and the Commission shall determine that such Constituent Fund shall invest in some other Approved Pooled Investment Fund. So far as is practicable, the provisions of Clause 4.2 shall apply in respect of such termination.
- 4.4 Subject to any applicable regulatory requirements and any necessary regulatory approvals, the Trustee may with the consent of the Sponsor (and shall at the request of the Sponsor) at any time and from time to time determine that any class of Units relating to a Constituent Fund (the "**Terminating Class**") shall cease to be such by giving not less than one (1) month's Notice to each affected Employer and each affected Member (or such other period of notice as the Authority or the Commission

may require) that, on the date specified in such notice (the “**Class Termination Date**”), the Terminating Class shall cease and no further Contributions or other moneys may be invested therein. The Sponsor shall not unreasonably withhold its consent to any such determination.

4.5 Where the Trustee makes a determination pursuant to Clause 4.4, the following provisions shall apply:-

4.5.1 The Trustee shall realise all the Units of the Terminating Class on the Valuation Date for the Terminating Class coincident with or immediately preceding the Class Termination Date and shall invest the proceeds of realisation in such other class of Units relating to the same Constituent Fund as the Terminating Class as the Sponsor shall determine (the “**New Class**”) on such Valuation Date;

4.5.2 Where an Investment Mandate directs the investment of all or part of the Contributions or Transfer Payments by or in respect of a Member in the Terminating Class, references to the Terminating Class shall be construed as references to the New Class.

4.6 The decision of the Trustee to terminate a Constituent Fund or any class of Units shall be final and binding on all concerned but the Trustee shall be under no liability on account of any failure to terminate any Constituent Fund or class of Units pursuant to this Clause or otherwise.

## 5. VALUATION OF CONSTITUENT FUNDS

*Note: paras. B1.12, 1.13 MPF Code*

5.1 The Trustee shall determine the Net Asset Value of each Constituent Fund and the Issue Price and Realisation Price of Units of each class relating to such Constituent Fund as at the Valuation Point on each Valuation Date of the relevant Constituent Fund.

5.2 The Net Asset Value of a Constituent Fund shall be determined by valuing the assets of such Constituent Fund and deducting the liabilities attributable to such Constituent Fund. In making such determination the following provisions shall apply:-

- 5.2.1 In the case of any investment which is a unit, share or other interest in a Collective Investment Scheme the value thereof shall be calculated by reference to the latest available net asset value of such unit, share or other interest (where available) or (if the same is not available) the latest available bid price for such unit, share or other interest;
- 5.2.2 In the case of any investment not included in Clause 5.2.1 which is listed, quoted or dealt in on a Approved Stock Exchange or Approved Futures Exchange the value thereof shall be calculated by reference to the last traded price thereof;
- 5.2.3 In the case of any other investment (or in the case of any investment included in Clause 5.2.1 or 5.2.2 the price of which is not available or the latest available net asset value or bid price or last traded price is not considered to be fair by the Trustee) or other property the value thereof shall be determined by any person (including the Sponsor) approved by the Trustee as qualified to value the relevant investment or other property;
- 5.2.4 Where investments or other property have been agreed to be purchased or sold but such purchase or sale has not been completed, such investments or other property shall be included or excluded respectively and the net purchase or sale consideration excluded or included respectively (as the case may require) as if such purchase or sale had been duly completed;
- 5.2.5 Income derived from Deposits and from securities bearing fixed interest shall be deemed to accrue from day to day;
- 5.2.6 Dividend payments on securities which are quoted on or dealt in on a Approved Stock Exchange shall be deemed to be received on the date on which the investment is first quoted ex the dividend payment in question;
- 5.2.7 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 down to the date as at which the valuation is made;
- 5.2.8 Every Unit of a class relating to such Constituent Fund 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, provided that such Constituent Fund shall not include the Units of the relevant class or classes to be issued on the date as at which the valuation is made;

5.2.9 Where, in accordance with this Deed, Units of a class relating to a Constituent Fund have been realised but payment in respect of such realisation has not been completed, the Units in question shall be deemed not to be in issue and the realisation proceeds thereof shall be deducted from the relevant Constituent Fund, provided that no deduction shall be made in respect of Units of the relevant class or classes to be cancelled on the date as at which the valuation is made;

5.2.10 Except in relation to the Allianz MPF Conservative Fund, there shall be included in the assets 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 33 less the amount thereof which has previously been or is then to be written off;

5.2.11 Subject to Clause 5.3, there shall be deducted from the value of each Constituent Fund the amount of the following (so far as payable out of the relevant Constituent Fund in accordance with this Deed):-

5.2.11.1 the Trustee's Fee;

5.2.11.2 the fees, charges and expenses payable in accordance with Clause 33;

5.2.11.3 the amount of tax (if any) on capital gains accrued attributable to such Constituent Fund up to the end of the last Accounting Period remaining unpaid;

5.2.11.4 the aggregate principal amount for the time being outstanding of any borrowing effected under Clause 26 for the account of such Constituent Fund and the amount of any interest and expenses accrued pursuant to Clause 26.4 but not paid;

5.2.11.5 any other amounts payable out of the relevant Constituent Fund pursuant to any provision of this Deed or by law accrued but not paid or discharged and any amount which the Trustee shall consider it necessary to provide to defray any contingent liabilities or any liabilities the amount of which is for the time being unascertained which are each properly payable out of the assets of the Plan;

and such amounts may be amortized over such periods as the Trustee and the Sponsor may from time to time agree;

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

Notwithstanding the foregoing, the Trustee may 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 In calculating the Net Asset Value of the Allianz MPF Conservative Fund as at any Valuation Date, the Trustee shall have regard to all relevant information available to the Trustee on that Valuation Date to enable compliance (so far as is possible) with section 37 of the Regulation in respect of the Allianz MPF Conservative Fund. Any accruals made in respect of the Allianz MPF Conservative Fund as at a Valuation Date may be adjusted in the light of information which becomes available to the Trustee after such Valuation Date but no valuation of the Allianz MPF Conservative Fund or the calculation of the Issue Price or Realisation Price of any class of Units relating to the Allianz MPF Conservative Fund shall be re-opened or invalidated as a result of any such adjustment.

5.4 The Trustee shall decide conclusively:-

5.4.1 the period to which any income, expenses or liabilities are to be attributed (and in particular, but without prejudice to the generality of the foregoing, where the annual accounts are to be made up to a date which is not a Valuation Date, the Trustee may in its absolute discretion decide whether income and expenses accruing between the last Valuation Date in the



relevant Accounting Period and the last day of such Accounting Period are to be taken into account in such Accounting Period or carried forward to the next Accounting Period); and

5.4.2 how any taxation to which the Plan is or may be subject is to be treated.

5.5 In order to determine the Net Asset Value of a Unit of a particular class related to a Constituent Fund, the Net Asset Value of the Constituent Fund shall be calculated before the deduction of any liabilities or the addition of any assets attributable specifically to the class in question; such amount shall be apportioned between each class of Units relating to such Constituent Fund by reference to the numbers of undivided shares in the relevant Constituent Fund represented by all Units of each class relating to such Constituent Fund in issue; the liabilities and assets specifically attributable to the class of Units in question shall be deducted from or added to such apportioned amount; and the resulting sum shall be divided by the number of Units of the relevant class in issue immediately prior to the relevant Valuation Date for such class of Units.

5.6 The Issue Price of a Unit of a class shall be calculated as follows:-

$$\text{Issue Price} = \text{NAV} \times (100\% + A\%)$$

where NAV = on the first issue of such Units, HK\$15 or such other amount as the Sponsor and the Trustee may agree prior to the first issue of such Units;

on any subsequent Valuation Date, the Net Asset Value per Unit of the relevant class, rounded to such nearest decimal places as may be determined by the Investment Manager in respect of such class of Units and agreed by the Trustee;

A = the Offer Spread, expressed as a percentage

PROVIDED THAT the Trustee may (save in respect of a Unit of a class relating to the Allianz MPF Conservative Fund, otherwise than to the extent permitted by the Regulation) assess and impose such surcharge (if any) in respect of Units to be issued as shall in the conclusive 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 creating any Deposit comprised in such Constituent Fund including any other relevant expenses including, without limitation, any stamp duty, other taxes, duties or governmental charges, brokerage, bank charges, transfer fees, or registration fees.

- 5.7 Subject to the MPF Ordinance and the Regulation, the Offer Spread shall be 5 per cent. or such higher percentage as the Sponsor and the Trustee may determine with the approval (to the extent required) of the Authority and the Commission provided that the Sponsor may reduce the Offer Spread in respect of any Member or any Employer as the Sponsor considers appropriate. The Offer Spread shall be paid to the Sponsor for its own absolute use and benefit.
- 5.8 The Realisation Price of a Unit of a class on a Valuation Date shall be calculated as follows:-

$$\text{Realisation Price} = \text{NAV} \times (100\% - B\%)$$

where NAV = the Net Asset Value per Unit of the relevant class as at that Valuation Date, rounded to such nearest decimal places as may be determined by the Investment Manager in respect of such class of Units and agreed by the Trustee;

B = the Bid Spread, expressed as a percentage

PROVIDED THAT the Trustee may (save in respect of a Unit of a class relating to the Allianz MPF Conservative Fund, otherwise than to the extent permitted by the Regulation) assess and impose such deduction (if any) in respect of Units to be realised as shall in the conclusive 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 the provisions of this Deed and the net proceeds which would be received on the realisation of such assets or the breaking of any Deposit comprised in such Constituent Fund and for any relevant expenses including, without limitation, any stamp duty, other taxes, duties or governmental charges, brokerage, bank charges or transfer fees.

- 5.9 Subject to the MPF Ordinance and the Regulation, the Bid Spread shall be 2 per cent. or such higher percentage as the Sponsor and the Trustee may determine with the approval (to the extent required) of the Authority and the Commission provided that the Sponsor may reduce the Bid Spread in respect of any Member or any Employer as the Sponsor considers appropriate. The Bid Spread shall be paid to the Sponsor for its own absolute use and benefit.
- 5.10 The Trustee shall cause the latest available Issue Price and Realisation Price of Units of the class or classes relating to a Constituent Fund to be published at least once a month in one Hong Kong daily English language newspaper and one Hong Kong daily Chinese language newspaper.

*Note: para. B1.23 MPF Code*

## **6. SUSPENSION OF VALUATION**

*Note: paras. B1.20. B1.21 MPF Code*

- 6.1 Unless otherwise prohibited by the MPF Ordinance or the Regulation, the Sponsor, with the consent of the Trustee, may declare a suspension of the determination of the Net Asset Value of any Constituent Fund:-
- 6.1.1 during any period when any stock exchange or other market on which any of the investments for the time being held for the account of such Constituent Fund are quoted is closed otherwise than for ordinary holidays; or
  - 6.1.2 during any period when any dealings on any such stock exchange or other market are restricted or suspended; or
  - 6.1.3 during the existence of any state of affairs as a result of which disposal of investments for the time being comprised in such Constituent Fund cannot in the opinion of the Sponsor, with the consent of the Trustee, be effected normally; or
  - 6.1.4 during any breakdown in the means of communication normally employed in determining the value of such Constituent Fund or part thereof or the Issue Price or Realisation Price of Units of the class or classes relating to

such Constituent Fund 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 be promptly and accurately ascertained; or

6.1.5 during any period when the realisation of any investments for the time being comprised in such Constituent Fund or the transfer of funds involved in such realisation cannot in the opinion of the Sponsor, with the consent of the Trustee, be effected at normal prices or normal rates of exchange respectively; or

6.1.6 during any suspension of payment of Accrued Benefits from the Plan pursuant to the Regulation.

Such suspension shall take effect forthwith upon the declaration thereof and thereafter there shall be no determination of the Net Asset Value of the relevant Constituent Fund or the Issue Price or Realisation Price of Units of the class or classes relating to such Constituent Fund until the Sponsor, with the consent of the Trustee, shall declare the suspension at an end, except that the suspension shall terminate in any event on the day following the first Business Day on which the Sponsor, with the consent of the Trustee, determines that:-

- (i) the condition giving rise to the suspension shall have ceased to exist; and
- (ii) no other condition under which suspension is authorised under this sub-clause shall exist.

6.2 Each declaration by the Sponsor pursuant to this Clause shall be consistent with such official rules and regulations, if any, relating to the subject matter thereof as shall have been promulgated by any authority having jurisdiction over the Plan or the relevant Constituent Fund and as shall be in effect at the time. To the extent not inconsistent with such official rules and regulations, and subject to the foregoing provisions hereof, the determination of the Sponsor shall be conclusive.

6.3 Whenever the Sponsor shall declare a suspension of the determination of the Net Asset Value of any Constituent Fund under the provisions of this Clause, the Sponsor or the Trustee (as they shall agree) shall:-

6.3.1 as soon as practicable after such declaration, notify the Authority of such suspension;

6.3.2 as soon as may be practicable after any such declaration and at least once a month during the period of such suspension, cause a notice in one Hong Kong daily English language newspaper and one Hong Kong daily Chinese language newspaper (in each case, in which such Constituent Fund's prices are normally published) stating that such declaration has been made.

6.4 No Units of a class 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. The Trustee shall be under no obligation to calculate or publish the Issue Price or Realisation Price of Units of the relevant class or classes during any period of suspension as provided in this Clause 6.

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

7.1 For convenience in the administration of the Plan, each Constituent Fund shall be divided into Units. The Trustee shall have the power to issue and realise Units relating to a Constituent Fund on each Valuation Date, subject to and in accordance with this Deed. Fractions a Unit may be issued, rounded in such manner and to such number of decimal places as the Trustee and the Sponsor may agree, either generally or in respect of a particular Constituent Fund or Constituent Funds and as specified in the explanatory memorandum of the Plan. Where there is more than one class of Units in issue in relation to a Constituent Fund and Units relating to that Constituent Fund are to be issued in accordance with this Deed, the Sponsor shall (subject to any relevant Participation Agreement) have an absolute discretion to determine the class of Units which are so issued.

7.2 Units of a class shall be issued at the Issue Price per Unit of such class as at the Valuation Point on the appropriate Valuation Date.

7.3 Units are not transferable by any Employer or Member.

7.4 Units of a class shall be realised at the Realisation Price per Unit of such class as at the Valuation Point on the appropriate Valuation Date.

7.5 With a view to protecting the interests of all Members the Trustee shall be entitled but shall not be obliged to limit the total number of Units relating to a Constituent Fund realised on any Valuation Date to 10 per cent. of the total Net Asset Value of such

Units in issue (disregarding any Units which are to be issued on such Valuation Date). Such limitation shall apply to all Members in respect of whom Units of the class or classes relating to the relevant Constituent Fund are to be realised on such Valuation Date so that the proportion of Units realised in respect of each Member is the same proportion by value for all such Members. Any Units which, by virtue of the powers conferred on the Trustee hereby, are not realised shall be realised (subject to any further application of the provisions of this sub-clause) on the next succeeding Valuation Date for the Units of such class. If realisations are carried forward as aforesaid, the Trustee will give notice to the Members affected thereby within seven days of such Valuation Date that such Units have not been realised and that (subject as aforesaid) they shall be realised on the next succeeding Valuation Date for the relevant class of Units and on each Valuation Date thereafter until all outstanding realisations have been effected in full.

*Note: para. B1.22 MPF Code*

**PART II**  
**PARTICIPATION OF EMPLOYERS, SELF-EMPLOYED PERSONS AND OTHER**  
**ELIGIBLE PERSONS**

**8. PARTICIPATION AND CESSATION OF PARTICIPATION BY EMPLOYERS**

- 8.1 An Employer may participate in the Plan by executing a Participation Agreement in the form as the Trustee and the Sponsor may agree from time to time and providing such other information as the Trustee may reasonably require. The Trustee shall issue notice of acceptance of participation to the Employer within 30 days (or such other period as may be prescribed or permitted in the Regulation) from the date on which such Employer satisfies the requirements of this sub-clause. To the extent required by the MPF Ordinance and the Regulation, the Trustee shall not refuse participation in the Plan to any Employer who satisfies the requirements of this sub-clause.
- 8.2 On being notified that an Employer is considering making an application to participate in the Plan, the Trustee shall cause to be given to such Employer the information required to be given to such Employer by the Regulation.
- 8.3 Two or more Employers (the "**relevant Employers**") may execute the same Participation Agreement and/or agree to participate in the Plan on the same terms and conditions. In such circumstances, the relevant Employers shall nominate one of their number as their representative for the purposes of the Plan (the "**Representative Employer**") and the following provisions shall apply subject to any requirement of the MPF Ordinance:-
- 8.3.1 Any obligation or requirement under this Deed, any relevant Participation Agreement or otherwise to give a notice or other communication to any of the relevant Employers shall be discharged by giving such notice or other communication to the Representative Employer; and
- 8.3.2 Any notice or other communication given by the Representative Employer to the Trustee shall be deemed to be given on behalf of all the relevant Employers, unless expressly stated otherwise, and the Trustee shall be entitled to rely and act on such notice or other communication accordingly.

The relevant Employers may at any time by notice to the Trustee in the specified form and signed by each of them nominate another of the relevant Employers to act as Representative Employer for the purposes of the Plan.

8.4 Each Employer who executes a Participation Agreement shall be deemed by such execution to:-

8.4.1 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 the Employer warrants that any such payment will not breach any applicable law or regulation relating to the prevention of money laundering or otherwise;

8.4.2 covenant to comply with the provisions of this Deed, the relevant Participation Agreement, the MPF Ordinance and the Regulation;

8.4.3 undertake and agree to hold the Trustee indemnified against all and any 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 and pursuant to the provisions of this Deed, the relevant Participation Agreement, the MPF Ordinance and the Regulation. Notwithstanding any other provisions of this Deed, the Employer shall be responsible for payment of all the legal costs and expenses of the Trustee in enforcing the obligations of the Employer pursuant to this Deed or the relevant Participation Agreement;

8.4.4 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 reasonably require or request in connection with the performance of any obligations of the Trustee pursuant to the provisions of this Deed, the relevant Participation Agreement, the MPF Ordinance and the Regulation; and



8.4.5 warrant that all information provided or to be provided by the Employer pursuant to Clause 8.4.4 or in relation to Contributions and 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 not misleading and the Employer undertakes to indemnify and hold harmless the Trustee for any loss, cost or expense arising out of any breach of this warranty.

8.5 An Employer may cease to participate in the Plan (either generally or in respect of some only of the Members employed by such Employer) on giving notice of such cessation of participation in accordance with the MPF Ordinance.. With effect from the expiry of such notice, the Employer's and each affected Member's obligation to make Contributions to the Plan relating to the affected Members shall cease provided that (i) nothing shall affect the obligation of the Employer or an affected Member to make Contributions to the Plan for the period prior to the expiry of such notice, and (ii) all other obligations of the Employer and the affected Members under this Deed and the relevant Participation Agreement shall remain in full force and effect.

*Note: General Regulation, s. 150(d)*

8.6 Notwithstanding any other provisions of this Clause 8, the Trustee may, in respect of any Master Trust Employer, waive the requirement of executing a Participation Agreement in which case:

8.6.1 the provisions of the participation agreement such Master Trust Employer executed in relation to such Master Trust Employer's participation in the Master Trust (the "Master Trust Employer Participation Agreement") shall be deemed to apply to such Master Trust Employer's participation in the Plan (to the extent the Trustee considers relevant or necessary),

8.6.2 any reference to the "Sponsor" and "Trustee" in the Master Trust Employer Participation Agreement shall be deemed to mean the Sponsor and Trustee under the Plan, and

8.6.3 any reference to a "Participation Agreement" in this Deed shall, in relation to such Master Trust Employer, be construed to mean the "Master Trust Employer Participation Agreement.

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

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

9.1.1 the Employer shall be released from all its obligations under the Plan;

9.1.2 such other body corporate, individual or individuals referred to in such Clause 9.2 shall be deemed to be substituted for the Employer and shall be liable to perform such obligations; and

9.1.3 this Deed and the relevant Participation Agreement shall thenceforth have effect as if such other body corporate, individual or individuals had been a party to the Participation Agreement in place of the 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 body corporate (whether in contemplation of such liquidation or after the commencement thereof) enters into an agreement with the Trustee and with the relevant 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 individual or individuals or a body corporate (whether in contemplation of such bankruptcy or after the commencement thereof) enters into an agreement with the Trustee and with the relevant Employer or its trustee in bankruptcy to perform the obligations of such Employer under the Plan;

9.2.3 the undertaking of an Employer (being a body corporate or an individual or individuals) is acquired by or vested in any other body corporate or individual or individuals and such other body corporate, individual or individuals either enters into an agreement 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 the court or any

ruling, order, regulation or direction made thereunder or otherwise to perform the obligations of such Employer under the Plan;

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 body corporate 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;

9.2.5 an Employer (being a body corporate) is deemed to be a subsidiary or a holding company under section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) of another body corporate and such other body corporate enters into an agreement with such Employer and the Trustee to perform the obligations of such Employer under the Plan.

## **10. PARTICIPATION AND CESSATION OF PARTICIPATION BY SELF-EMPLOYED PERSONS AND OTHER ELIGIBLE PERSONS**

10.1 A Self-Employed Person may participate in the Plan by executing a Participation Agreement in the form as the Trustee and the Sponsor may agree from time to time. An Other Eligible Person may participate in the Plan by executing a Participation Agreement in such form as may be agreed with the Trustee and the Sponsor.

10.2 A Self-Employed Person or Other Eligible 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 or her in accordance with this Deed and the relevant Participation Agreement;

10.2.2 covenant to comply with the provisions of this Deed, the relevant Participation Agreement and the MPF Ordinance and the Regulation;

10.2.3 undertake and agree to hold the Trustee indemnified against all and any 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 or Other Eligible Person, as the case may be, (whether they relate to the Self-Employed Person or Other Eligible 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 or Other Eligible Person, as the case may be, to duly and punctually perform or observe any of the obligations on the part of the Self-Employed Person or Other Eligible Person to be performed or observed under and pursuant to the provisions of this Deed, the relevant Participation Agreement, the MPF Ordinance and the Regulation. Notwithstanding any other provisions of this Deed, the Self-Employed Person or Other Eligible Person, as the case may be, shall be responsible for payment of all the legal costs and expenses of the Trustee in enforcing the obligations of the Self-Employed Person or Other Eligible Person pursuant to this Deed or the relevant Participation Agreement;

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 or Other Eligible Person, as the case may be, that the Trustee may reasonably require or request in connection with the performance of any obligations of the Trustee pursuant to the provisions of this Deed, the relevant Participation Agreement, the MPF Ordinance and the Regulation; and

10.2.5 warrant that all information provided or to be provided by the Self-Employed Person or Other Eligible Person, as the case may be, pursuant to Clause 10.2.4 or in relation to Contributions and in respect of the Self-Employed Person or Other Eligible Person, as to age, income and otherwise as the Trustee may require, will be true and correct in all respects and not misleading and the Self-Employed Person or Other Eligible Person, as the case may be, undertakes to indemnify and hold harmless the Trustee for any loss, cost or expense arising out of any breach of this warranty.

10.3 A Self-Employed Member may cease to participate in the Plan as a Self-Employed Member on giving notice of such cessation of participation in accordance with the MPF Ordinance. With effect from the expiry of such notice, the Self-Employed Member's obligation to make Contributions to the Plan shall cease provided that (i) nothing shall affect the obligation of the Self-Employed Member to make

Contributions to the Plan for the period prior to the expiry of such notice, and (ii) all other obligations of the Self-Employed Member under this Deed and the relevant Participation Agreement shall remain in full force and effect.

10.4 An SVC Member may at any time on giving not less than one month's notice in writing to the Trustee (or such shorter period of notice as the Trustee may agree to accept) cease to be an SVC Member.

10.5 An SVC Member who has not had any Accrued Benefits in the Plan for a continuous period of twelve months will cease to be an SVC Member on the expiry of such period, unless otherwise determined by the Trustee.

10.6 Notwithstanding any other provisions of this Clause 10, the Trustee may, in respect of any Self-Employed Person or Other Eligible Person who previously participated in the Master Trust, waive the requirement of executing a Participation Agreement in which case:

10.6.1 the provisions of the participation agreement such Self-Employed Person or Other Eligible Person executed in relation to such Self-Employed Person's or Other Eligible Person's participation in the Master Trust (the "**Master Trust Self-Employed Person Participation Agreement**") shall be deemed to apply to such Self-Employed Person's or Other Eligible Person's participation in the Plan (to the extent the Trustee considers relevant or necessary),

10.6.2 any reference to the "Sponsor" and "Trustee" in the Master Trust Self-Employed Person Participation Agreement shall be deemed to mean the Sponsor and Trustee under the Plan, and

10.6.3 any reference to a "Participation Agreement" in this Deed shall, in relation to such Self-Employed Person or Other Eligible Person, be construed to mean the "Master Trust Self-Employed Person Participation Agreement".

## **10A. PARTICIPATION AND CESSATION OF PARTICIPATION BY TVC ACCOUNT HOLDERS**

10A.1 The Trustee may, and must to the extent required by the MPF Ordinance and the Regulation, subject to the MPF Ordinance

and the Regulation, admit to participation in the Plan any TVC Account Applicant. Any such TVC Account Applicant admitted to participation is called in this Deed, a “**TVC Account Holder**”

- 10A.2 A TVC Account Holder must execute a Participation Agreement, in the form as the Trustee and the Sponsor may agree from time to time.
- 10A.3 Where any of the circumstances under section 31(5)(c) or section 31(5A) of the Regulation occurs in respect of a TVC Account Holder (in this Clause called the “**Retiring TVC Account Holder**”), that TVC Account Holder will cease to be a Member of the Plan as from such date (in this Clause called the “**Cessation Date**”) as the Trustee may decide.
- 10A.4 The Retiring TVC Account Holder may nominate (in accordance with Part 12 of the Regulation) a Registered Provident Fund Scheme in which he is a participant as a recipient of the TVC Balance and upon receipt of an election to transfer such amount to such Registered Provident Fund Scheme, the Trustee must comply with such election.
- 10A.5 If an event specified in Clause 10A.3 occurs at the same time or after an event specified in Clause 47 and there is a conflict between the provisions of Clause 10A.3 on the one hand and those of Clause 47 on the other, then the provisions of Clause 47 will prevail.

**PART III**  
**TRUSTEE, SPONSOR AND SERVICE PROVIDERS**

**11. APPOINTMENT OF ORIGINAL TRUSTEE**

The Original Trustee shall be the first Trustee of the Plan and shall administer the Plan in accordance with the terms and conditions of this Deed and any relevant Participation Agreements.

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

*Note: s21(2) MPF Ordinance*

12.1 Subject to Clauses 12.2, 12.3, and 12.4:-

12.1.1 The power (whether statutory or otherwise) of appointment of a new Trustee shall be vested in the Sponsor and shall be exercisable by an instrument in writing provided that any appointment of a co-trustee shall be subject to the prior approval of the Trustee.

12.1.2 The Trustee may resign as trustee of the Plan by giving to the Sponsor not less than six months' notice in writing (or such shorter period as the Sponsor may agree to accept) to that effect.

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

*Note: s. 33(9) MPF Ordinance*

12.1.4 The Trustee shall be deemed to have resigned as trustee of the Plan if (a) the approval of the Trustee as an Approved Trustee is suspended or revoked in accordance with the MPF Ordinance or (b) the Trustee's administration of the Plan is suspended or revoked in accordance with the MPF Ordinance. Such deemed resignation shall take effect from the date of such suspension or revocation.

*Note: ss. 20A, 20B, 33 MPF Ordinance*

12.2 No person shall be appointed as a Trustee unless that person is an Approved Trustee.

*Note: ss. 2, 20 MPF Ordinance, Part II General Regulation, s. 28 General Regulation*

12.3 Nothing in this Deed shall limit:-

12.3.1 the power of the Authority to remove the Trustee and appoint a new Trustee or appoint or remove an administrator of the Plan pursuant to the MPF Ordinance; or

12.3.2 the power of any administrator so appointed to resign as administrator in accordance with the MPF Ordinance.

*Note: ss. 33A, 33B MPF Ordinance*

12.4 A Trustee may not resign or be removed except with the prior written approval of the Authority.

*Note: s. 33(9) MPF Ordinance*

12.5 Upon resignation or removal of a Trustee, the resigning Trustee shall assign, transfer or otherwise pay to the successor Trustee the moneys and other property then constituting the Plan less the Trustee's Fee accrued to the effective date of resignation or removal of the resigning Trustee and any other amounts due to the Trustee in accordance with this Deed and remaining unpaid. 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 prior to such resignation.

12.6 Every Trustee who resigns or is removed as Trustee of the Plan shall in respect of its period of trusteeship of the Plan and notwithstanding that it shall have resigned or been removed continue to have the benefit of all indemnities, powers and privileges given to the Trustee of the Plan by this Deed, the Participation Agreements and other deeds supplemental to this Deed executed during such period in addition to the indemnities, powers and privileges given by law to a retiring Trustee.



### **13. COVENANTS OF THE TRUSTEE**

The Trustee covenants in favour of the Employers and the Members as follows:-

- 13.1 to hold the assets of the Plan upon trust to be applied in accordance with this Deed and the relevant Participation Agreement;
- 13.2 to comply with this Deed and the relevant Participation Agreement;
- 13.3 in administering the Plan, 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;
- 13.4 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 profession or business, in so far as that knowledge and skill is relevant to the operation of the Plan;
- 13.5 to act in the interests of Members and not in the Trustee's own interests; and
- 13.6 to ensure that the funds of the Plan are invested in different investments so as to minimize the risk of losses of those funds, unless in particular circumstances it is prudent not to do so.

*Note: s. 24 of the MPF Ordinance implies the covenants in Schedule 5 into the terms of the Plan; see also the duties of the trustee in s. 43 of the General Regulation*

### **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 but without prejudice to the rights of the Trustee or of any Employer or Member or other person in respect of any act or omission prior to such retirement.

- 14.2 If the Sponsor goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets, the Trustee may appoint any other person to act as 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 Manulife (International) Limited otherwise agrees by confirmation in writing delivered to the Trustee, the then Sponsor and/or the then Trustee shall change the name of the Plan to a name which does not include the words “Manulife”, or the characters “宏利”.
- 14.4 The Trustee shall, as soon as practicable after the appointment of the new Sponsor, give notice to the Employers and the Members specifying the name and address of the office of the new Sponsor.

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

- 15.1 Subject to Clause 15.5, the Trustee with the approval of the Sponsor shall appoint one or more qualified persons (including the Sponsor or any Associate of the Sponsor or the Trustee where such person is so qualified) to act as Investment Manager or Investment Managers of all or part of the assets of the Plan. The Sponsor shall not unreasonably withhold or delay its approval to any person acting as Investment Manager of the Plan.

*Note: s. 44(1) General Regulation*

- 15.2 The Trustee may with the consent of the Sponsor (such consent not to be unreasonably withheld), and (subject to any applicable regulatory requirements and any necessary regulatory approvals) shall at the request of the Sponsor, remove any Investment Manager or Investment Managers so appointed and, subject as provided in this Clause, appoint a new Investment Manager or Investment Managers.
- 15.3 The Trustee shall enter into an investment management agreement with an Investment Manager containing such terms as the Trustee, with the approval of the Sponsor (such approval not to be unreasonable withheld), and the Investment Manager may agree, subject to any applicable regulatory requirements and any necessary regulatory approvals.

*Note: ss. 40(2), 44(1)(b), 45(1), (2), (5), 47, 49, 53(1), (2), 64(1), 74, Schedule 2 General Regulation, para. B1.24 MPF Code*

15.4 The remuneration of an Investment Manager shall be as agreed between the Trustee, with the consent of the Sponsor, and the Investment Manager and shall be payable out of the assets of the Plan.

15.5 The Trustee shall not be required to appoint an Investment Manager in respect of a Constituent Fund which is a Feeder Fund but may do so, subject always to the requirements of this Clause.

*Note: s. 44(2) General Regulation*

## **16. APPOINTMENT AND REMOVAL OF CUSTODIAN**

16.1 The Trustee may appoint one or more qualified persons (including the Sponsor or any Associate of the Sponsor or the Trustee where such person is so qualified) to act as Custodian or Custodians of all or part of the assets of the Plan. Except where the Custodian is an Associate of the Trustee, such appointment shall require the prior approval of the Sponsor. The Sponsor shall not unreasonably withhold or delay its approval to any person selected by the Trustee to act as Custodian of the Plan.

*Note: s. 50 General Regulation*

16.2 The Trustee may remove any Custodian or Custodians so appointed and, subject as provided in this Clause, appoint a new Custodian or Custodians.

16.3 The Trustee shall enter into a custodian agreement with any Custodian so appointed (other than the Trustee) containing such terms as the Trustee and the Custodian may agree, subject to applicable legislation.

*Note: ss. 49, 50, 51(1), (2), 52(1), (2), 64(1), 69(1), 71, 72, 73, 74, Schedule 3 General Regulation*

16.4 The remuneration of a Custodian shall be as agreed between the Trustee and the Custodian and shall be payable out of the assets of the Plan.

## 17. APPOINTMENT AND REMOVAL OF ADMINISTRATOR AND OTHERS

- 17.1 The Trustee may appoint one or more qualified persons (including the Sponsor or any Associate of the Sponsor or the Trustee where such person is so qualified) to act as Administrator or Administrators in respect of all or part of the Plan (and, subject to any applicable regulatory requirements and any necessary regulatory approvals, shall do so at the request of the Sponsor) and may delegate to such Administrator or Administrators such of the powers, duties and discretions of the Trustee as the Trustee thinks fit.
- 17.2 The Trustee may and, subject to any applicable regulatory requirements and any necessary regulatory approvals, shall at the request of the Sponsor remove any Administrator so appointed and, subject as provided in this Clause, appoint a new Administrator or Administrators.
- 17.3 The Trustee shall enter into an agreement with an Administrator containing such terms as the Trustee and the Administrator may agree, subject to applicable legislation.

*Note: ss. 53(1), 74 General Regulation*

- 17.4 The remuneration of an Administrator shall be as agreed between the Trustee, with the consent of the Sponsor, and the Administrator and shall be payable out of the assets of the Plan.
- 17.5 Subject as otherwise provided in this Deed in relation to Investment Managers, Custodians and Administrators and subject to any applicable regulatory requirements and any necessary regulatory approvals the Trustee may delegate all or any of its powers, rights, privileges, duties and discretions under this Deed to any other person (including the Sponsor or any Associate of the Sponsor or the Trustee) on such terms as the Trustee thinks fit.

## 18. AUDITORS

18.1 The Trustee, with the approval of the Sponsor, shall from time to time appoint to be the auditor or auditors of the Plan an accountant or accountants being qualified to act as auditor or auditors of Registered Provident Fund Schemes. The Trustee may from time to time, with the approval of the Sponsor, and shall, if the Sponsor shall withdraw any approval previously given, remove any auditor or auditors and, with the prior approval of the Sponsor, appoint in his or their stead another person or persons qualified as aforesaid. Any such auditor or auditors so appointed shall be independent of the Trustee, the Custodian and the Investment Manager (if any).

*Note: ss. 96, 98, 99 General Regulation*

18.2 The Sponsor shall not unreasonably withhold, delay or withdraw its approval to any person or persons acting as auditors of the Plan.

18.3 The remuneration of the Auditor shall be as agreed between the Trustee, with the consent of the Sponsor, and the Auditor and shall be payable out of the assets of the Plan.

## 19. PROVISIONS APPLICABLE TO APPOINTMENT OF SERVICE PROVIDERS GENERALLY

19.1 In Clauses 15, 16 and 17, references to a "**qualified person**" means a person qualified to act as investment manager, custodian or administrator (as the case may be) of Registered Provident Fund Schemes.

*Note: ss. 44(3), (4), (5), 46 (in respect of investment managers), s. 68 (in respect of custodians) General Regulation*

19.2 Notwithstanding the delegation of any of its duties, powers and discretions under this Deed to any Service Provider the Trustee:-

19.2.1 shall remain entitled to receive and retain in full the Trustee's Fee and other sums payable to the Trustee under this Deed;

19.2.2 shall exercise reasonable skill, care and diligence in the supervision and control of any such Service Provider; and

*Note: ss. 43(f), 69(3) General Regulation*

19.2.3 shall not be absolved from the responsibility to ensure that any such delegation of a duty is performed in relation to the Plan or from the consequences of any failure by the Service Provider to perform that duty.

*Note: s. 27(4) MPF Ordinance*

19.3 The Sponsor and any Associate of the Trustee or the Sponsor shall be entitled to retain for its own absolute use and benefit any remuneration, profit or other benefit it may receive out of the assets of the Plan in connection with acting as an Investment Manager, Custodian, Administrator or other Service Provider in respect of the Plan.

**PART IV**  
**INVESTMENT AND BORROWING**

*Note: s. 40(1) General Regulation*

**20. INVESTMENT MANDATES**

*Note: para. B1.4, B1.5, B1.6 MPF Code*

- 20.1 On becoming a Member, a Member shall give an Investment Mandate in accordance with Clause 22 specifying the percentage or amount of the Contributions and Transfer Payments to be paid to the Trustee for the account of such Member which is to be invested in the Constituent Fund(s) and/or the Default Investment Strategy.
- 20.2 A Member may change the Member's Investment Mandate by giving a new Investment Mandate in accordance with Clause 22.
- 20.3 An Investment Mandate shall remain in effect until the Valuation Date on which a new Investment Mandate takes effect in accordance with Clause 22.2. In the event that there is no Investment Mandate in effect (including where any Investment Mandate is regarded as invalid in accordance with Clause 22.1A):
- 20.3.1 prior to 1 April 2017, a Member shall be regarded as having given an Investment Mandate to invest the Accrued Benefits, Contributions and Transfer Payments (or the relevant percentage thereof) received by the Trustee for the Member's account in the Default Fund;
- 20.3.2 with effect from 1 April 2017, the Accrued Benefits, Contributions and Transfer Payments (or the relevant percentage thereof) received by the Trustee for the Member's account shall be invested in accordance with Part 4AA of the MPF Ordinance and this Deed.
- 20.4 Without prejudice to Clause 20.3, if a Member who has a Pre-existing Account is an existing member (within the meaning of section 34DF of the MPF Ordinance), subject to section 34DC of the MPF Ordinance, all his Accrued Benefits and any Contributions or Transfer Payments received by the Trustee for the account of the Member held in or made to a DIA account (within the meaning of section 34DF of the MPF Ordinance) shall be invested according to Division 3 of Part 4AA of the

MPF Ordinance. Notwithstanding the aforesaid, Division 3 of Part 4AA of the MPF Ordinance does not apply to the Member if the Trustee reasonably believes that the Trustee has received Specific Investment Instructions from the Member to invest any of the Accrued Benefits in the Pre-existing Account according to the Default Fund.

- 20.5 Without prejudice to Clause 20.3, if a Member who has a Pre-existing Account is a Member to whom section 34DM of the MPF Ordinance applies, subject to section 34DC of the MPF Ordinance, such part of his Accrued Benefits received by the Trustee for the account of the Member held in or made to the Pre-existing Account which are invested in the Default Fund immediately before 1 April 2017 shall be invested according to Division 4 of Part 4AA of the MPF Ordinance and the remaining part of his Accrued Benefits held in the Pre-existing Account shall be invested in the same manner as they were invested immediately before 1 April 2017, unless the Trustee has received an Investment Mandate from such Member for his Accrued Benefits. Any Contributions and, subject to section 34DC of the MPF Ordinance, Transfer Payments (or the relevant percentage thereof) received by the Trustee for the account of such Member on or after 1 April 2017 shall be invested in the manner as specified in the explanatory memorandum of the Plan unless the Trustee has received an Investment Mandate from such Member for such Contributions and Transfer Payments.

Note: Division 3, 4, Part 4AA MPF Ordinance

## 21. SWITCHING INSTRUCTIONS

*Note: para. B1.7, MPF Code*

- 21.1 A Member may give a Switching Instruction in accordance with Clause 22 to require the realisation of all or any percentage, number or value of the Units allocated to the Credit Balance of such Member and the investment of the net proceeds of such realisation in another Constituent Fund or other Constituent Funds.
- 21.2 The Trustee shall implement a Switching Instruction on the Valuation Date on which the Switching Instruction takes effect, determined in accordance with Clause 22.2 (the "**relevant Valuation Date**"). Units of a class (the "**existing class**") shall be switched into Units of another class (the "**new class**") in accordance (or as nearly as may be in accordance) with the following formula:-



$$N = \frac{(E \times R)}{S}$$

Where:-

N is the number of Units of the new class to be issued, provided that amounts lower than the 5 decimal places of a Unit shall be ignored and shall be retained by the Constituent Fund relating to the new class;

E is the number of Units of the existing class to be realised;

R is the Realisation Price per Unit of the existing class applicable on the relevant Valuation Date;

S is the Issue Price per Unit for the new class applicable on the relevant Valuation Date PROVIDED THAT if the Valuation Date for the new class is not the same as the Valuation Date for the existing class, then S shall be the Issue Price per Unit of the new class applicable on the first Valuation Date for the new class falling after the relevant Valuation Date, except that if the new class is the Allianz MPF Conservative Fund, then S shall be the Issue Price per Unit of the Allianz MPF Conservative Fund on the Valuation Date falling on or after the expiry of 5 Business Days (or such shorter period as the Trustee and the Sponsor may agree) following the relevant Valuation Date for the existing class.

- 21.3 If there is, at any time during the period from the time as at which the Realisation Price per Unit of the existing class is calculated up to the time at which any necessary transfer of funds from the Constituent Fund to which the existing class relates (the "**Original Constituent Fund**") to the Constituent Fund to which the new class relates takes place, an officially announced devaluation or depreciation of any currency in which any investment of the Original Constituent Fund is denominated or normally traded, that Realisation Price shall be reduced as the Trustee considers appropriate to take account of the effect of that devaluation or depreciation and the number of Units of the new class to be allotted to the account of any relevant Member pursuant to this Clause shall be recalculated in accordance with the formula set out in this Clause as if that reduced Realisation Price had been the Realisation Price ruling for realisations of Units of the existing class on the relevant Valuation Date.

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

22.1 Without prejudice to the requirements from time to time of the MPF Ordinance and the Regulation, Investment Mandates and Switching Instructions shall be given to the Trustee in the specified form and shall be subject to such terms, conditions and restrictions as may be agreed between the Trustee and the Sponsor including without limitation the class or classes of Units to which an Investment Mandate or Switching Instruction may relate, the number of Constituent Funds into which an Investment Mandate or Switching Instruction may direct investment, any restriction on selecting one or more Constituent Funds where the Default Investment Strategy is applicable, the minimum amount or percentage of Contributions that may be invested in each Constituent Fund, the Default Investment Strategy or otherwise and the arrangement for directing the investment of Accrued Benefits, Contributions and Transfer Payments (or the relevant percentage thereof) where Investment Mandates and Switching Instructions (as the case may be) given by a Member are in whole or in part invalid or incomplete as determined by the Trustee in accordance with Clause 22.1A.

22.1A An Investment Mandate and a Switching Instruction is only valid if given in accordance with Clause 22.1 and/or in the manner as prescribed in the explanatory memorandum of the Plan. Any Investment Mandate or Switching Instructions which are not given in accordance with Clause 22.1 and/or in the manner prescribed in the explanatory memorandum of the Plan shall be regarded as invalid. In addition, an Investment Mandate or Switching Instruction may be regarded as invalid in the circumstances as set out in the explanatory memorandum of the Plan. The Trustee shall be entitled to refuse to carry out any such invalid instructions.

22.1.B A Member shall be regarded to have given a Specific Investment Instruction for his Accrued Benefits, any Contributions and Transfer Payments (or the relevant percentage thereof) (as applicable) if such Member has given a valid Investment Mandate in accordance with Clause 22.1A above. For the avoidance of doubt, if an Investment Mandate given by a Member is regarded as invalid in accordance with

Clause 22.1A above, such Member shall be regarded to have not given any Specific Investment Instructions for his Accrued Benefits, any Contributions and Transfer Payments (or the relevant percentage thereof) (as applicable).

*Note: s. 27(2A) MPF Ordinance*

22.1.C Subject to Clause 20.3 to Clause 20.5, Clause 22.1E and section 34DC of the MPF Ordinance, unless a Member has given Specific Investment Instructions, his Accrued Benefits, any Contributions or Transfer Payments (or the relevant percentage thereof) shall be invested according to the Default Investment Strategy. For the avoidance of doubt, subject to Clause 20.3 to Clause 20.5, Clause 22.1E and section 34DC of the MPF Ordinance, a Member who has failed to give any Specific Investment Instructions or the Specific Investment Instructions given are regarded as invalid, his Accrued Benefits, any Contributions or Transfer Payments (or the relevant percentage thereof) shall be invested according to the Default Investment Strategy.

22.1.D Without prejudice to other provisions of this Deed, (a) a Member may only elect to invest his Accrued Benefits, any Contributions or Transfer Payments (or the relevant percentage thereof) in (i) the Default Investment Strategy, and/or (ii) one or more Constituent Funds of the Plan, in the manner and subject to such conditions as prescribed in explanatory memorandum of the Plan, including restrictions on switching of Accrued Benefits into or out of the Default Investment Strategy; and (b) where his Accrued Benefits, any Contributions or Transfer Payments (or the relevant percentage thereof) are invested according to the Default Investment Strategy, the Trustee is authorised and empowered to invest his Accrued Benefits, any Contributions or Transfer Payments in the DIS Funds in accordance with the Default Investment Strategy including the power to switch the Units held in a DIS Fund into Units of another DIS Fund to give effect to the allocation between the DIS

Funds in accordance with the MPF Ordinance and, subject to the MPF Ordinance, in such manner, at such time or during such time period, and upon such terms and conditions as set out in the explanatory memorandum, including without limitation the determination of the date for annual de-risking to give effect to the Default Investment Strategy, and the rounding mechanism for the purpose of the Default Investment Strategy.

22.1.E Clause 22.1C shall not apply to oblige the Trustee to invest the Accrued Benefits, Contributions and Transfer Payments (or the relevant percentage thereof) according to the Default Investment Strategy in the case where section 34DB(4) of the MPF Ordinance applies, and the Trustee must not invest the Accrued Benefits, Contributions and Transfer Payments (or the relevant percentage thereof) according to the Default Investment Strategy if section 34DB(3) of the MPF Ordinance applies.

*Note: s. 34DB(3), 34DB(4) MPF Ordinance*

22.2 Subject to Clause 22.3, a duly completed Investment Mandate or Switching Instruction shall take effect on the later of:-

22.2.1 the Valuation Date coincident with or next following the effective date (if any) specified in the relevant Investment Mandate or Switching Instruction; or

22.2.2 the first Valuation Date falling on or after the expiry of 5 Business Days (or such shorter period as the Trustee in its discretion may determine) from receipt by the Trustee of the relevant Investment Mandate or Switching Instruction.

*Note: para. B1.8, MPF Code*

22.3 If dealings in any Units of any class shall be suspended for any period then the Trustee may retain any Contributions, Transfer Payments or other amounts received which would otherwise be applied to the issue of Units of that class in cash or, subject

to section 66A of the Regulation, on Deposit with any Authorized Financial Institution or Eligible Overseas Bank (including any Associate of the Trustee or the Sponsor) pending the resumption of dealings or the resolution of the circumstance affecting the relevant class of Units and then implement the Investment Mandate or Switching Instruction or may seek a revised Investment Mandate or Switching Instruction from the relevant Member. The Trustee shall notify the relevant Member as soon as practicable if any Investment Mandate or Switching Instruction is not implemented within a reasonable period but nothing in this Clause shall make the Trustee liable for failure to give notice or to seek a revised Investment Mandate or Switching Instruction from a Member.

*Note: para. B1.8 MPF Code*

- 22.4 The Sponsor may limit the number of Investment Mandates or Switching Instructions to be given by a Member in any year by giving one month's notice to Members, provided that Members shall be entitled to give at least one Switching Instruction in each year.

## **23. INVESTMENT OF CONSTITUENT FUNDS**

- 23.1 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.
- 23.2 Subject to the provisions of this Deed, all or any amount of cash received for any Constituent Fund may be retained in any currency or currencies for the account of such Constituent Fund in cash or on Deposit (subject to Section 66A of the Regulation) with an Authorized Financial Institution or an Eligible Overseas Bank (including, if applicable, any Associate of the Trustee or the Sponsor).

*Note: para. 11(1) Schedule 1 General Regulation*

- 23.3 Any investments or other property comprised in a Constituent Fund may at any time be realised either in order to invest the proceeds of sale in other investments for such Constituent Fund or to provide cash required for the purpose of any provision of this

Deed or in order to retain the proceeds of sale in cash or on Deposit as aforesaid or partly one and partly another.

23.4 Underwriting or sub-underwriting contracts may be entered into for the account of a Constituent Fund in relation to the subscription or purchase of investments subject always to Clause 25 and the other provisions of this Deed. All commissions or other fees received by the Trustee and all investments or cash acquired pursuant to any such contract shall form part of the relevant Constituent Fund and any subscription or purchase moneys payable thereunder shall be paid out of such Constituent Fund.

23.5 Repurchase agreements may be entered into in respect of any investments for the time being comprised in a Constituent Fund, subject to and in accordance with the MPF Ordinance and the Regulation. Any income received or fees or expenses paid by the Trustee in respect of any such repurchase agreement shall be credited or debited (as the case may be) to the relevant Constituent Fund. Where any such repurchase agreement has been arranged through the Trustee or the Sponsor or an Associate of the Trustee or the Sponsor, the relevant entity shall be entitled to retain for its own use and benefit any fee or benefit it receives on a commercial basis in connection with such arrangement.

*Note: s. 51, para. 7(4) Schedule 1 General Regulation, Guidelines on Repurchase Agreements*

23.6 Investments for the time being comprised in a Constituent Fund may be loaned by a Constituent Fund, subject to and in accordance with the MPF Ordinance and the Regulation. Any income attributable to the Plan received or fees or expenses paid by the Trustee in respect of any such loan shall be credited or debited (as the case may be) to the relevant Constituent Fund. Where any such loan has been arranged through the Trustee or the Sponsor or an Associate of the Trustee or the Sponsor, the relevant entity shall be entitled to retain for its own use and benefit any fee or benefit it receives on a commercial basis in connection with such arrangement.

*Note: ss. 49(5), 52, para. 3(2) Schedule 1 General Regulation, Guidelines on Securities Lending*

23.7 Subject to the MPF Ordinance and the Regulation, the Trustee, the Sponsor and their Associates may as principal sell or deal in the sale of investments to the Trustee for the account of any Constituent Fund or otherwise deal as principal with any

Constituent Fund. If the Trustee, the Sponsor or any of their Associates so sell or deal, the Trustee, Sponsor or such Associate (as the case may be) may retain for their or its own absolute use and benefit any profit which they or it may derive therefrom or in connection therewith.

*Note: ss. 49(2), (3), (4) General Regulation*

23.8 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.

23.9 Subject as otherwise provided in this Deed, where any cash forming part of a Constituent Fund is transferred to a deposit account with the Trustee or the Sponsor or any Associate of either of them (being an institution licensed to accept Deposits) such institution shall allow interest thereon in accordance with normal banking practice for Deposits of that term at a rate not lower than the prevailing rate for Deposits of a similar size and duration, in the same currency and with institutions of a similar standing negotiated at arm's length. Subject thereto such banker or other financial institution shall be entitled to retain for its own use and benefit any benefit which it may derive from any cash for the time being in its hands (whether on current or deposit account) as part of a Constituent Fund.

## **24. STATEMENT OF INVESTMENT POLICY**

24.1 The Sponsor shall, in consultation with the Trustee, prepare and maintain or cause to be prepared and maintained a statement of investment policy in respect of each Constituent Fund. The statement of investment policy for a Constituent Fund must include such information as is required by the Regulation.

*Note: MPF Code, paras. B2.9, B2.12; General Regulation, ss. 24, 38; SFC Code, para. 5.5*

24.2 The Sponsor may, after consulting the Trustee and subject to applicable regulatory requirements and approvals, amend the statement of investment policy relating to a Constituent Fund. The Trustee shall give not less than one (1) month's prior notice

(or such other period of notice as the Authority or the Commission may require) to each Employer and each Member holding Units in the relevant Constituent Fund of such amendment.

## **25. INVESTMENT RESTRICTIONS**

*Note: General Regulation, s. 47, Schedule 1, para. 2(j) Schedule 2; MPF Code, chapter B2*

- 25.1 Assets of a Constituent Fund shall be invested in accordance with and subject to the restrictions and limitations contained in the MPF Ordinance and the Regulation from time to time. Where as a result of amendment to the MPF Ordinance or the Regulation such restrictions or limitations are further restricted, the revised restrictions and limitations shall apply in respect of each Constituent Fund on the expiry of such transitional period (if any) as may be specified in the amending legislation.
- 25.2 It shall not be necessary to effect changes of investments merely because, owing to appreciations or depreciations in the value of the investments held or made for the account of a Constituent Fund, any of the applicable limits shall be exceeded, nor by reason of any of those limits 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 limits shall be exceeded no further investments may be acquired (otherwise than as aforesaid) which would result in such limit being further exceeded, and the Trustee shall procure that all reasonable steps are taken as a priority objective to restore the position so that the limits exceeded in such cases will not persist, at all times having regard to the interests of Members.

## **26. BORROWING**

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, subject to and in accordance with the MPF Ordinance and the Regulation.

*Note: General Regulation, s65, para. 4, Schedule 1*



For the purposes of or in connection with any such borrowing the following provisions shall apply:

- 26.1 The borrowing may be effected from any person (including, if a banker, the Sponsor, the Trustee or an Associate of either of them provided that the rate of interest on that borrowing and any fee or premium payable to such banker in relation to the arrangement, repayment or termination of the borrowing are not higher than such banker would, in accordance with normal banking practice, charge on an arm's length transaction for a loan of a similar size and duration in circumstances similar to those then prevailing in relation to the Plan).
- 26.2 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 Constituent Fund in question which the Trustee considers to be equivalent to the amount borrowed upon terms providing for the repayment of the Deposit at the same time or times (and, if more than once, so that on each occasion the proportion which the Deposit bears to the loan is maintained) as the borrowing is repayable.
- 26.3 Every borrowing shall be upon the terms that the borrowing shall become repayable in the event of the termination of the Constituent Fund in question.
- 26.4 Any interest on any borrowing effected under this Clause 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 Constituent Fund in question.
- 26.5 For the purposes of securing any borrowing and interest and expenses thereof the Trustee shall be entitled, subject to the Regulation and this Deed, to charge, pledge or otherwise encumber in any manner all or any part of the Constituent Fund in question but where any part of such Constituent Fund or any document of title thereto is for the time being under the custody or control of some person other than the Trustee or any nominee, custodian or sub-custodian of the Trustee in consequence of any such charge, pledge or encumbrance the Trustee shall not be responsible for the custody and control of such part of such Constituent Fund or documents of title thereto and shall not be liable for the acts and omissions of any lender and its agents in relation to such part of such Constituent Fund or documents of title thereto. Any such charge or pledge shall be made upon the terms that the lender or such other

person as aforesaid provides a written commitment to the effect that under no circumstances will it pledge or charge any of such part of such Constituent Fund to any other person or use any part of it to provide margin for or guarantee, secure, discharge or settle any borrowing, trades or contracts, or dispose of any part of it, or treat it as if any person other than the Trustee has any interest in it and that no step shall be taken to enforce the security thereby constituted until thirty days after notice in writing shall have been given to the Trustee demanding repayment of the moneys thereby secured.

26.6 The Trustee shall not incur any liability by reason of any loss which a Member or an Employer may suffer by reason of any depletion in the Net Asset Value of any Constituent Fund which may result from any borrowing arrangements made hereunder by reason of fluctuations in rates of exchange or otherwise and (save as herein otherwise expressly provided) the Trustee shall be entitled to be indemnified out of and have recourse to the Constituent Fund in question in respect of any liabilities, costs, claims or demands which it may suffer arising directly or indirectly from the operation of this Clause and the arrangements referred to herein.

26.7 In the event that any arrangements for borrowing or making Deposits under this Clause 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 all profits and advantages which may be derived therefrom.

26.8 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.

## **27. VOTING RIGHTS ON INVESTMENTS**

27.1 All rights of voting conferred by any investment or other property comprised in the Plan shall be exercised in such manner as the Trustee may think fit. The Trustee may refrain at its own discretion from the exercise of any voting rights and no person shall have any right to interfere or complain. The Trustee shall be entitled to exercise the said rights in what it may consider to be the best interests of Members but (a) the Trustee 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 whether in person or by

proxy and (b) neither the Trustee nor the holder of any such proxy 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 by the holders of such proxy under this Deed.

- 27.2 The phrase "**rights of voting**" or the word "**vote**" used in this Clause 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 part of the Plan 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**

*Note: s. 66 General Regulation*

**28. TRUSTEE'S FEE**

- 28.1 Subject to Clause 34 in respect of the Allianz MPF Conservative Fund and Clause 34A in respect of a DIS Fund, the Trustee shall be entitled to receive in relation to each class of Units for its own account out of the relevant Constituent Fund as soon as practicable after the last Valuation Date of such class of Units in each calendar month a monthly Trustee's Fee calculated and accrued at the appropriate percentage per annum (as defined below) over the appropriate period (as defined below) of the Net Asset Value of that part of the relevant Constituent Fund which relates to the relevant class of Units (such part being calculated by reference to the number of undivided shares in the relevant Constituent Fund represented by Units of the relevant class in issue) on each Valuation Date of such class of Units (irrespective of any fluctuation in such Net Asset Value either before or after such Valuation Dates), provided that if the calculation of Net Asset Value of any Constituent Fund is suspended pursuant to Clause 6 on any Valuation Date relevant for the purposes of this paragraph the Trustee's Fee shall be calculated by reference to Net Asset Value on the last Valuation Date of such Constituent Fund immediately preceding such suspension.
- 28.2 The "**appropriate percentage per annum**" shall be 1.5 per cent. per annum or such higher percentage per annum as may be agreed by the Trustee and the Sponsor and (to the extent required) approved by the Authority and the Commission. The Trustee may from time to time by notice in writing to the Sponsor reduce the appropriate percentage per annum or fix a scale of percentages per annum (none of them exceeding the said percentage per annum) reducing according to the size of (i) that part of the relevant Constituent Fund to which the relevant class of Units relates (such part being calculated by reference to the number of undivided shares in the relevant Constituent Fund represented by Units of the relevant class in issue) or (ii) of the Constituent Fund to which the class of Units relates or (iii) of the Plan or (iv) of the relevant Constituent Fund and other specified Constituent Funds as may be agreed by the Trustee and the Sponsor (in aggregate), on the relevant Valuation Date or, for the purposes of determining the relevant size, the previous Valuation Date and in the event and for such period as may be specified in such notice (or if no period is so

specified then until further notice in writing shall be given to the Sponsor cancelling the previous notice) such revised percentage per annum or scale of percentages per annum shall be the appropriate percentage per annum for such class of Units but any such notice shall be ipso facto cancelled if the Trustee who gave such notice in writing as aforesaid ceases to be Trustee of the Plan. The Trustee may, after consulting the Sponsor, increase the rate of the monthly Trustee's Fee for the time being specified up to the maximum level permitted pursuant to this Clause on giving not less than three months' notice of such increase to affected Members.

- 28.3 The "**appropriate period**" shall be the period from the later of the initial issue of the relevant class of Units and the previous Valuation Date of the relevant class of Units on which the Trustee's Fee was payable up to (and including) the Valuation Date of the relevant class of Units on or following which the relevant payment of the Trustee's Fee falls due under Clause 28.1.
- 28.4 Notwithstanding Clauses 28.1, 28.2 and 28.3, the fees payable to the Trustee in relation to each class of Units relating to each Constituent Fund may be calculated by reference to a method other than the method set out in those Clauses as may be agreed by the Sponsor and the Trustee provided that any such fees shall not exceed the maximum amount that would have been payable had the method in the aforementioned Clauses been applied.
- 28.5 The Trustee's Fee in respect of the Plan shall be subject to an annual minimum fee of such amount as may be agreed between the Trustee and the Sponsor, not exceeding HK\$2,010,000 (any shortfall being allocated to each Constituent Fund except the Allianz MPF Conservative Fund in proportion to their respective Net Asset Values as at the final Valuation Date in each relevant Accounting Period). The Trustee shall also be entitled to be reimbursed for administrative expenses in the establishment of the Plan of HK\$230,000.
- 28.6 The Trustee shall in addition be entitled to retain for its own absolute use and benefit any other fees paid to it out of the assets of the Plan pursuant to any other provision of this Deed.

## **29. FEES AND CHARGES PAYABLE TO SPONSOR**

Subject to Clause 34 in respect of the Allianz MPF Conservative Fund and Clause 34A in respect of a DIS Fund, the Sponsor shall be entitled to receive and retain for

its own absolute use and benefit the Offer Spread, the Bid Spread, any other amount expressed to be payable to the Sponsor pursuant to this Deed and any amount payable to the Sponsor in its capacity as a Service Provider or otherwise than in its capacity as sponsor of the Plan.

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

30.1 Unless otherwise prohibited by the MPF Ordinance or the Regulation and subject as otherwise provided in the relevant Participation Agreement, each Employer and each Member who executes a Participation Agreement (a “**Relevant Member**”) shall pay or reimburse to the Trustee the following fees and expenses:-

30.1.1 a joining fee of HK\$8,000 (or such other amount as may from time to time be agreed between the Trustee and the Sponsor) upon execution of the relevant Participation Agreement;

30.1.2 the costs of amending the Participation Agreement applicable to the relevant Employer or Relevant Member;

30.1.3 any other costs, fees and expenses expressed to be payable by the Employer or the Relevant Member in this Deed or the relevant Participation Agreement.

30.2 The Trustee shall from time to time notify each Employer and each Relevant Member in writing of the amount of the fees and expenses due under Clause 30.1, and the relevant Employer or Relevant Member shall pay the amount so notified to the Trustee as an addition to the next payment of Contributions to be made by such Employer or Relevant Member.

### **31. OTHER FEES**

Subject to any applicable regulatory requirement, the Trustee, after consulting the Sponsor, and the Sponsor shall be entitled to levy a fee on Employers and/or Members for providing additional services to such Employers and/or Members on giving not less than one month’s notice (or such other period of notice as the Authority or the Commission may require) to affected Employers and affected Members of its intention to levy such fee. The amount of any such fee shall, in the case of a fee payable to the Trustee, be determined by the Trustee (after consulting

the Sponsor) and, in the case of a fee payable to the Sponsor, be as determined by the Sponsor.

## **32. FEES PAYABLE ON TRANSFER TO ANOTHER SCHEME**

32.1 The Trustee shall not be entitled to charge any fees or impose any financial penalties in relation to making a transfer in accordance with Clause 38 from the Plan to another Registered Provident Fund Scheme or from an account within the Plan to another account within the Plan in respect of a Member if:-

32.1.1 Contributions have ceased to be made by or on behalf of the Member to the Plan;

32.1.2 the Trustee has received a request in the specified form to transfer the Credit Balance of the Member to another Registered Provident Fund Scheme or to another account within the Plan;

32.1.3 the Trustee received such request within 12 months after Contributions were last made by or on behalf of the Member;

32.1.4 the Credit Balance of the Member does not exceed \$5,000 (or such other amount as may be prescribed by the Regulation); and

32.1.5 the transfer is the first transfer of those Credit Balance made in respect of the Member.

*Note: s. 35, General Regulation*

## **32A. FEES PAYABLE ON TRANSFER OF ACCRUED BENEFITS**

Without prejudice to Clause 32.2, in relation to making any transfer (i) in accordance with Clause 38 from the Plan to another Registered Provident Fund Scheme, (ii) in accordance with Clause 37 from another Registered Provident Fund Scheme to the Plan; (iii) from an account within the Plan to another account within the Plan, or (iv) in the same account within the Plan, from a Constituent Fund to another Constituent Fund, no fees may be charged and no penalties may be imposed other than an amount representing the necessary transaction costs that are incurred, or reasonably likely to be incurred, by the Trustee in selling or purchasing investments in order to give effect to the transfer and are payable to a party other than the Trustee . Any

amount of necessary transaction costs imposed and received under this Clause shall be used to reimburse the relevant Constituent Fund.

Note: s. 34, General Regulation

### **33. OTHER FEES, CHARGES AND EXPENSES**

33.1 Without prejudice to any other charges, fees, expenses or liabilities expressly authorised by this Deed to be charged against Employers or Members or against any Constituent Fund but subject to Clause 34 in respect of the Allianz MPF Conservative Fund and to Clause 34A in respect of a DIS Fund, there shall be payable out of the appropriate Constituent Fund (and where appropriate such charges, fees 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 shall consider fair):-

33.1.1 all stamp and other duties, taxes, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges, 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, Custodian, co-custodian, sub-custodian and proxy fees and expenses, collection fees and expenses, insurance and security costs, and any other costs, charges or expenses payable in respect of the acquisition, holding and realisation or disposal or other dealing with 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);

33.1.2 the fees and expenses of the Investment Managers;

33.1.3 the fees and expenses of the Auditors;

*Note: s. 101 General Regulation*



- 33.1.4 the fees and expenses of the Administrator (including those of the Trustee which are agreed by the Sponsor where the Trustee is also acting as Administrator);
- 33.1.5 the fees and expenses of any other Service Provider;
- 33.1.6 fees charged by the Trustee in connection with the administrative expenses relating to establishment of each Constituent Fund and thereafter the fees in connection with calculating the Net Asset Value of each Constituent Fund and the Issue Price and Realisation Price of Units;
- 33.1.7 expenses in connection with the management and trusteeship of the Plan authorised by this Deed to be payable out of the Plan;
- 33.1.8 all legal charges and other advisory charges incurred by the Sponsor or the Trustee in connection with the Plan and the duties of the Trustee thereunder;
- 33.1.9 out-of-pocket expenses incurred by the Trustee or the Sponsor wholly and exclusively in the performance of their duties hereunder;
- 33.1.10 the administrative expenses incurred by the Sponsor and the Trustee in establishing the Plan and administrative costs in connection with the initial issue of Units of each class (which expenses shall be amortised by being written off against the Constituent Funds other than the Allianz MPF Conservative Fund in proportion to their respective Net Asset Values in equal amounts over such period as the Trustee with the approval of the Sponsor may determine unless and until the Trustee with the approval of the Sponsor shall determine that some other method shall be applied);
- 33.1.11 the expenses of or incidental to the preparation of deeds supplemental hereto;
- 33.1.12 the expenses of holding meetings of Employers and/or Members and of giving notices to or otherwise communicating with Employers, Members, any Investment Manager, Administrator, Custodian or other Service Provider;

33.1.13 the 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 Ordinance or any other law or regulation in any part of the world (including any levy payable thereunder) and approved by the Trustee or in complying with any undertaking given, or agreement entered into in connection with, or any rules governing such authorisation or approval;

*Note: s. 17 MPF Ordinance, s. 189 General Regulation (compensation fund levy)*

33.1.14 costs charged by the Trustee in terminating the Plan or any Constituent Fund or any class of Units and for providing any additional services as agreed by the Sponsor;

33.1.15 the fees and expenses of the Trustee which are agreed by the Sponsor in connection with time and resources incurred by the Trustee reviewing and producing documentation in connection with the operation of 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;

33.1.16 the costs and expenses incurred in effecting and maintaining any insurance required by the MPF Ordinance or any other applicable law or regulation to be taken out in respect of the Plan; and

33.1.17 without prejudice to the generality of the foregoing, all costs incurred in publishing the Issue Price and Realisation Price of Units, all costs of preparing, printing and distributing all statements, accounts and reports pursuant to the provisions of this Deed (including the Auditors' fees and the Trustee's fees in relation thereto), the expenses of preparing and printing any explanatory memorandum, any other expenses incurred in compliance with or connection with any change in or introduction of any law or regulation or directive or guidelines (whether or not having the force of law) of any governmental or other regulatory authority or with the provisions of any code relating to Registered Provident Fund Schemes and such other charges, costs, expenses and disbursements as under law the Trustee is entitled to charge to the assets of the Plan.

*Note: MPF Ordinance, s. 22B; General Regulation, ss. 66, 101*

- 33.2 There may be paid out of each Constituent Fund at the discretion of the Trustee all professional fees incurred in calculating, agreeing and/or contesting taxation liabilities and recoveries to be discharged out of or paid into that Constituent Fund.
- 33.3 The Trustee shall at its discretion and after consultation with the Auditors where it considers appropriate determine whether any particular sum payable pursuant to provisions of this Clause out of any Constituent Fund shall be debited to capital or to income.
- 33.4 [Deleted]
- 33.5 Any interest earned on Contributions and Transfer Payments held pending investment in Constituent Funds in accordance with the relevant Investment Mandate shall, as the Trustee in its discretion determines, either be applied to meet any of the expenses referred to in this Clause 33 or shall form part of the income of the Plan .

**34. RESTRICTIONS APPLICABLE TO ALLIANZ MPF CONSERVATIVE FUND**

*Note: s. 37 General Regulation*

- 34.1 Notwithstanding any other provision of this Deed, no fees, charges or expenses shall be paid out of the Allianz MPF Conservative Fund except to the extent that such payment is permitted by the MPF Ordinance or the Regulation.
- 34.2 Subject to Clause 34.1, the Trustee shall pay fees, charges and expenses attributable to each class of Units relating to the Allianz MPF Conservative Fund in the following order of priority:-
- 34.2.1 First, in the payment of any compensation fund levy payable to the Authority pursuant to the MPF Ordinance in respect of the Allianz MPF Conservative Fund, and other expenses permitted to be paid out of the assets of the Allianz MPF Conservative Fund pursuant to any of the Regulation or guidelines or other requirements issued by the Authority

from time to time (to the extent that such compensation fund levy and other costs and expenses are attributable to the relevant class of Units);

- 34.2.2 Second, in the payment of all other fees, charges and expenses incurred by the relevant Allianz MPF Conservative Fund during the calendar month in which the relevant Valuation Date falls other than the Trustee's Fee and any fee payable to the Investment Manager (if any) appointed to manage the investment of the Allianz MPF Conservative Fund (to the extent that such fees, charges and expenses are attributable to the relevant class of Units);
- 34.2.3 Third, in the payment of the Trustee's Fee and any fee payable to the Investment Manager (if any) appointed to manage the investment of the Allianz MPF Conservative Fund falling due in respect of the relevant class of Units in the calendar month in which the relevant Valuation Date falls (to the extent that such fees, charges and expenses are attributable to the relevant class of Units) (provided that where the amounts available for payment are not sufficient to meet these fees in full, such amounts shall be applied pro rata to payment of the Trustee's Fee and the fee payable to the Investment Manager (if any) or in such other proportions as the Sponsor, the Trustee and the Investment Manager may agree);
- 34.2.4 Fourth, to reimburse the Sponsor for any Deferred Expenses (as defined below) incurred prior to the calendar month in which the relevant Valuation Date falls and for this purpose Deferred Expenses incurred earlier in time shall be discharged prior to Deferred Expenses incurred later in time;
- 34.2.5 Fifth, in the payment of any Deferred Trustee's Fees and Deferred Investment Manager's Fees (as defined below) arising prior to the calendar month in which the relevant Valuation Date falls and for this purpose Deferred Trustee's Fees and Deferred Investment Manager's Fees arising earlier in time shall be discharged prior to Deferred Trustee's Fees and Deferred Investment Manager's Fees arising later in time (provided that where the amounts available for payment are not sufficient to meet the the Deferred Trustee's Fees and the Deferred Investment Manager's Fees in full, such amounts shall be applied pro rata to payment of the the Deferred Trustee's Fees and the Deferred Investment Manager's Fees or

in such other proportions as the Sponsor, the Trustee and the Investment Manager may agree).

34.3 If by reason of any prohibition in the Regulation the whole or any part of any fees, charges or expenses (other than the Trustee's Fee and any fee payable to the Investment Manager (if any) appointed to manage the investment of the Allianz MPF Conservative Fund) incurred in respect of any calendar month and attributable to the relevant class of Units cannot be paid out of the Allianz MPF Conservative Fund at the time when under this Deed it first becomes payable, the amount of such fees, charges and expenses shall be payable by the Sponsor forthwith on demand by the Trustee and shall be carried forward as "**Deferred Expenses**". Each item of Deferred Expenses so carried forward shall be paid to the Sponsor by the Trustee out of that part of the Allianz MPF Conservative Fund attributable to the relevant class of Units either wholly or in part and at such time or times as may be permitted by the Regulation but not otherwise.

34.4 If by reason of any prohibition in the Regulation the whole or any part of any Trustee's Fee or any fee due to the Investment Manager (if any) appointed to manage the investment of the Allianz MPF Conservative Fund incurred in respect of any calendar month and attributable to the relevant class of Units cannot be paid out of the Allianz MPF Conservative Fund at the time when under this Deed it first becomes payable, the amount shall be carried forward as "**Deferred Trustee's Fees**" or "**Deferred Investment Manager's Fees**", as the case may be. Each item of Deferred Trustee's Fees and Deferred Investment Manager's Fees so carried forward shall be paid by the Trustee out of that part of the Allianz MPF Conservative Fund attributable to the relevant class of Units to the person entitled thereto either wholly or in part and at such time or times as may be permitted by the Regulation but not otherwise.

#### **34A. RESTRICTIONS ON FEES AND OUT-OF-POCKET EXPENSES APPLICABLE TO DIS FUNDS**

*Note: s. 34DD MPF Ordinance*

Notwithstanding any other provision of this Deed, in respect of a DIS Fund, (a) any payment for services may only be charged to or imposed on the DIS Fund or a Member who invests in the DIS Fund, in the manner and to the extent as permitted under section 34DD and Schedule 11 of the MPF Ordinance; and (b) the total

amount of all payments that are charged to or imposed on the DIS Fund, or a Member who invests in the DIS Fund, for out-of-pocket expenses incurred by the Trustee on a recurrent basis in the discharge of the Trustee's duties to provide services in relation to the DIS Fund, when it is expressed as a percentage of the net asset value of the DIS Fund shall not, in a single year, exceed the percentage specified in section 2 of Schedule 11 to the MPF Ordinance.

## **35. METHOD OF PAYMENT OF FEES, CHARGES AND EXPENSES**

35.1 The fees, charges and expenses payable in respect of a Constituent Fund may be payable, at the election of the Trustee after consulting the Sponsor, either:-

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

35.1.2 out of the proceeds of realisation of Units of the class or classes relating to such Constituent Fund,-

or partly in one way and partly in the other.

35.2 Where the Trustee makes an election to pay fees, charges and expenses in the manner set out in Clause 35.1.2, Units of the class or classes relating to the relevant Constituent Fund shall be debited from the Credit Balances of Members and from the Unclaimed Benefits Account pro rata to the number or value of Units allocated to the Credit Balances of Members and the Unclaimed Benefits Account or in such other manner as the Trustee shall consider fair.

35.3 Any fees, charges and expenses payable by a Member under this Deed or any relevant Participation Agreement may be paid:-

35.3.1 by that relevant Member by cheque or in such other manner as may be agreed between the relevant Member and the Trustee or the Sponsor, as the case may be; or

35.3.2 at the election of the Trustee after consulting the Sponsor, either:-

35.3.2.1 out of Contributions or other amounts held in respect of the relevant Member pending investment in accordance with the relevant Investment Mandate; or

35.3.2.2 out of the proceeds of realisation of Units allocated to the Credit Balance of the relevant Member (and for this purpose the Trustee shall have an absolute discretion in determining the Units to be realised),-

or partly in one way and partly in the other.

**PART VI**  
**PAYMENTS AND TRANSFERS**

**36. PAYMENTS**

36.1 Subject to the Regulation, the Trustee shall pay amounts due under the terms of this Deed or any Participation Agreement as soon as practicable after the entitlement to such amounts has arisen and in any event within the time specified for payment by the Regulation.

*Note: ss. 166, 167 General Regulation*

36.2 Before making any payment or distributions, the Trustee may make such deductions as by the law of Hong Kong or the practice of the Inland Revenue Department in Hong Kong or by the law of any other country in which such payment or distribution 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 distribution or any documents signed by it in connection therewith.

36.3 The Trustee shall not be liable to account to any Employer or Member or otherwise for any payment made or suffered by the Trustee in good faith to any duly empowered fiscal authority of Hong Kong or elsewhere for taxes or other charges in any way arising out of or relating to any transaction of whatsoever nature under this Deed or any relevant Participation Agreement or otherwise notwithstanding that any such payment ought not to be or need not have been made or suffered.

36.4 Subject to any exchange control regulations which may be in force at the time, the Trustee shall make payment of moneys due to or in respect of an Employer or Member in Hong Kong dollars or in such other currency as may be agreed between the relevant recipient and the Trustee. Payment shall be made in Hong Kong or such other place outside Hong Kong where banking facilities for the transmission of money and the conversion of currency are conveniently available as may be agreed between the Trustee and the recipient. In the event of payment being requested in a currency other than Hong Kong dollars or in a place outside Hong Kong, the Trustee may deduct the costs of conversion and transmission (as the case may be) from the



moneys payable. The applicable rate of exchange for such conversion shall be such prevailing rate as the Trustee considers appropriate.

36.5 Any moneys payable by the Trustee shall as the Trustee thinks fit be paid by cheque or warrant or by telegraphic transfer to the recipient. Any cheque or warrant may be sent through the post to the address of the recipient as shown in the records of the Trustee. Every such cheque or warrant shall be made payable to the order of the person to whom it is delivered or sent and payment of the cheque or warrant shall be deemed satisfaction of the moneys payable. Where payment is by telegraphic transfer the Trustee shall be entitled to deduct the costs thereof from the moneys and payment shall be made to such account as designated by the recipient.

36.6 If any benefit is payable under this Deed to:

36.6.1 a minor; or

36.6.2 a person who in the opinion of the Trustee is by reason of mental or physical disability incapable of managing his or her own affairs,-

(each a “**restricted person**”) the Trustee may, subject to the MPF Ordinance, pay all or part of such benefit 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 the obligations of the Trustee to the restricted person.

36.7 In the absence of manifest error, the determination of the Trustee as to the identity of the proper payee of any payment from the Plan and the amount properly payable to that person 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 person.

36.8 On making a payment of benefits in accordance with this Clause, the Trustee shall give a benefit payment statement to the recipient of the payment containing such information as may be required by the Regulation and such other information as the Trustee, after consulting the Sponsor, shall determine.

*Note: S. 168 General Regulation*

## 37. TRANSFERS INTO THE PLAN

*Note: s. 14, MPF Ordinance; s. 32(2), Part XII General Regulation*

37.1 Subject to Clause 37.1A, the Trustee:-

37.1.1 shall accept all Accrued Benefits transferred from (a) another Registered Provident Fund Scheme or (b) from an occupational retirement scheme (as defined in the MPF Ordinance) exempted under section 5 of the MPF Ordinance to or to the account of the Trustee for the purposes of the Plan;

*Note: s. 32(2) General Regulation*

37.1.2 unless otherwise prohibited by the MPF Ordinance or the Regulation, may, on the request of an Employer or a Member in the specified form, accept any other amounts transferred from any other retirement scheme, fund or arrangement; and

37.1A The Trustee may in its discretion refuse to allow or accept such amounts to be paid to the Plan in respect of an SVC Member.

37.1B The Trustee may accept (or, in its absolute discretion, refuse to accept or accept only in relation to one or more Members, Employers, retirement schemes, funds or arrangements) any amount transferred pursuant to Clause 37.1 in specie or in kind or partly in cash and partly in specie or in kind. Where the Trustee accepts a transfer of amounts in specie or in kind, the following provisions shall apply:-

37.1B.1 no assets shall be accepted that would result in a breach of Clause 25;

37.1B.2 the assets to be transferred to the Plan shall be valued on such basis as the Trustee may decide so long as the same does not exceed the highest amount that would be obtained by applying the provisions of Clause 5 on the date the assets vest in the Trustee to the Trustee's satisfaction;

- 37.1B.3 the Trustee shall allocate the assets between the Constituent Funds in such manner as the Trustee shall in its discretion determine, having regard to the Investment Mandates of the Members in respect of whom the transfer is made;
- 37.1B.4 Units in the Constituent Funds shall be issued on the Valuation Date for the relevant Constituent Fund or Constituent Funds coincident with or next following the date such assets vest in the Trustee to the Trustee's satisfaction and shall be credited to the accounts of the relevant Members;
- 37.1B.5 the number of Units of a class to be issued shall be that number which would have fallen to be issued for cash at the Issue Price per Unit of the relevant class against payment of a sum equal to the value of the assets transferred plus such sum as the Trustee may consider represents an appropriate provision for fiscal and purchase charges which would be involved in the acquisition of the assets by purchase for cash but minus such sum as the Trustee may consider represents any fiscal or other expenses to be paid out of the relevant Constituent Fund in connection with the vesting of the assets.
- 37.1.3 may accept such amounts as may be injected or contributed by the Authority for the benefit of a Member.;
- 37.2 Subject to Clause 37.4, the Trustee shall credit amounts received pursuant to this Clause to the account of the relevant Member, or as otherwise permitted under the Regulation, in accordance with the Regulation.
- 37.3 [Deleted]
- 37.4 Where amounts received pursuant to this Clause are to be treated as Unclaimed Benefits, the Trustee shall deal with such amounts in accordance with Paragraph 10 of Schedule 3.

*Note: s. 173 General Regulation, para. B1.13 MPF Code*

37.5 Pending investment in accordance with Clause 37.2 or 37.4 , amounts received for the account of a Member pursuant to this Clause may be held by the Trustee in cash or on Deposit with any Authorised Financial Institution or Eligible Overseas Bank (including any Associate of the Trustee or the Sponsor).

37.6 As soon as practicable on or after receipt of amounts pursuant to this Clause for the account of a Member, the Trustee shall notify the Member of such receipt and of the amount received, expressed in Hong Kong dollars (with amounts received other than in Hong Kong dollars converted into Hong Kong dollars at such rate of exchange as the Trustee may in its discretion determine).

## **38. TRANSFERS OUT**

*Note: Part XII General Regulation*

38.1 On receipt or deemed receipt of an election made under Part XII of the Regulation:

38.1.1 the Trustee shall have power to accept the election and shall accept the election and transfer amounts held for the account of a Member under the Plan in accordance with the relevant sections under Part XII of the Regulation;

38.1.2 where amounts held for the account of a Member under the Plan are to be transferred to another account within the Plan, the Trustee shall transfer the amounts held in the Elected Balance (other than TVC Balance) to another account within the Plan; and

38.1.3 where amounts held for the account of a Member under the Plan are to be transferred to another Registered Provident Fund Scheme, the Trustee shall:-

38.1.3.1 realize the Units standing to the credit of the Elected Balance of the relevant Member on a Valuation Date within 20 Business Days (or such shorter period as the Trustee and the Sponsor may agree) of receipt or deemed receipt of the election made under Part XII of the Regulation or, if later,

the Valuation Date for the relevant Constituent Fund or Constituent Funds next following such receipt or deemed receipt; and

- 38.1.3.2 pay to the trustee of the other Registered Provident Fund Scheme the realization proceeds from the Elected Balance.

Pending such payment, the Trustee may, subject to Section 66A of the Regulation, hold the realisation proceeds in cash or on Deposit with any Authorised Financial Institution or Eligible Overseas Bank (including any Associate of the Trustee or the Sponsor).

- 38.1A Where amounts held for the account of a Member under the Plan are to be transferred to another account within the Plan, the Trustee shall ensure the amounts so transferred are invested in accordance with section 34DC of the MPF Ordinance.

*Note: Part XII General Regulation, section 34DC, MPF Ordinance*

- 38.2 Unless otherwise provided by the MPF Ordinance and the Regulation, a Member may make an election to transfer pursuant to Clause 38.1 at such times and at such frequency as the Sponsor and the Trustee may permit.
- 38.3 Clause 38.2 shall not be applicable to an election made as a result of cessation of employment.
- 38.4 Any transfer from one account within the Plan to another account within the Plan or from the Plan to another Registered Provident Fund Scheme that does not fall within Clause 38.1 shall be made at such times and in such manner as may be prescribed by the Regulation or the Authority and otherwise as the Trustee and the Sponsor may in their discretion determine.
- 38.5 Notwithstanding any other provisions of this Clause 38, an SVC Member is not entitled to transfer his Member's Voluntary Contribution Balance to any other Registered Provided Fund Scheme unless the Trustee otherwise agrees.

38.6 As soon as practicable on or after any transfer pursuant to this Clause 38 in respect of a Member, the Trustee shall notify the Member in writing of the transfer and shall provide the Member with such information as is required pursuant to the Regulation.

**PART VII**  
**AMENDMENT OF THE PLAN**

**39. AMENDMENT OF THE PLAN**

- 39.1 Subject to Clause 39.4 and Clause 39.5, the Trustee and the Sponsor may, at the request of the Sponsor, at any time by deed alter, amend, extend, modify 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).
- 39.2 Subject to Clause 39.4, the Trustee may with the prior consent in writing of any Employer or, as the case may be, any Self-Employed Member or Other Eligible Person and the Sponsor at any time alter, amend, extend, modify or add to any of the provisions of the Participation Agreement applicable to such Employer or Self-Employed Member or Other Eligible Person.
- 39.3 Any alteration, amendment, extension, modification, deletion or addition (a **“modification”**) so made:-
- 39.3.1 shall take effect as from the date of the amending deed or agreement or as from such earlier or later date as is specified for that purpose in the deed or agreement;
- 39.3.2 shall be of the same validity as if it had been originally contained in this Deed or the relevant Participation Agreement, as the case may be;
- 39.3.3 may in like manner be altered, amended, extended, modified, deleted from and added to; and
- 39.3.4 shall be binding on each relevant Employer and Member whether such Employer or Member has executed a Participation Agreement or application for membership before or after that modification.
- 39.4 No modification shall be made which would cause the registration of the Plan pursuant to the MPF Ordinance to be cancelled.

39.5 Without prejudice to the generality of the foregoing, no modification may be made to any of the trusts, powers or provisions of this Deed without the prior approval of the Authority.

*Note: s. 63 General Regulation*

39.6 Any modification which alters, amends, extends, modifies or adds to the trusts, powers or provisions of this Deed or any Participation Agreement to reflect (in whole or in part) the trusts, powers or discretions permitted by the MPF Ordinance or the Regulation (including to give effect to any relaxation of any requirement imposed by the MPF Ordinance and/or any subsidiary legislation or requirements relating thereto) shall be deemed not to be prejudicial to the interests of Members.

39.7 The Trustee and the Sponsor shall comply with any requirement of the Authority or the Commission to give notice to Employers and Members affected by any such proposed modification.



**PART VIII**  
**LIABILITIES AND INDEMNITIES**

**40. PROVISIONS RELATING TO THE TRUSTEE AND THE SPONSOR**

- 40.1 Neither the Trustee nor the Sponsor shall be in any way responsible for the solvency of the Plan nor shall they be liable for the payment of any benefit pursuant to the Plan unless and except to the extent to which the assets of the Plan are for the time being sufficient and are available for that purpose. 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 for the payment of any monies due to them pursuant to such rights provided that nothing herein shall be deemed to affect any rights such persons may have under or pursuant to the MPF Ordinance or against any relevant Employer.
- 40.2 Neither the Trustee nor the Sponsor shall 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 including themselves or their officers.
- 40.3 The Trustee and the Sponsor shall be entitled to rely and act on any guidelines, codes or other information published by the Authority or the Commission and relating to Registered Provident Fund Schemes and shall not incur any liability to Employers or Members as a result of so relying and acting. Neither the Trustee nor the Sponsor shall 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 either 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 neither the Trustee nor the Sponsor shall be under any liability therefor or thereby.
- 40.4 Neither the Trustee nor the Sponsor nor their duly appointed agents shall be responsible for the authenticity of any signature on or any seal affixed to any form of

Participation Agreement, application, Investment Mandate, Switching Instruction, request for payment of benefits or other document relating to the transfer or payment of benefits or investments (including signatures on such documents received by facsimile or electronic transmission) or be in any way liable for any forged or unauthorised signature on or seal affixed to 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 respectively shall nevertheless be entitled but not bound to require that the signature of any Employer or Member to any document required to be signed by such Employer or Member under or in connection with this Deed shall be verified by a banker or broker or other responsible person or otherwise authenticated to its or their reasonable satisfaction.

- 40.5 Any indemnity expressly given to the Trustee or to the Sponsor in this Deed is in addition to and without prejudice to any indemnity allowed by law. Nothing in any of the provisions of this Deed shall in any case in which the Trustee or the Sponsor have failed to show the degree of diligence and care required of them by the provisions of this Deed exempt them from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any fraud, negligence, default, breach of duty or trust of which they may be guilty in relation to their duties and neither the Trustee nor the Sponsor may be indemnified against such liability by Members or at Members' expense.
- 40.6 Nothing in this Deed shall be construed so as to prevent the Sponsor or the Trustee in conjunction or separately from establishing or acting as sponsor, manager, adviser, trustee, successor trustee, custodian, administrator or otherwise for trusts separate and distinct from the Plan and retaining any remuneration, profit or benefit made in connection with such other trusts or engaging in any activity whatsoever and receiving for their own use and benefit any remuneration, profit or benefit derived therefrom .
- 40.7 No decision of or exercise of a power or discretion by the Trustee or the Sponsor shall be invalidated or questioned on the ground that one or more of its 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 shall be invalidated or questioned on the ground that the Trustee or the Sponsor 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.

- 40.8 The Trustee may act in accordance with section 25 of the Trustee Ordinance of Hong Kong and the Trustee and the Sponsor may act upon any advice or information obtained from any Service Provider, bankers, accountants, brokers, lawyers, agents or other persons acting as agents or advisers either of the Trustee or of the Sponsor and shall not be liable for anything done or omitted or suffered in good faith in reliance upon such advice or information. Neither the Trustee nor the Sponsor shall be responsible for or incur any liability in respect of any misconduct, mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such banker, accountant, broker, lawyer, agent or other person as aforesaid or (except as specified in this Deed) of the Sponsor (in the case of the Trustee) or the Trustee (in the case of the Sponsor). Any such advice or information may be obtained or sent by letter, telegram, telex message, cablegram, facsimile transmission or electronic transmission and neither the Trustee nor the Sponsor shall 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.
- 40.9 Except as otherwise expressed in this Deed, the Trustee and the Sponsor shall as regards all the trusts, powers, authorities and discretions vested in each of them have absolute discretion as to the exercise thereof whether in relation to the manner or as to the mode of and the time for the exercise thereof. In the absence of fraud or negligence neither the Trustee nor the Sponsor shall be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise thereof.
- 40.10 Nothing in this Deed shall prevent the Trustee or the Sponsor 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 and the Sponsor 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 profit or benefit made or derived from any such transaction or contract.

40.11 In the absence of fraud or negligence by the Sponsor or the Trustee respectively, they shall not incur any liability by reason of any error of law or any matter or thing done or suffered or omitted to be done by them in good faith under the provisions of this Deed and in particular, but without prejudice to the generality of the foregoing, neither the Sponsor nor the Trustee shall, in ascertaining the value of any investment, be under any liability by reason of the fact that a price reasonably believed to be the last published traded price or midway between the latest available market dealing offered price and the latest available market dealing bid price, for the time being may be found not to be such.

40.12 Nothing in this Deed shall prevent the Trustee or the Sponsor 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. The Trustee and the Sponsor shall not be liable to account to each other or to the Employers or Members for any profits or benefits made or derived from or in connection with any such transaction.

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

41.1 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.

*Note: s. 64(3) General Regulation*

41.1.1 Subject to Clause 41.1.2, the Trustee shall remain liable for any act or omission of any person appointed by the Trustee to hold any assets of the Plan to the same extent as if such act or omission was that of the Trustee.

41.1.2 The Trustee 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 or any broker, financial institution or other person (or, in each case, its nominees) with whom the assets of the Plan are deposited in order to satisfy any requirement to deposit margin or securities.

41.2 The Trustee shall not be under any liability on account of anything done or suffered by the Trustee in good faith in accordance with or in pursuance of any request or

advice of the Sponsor. Whenever any certificate, notice, instruction or other communication is given by the Sponsor or any other person to the Trustee the Trustee 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 is for the time being authorised by the Sponsor or such other person to accept.

41.3 Where pursuant to this Deed or any Participation Agreement an Employer is required or empowered to give a direction or other communication to the Trustee, the Trustee shall be entitled to rely and act on any such direction or other communication given in writing signed by any director for the time being of the Employer or such other person as the Employer may from time to time nominate in writing and the Trustee shall not be required or responsible to enquire into any such directions or other communications and shall not be liable in any way for acting on the same.

41.4 The Trustee shall not incur any liability to any Member for acting in good faith in accordance with any Investment Mandate or Switching Instruction given or purported to be given by the relevant Member.

41.5 Subject as otherwise provided by the MPF Ordinance, the Trustee shall not be under any liability by reason of the fact that a price reasonably believed to be the relevant price for the purposes of Clause 5 may be found not to be such. For the purposes of ascertaining available prices the Trustee 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. Reference in this Deed to the valuation of investments on a particular day or at a particular time shall, if such a system of valuation dissemination is used by the Trustee, mean the latest such valuation, taken at a time or times selected by the system for the purpose, available on or before the day on which or time at which such valuation is required.

*Note: para. B1.15 MPF Code*

41.6 The Trustee may accept as sufficient evidence of the value of any asset of any Constituent Fund, or the cost price or sale price thereof, or of any Approved Stock Exchange or Approved Futures Exchange, a certificate by a person, firm or association qualified in the opinion of the Trustee to provide such a certificate.

*Note: para. B1.15 MPF Code*

- 41.7 At all times and for all purposes of this Deed the Trustee may rely upon the established practice and rulings of any Approved Stock Exchange or Approved Futures Exchange and any committees and officials thereof on which any dealing in any investment or other property is from time to time effected in determining what shall constitute a good delivery and any similar matters and such practice and rulings shall be conclusive and binding upon all persons under this Deed.
- 41.8 The Trustee shall not be under any obligation to appear in, prosecute or defend any action or suit in respect of the provisions hereof or in respect of the Plan or any part thereof or the determination of any rights of the Employers or Members or any corporate or shareholders' action which in its opinion would or might involve it in expense or liability but may do so in its sole discretion and shall be indemnified out of the Plan for any cost or expense which it may incur as a result thereof.
- 41.9 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. Subject as may be otherwise provided by any relevant regulatory requirement, all books and records in respect of the Plan, including the register of Members, may be kept either in written form or by such means (including magnetic, electronic or optical recording) as the Trustee may from time to time determine.

*Note: General Regulation, ss. 77, 92*

- 41.10 The Trustee shall ensure that adequate insurance (as defined in the Regulation) is maintained in respect of the Plan as required by section 29 of the Regulation.

*Note: ss. 8, 29, General Regulation*

- 41.11 The Trustee shall establish and maintain control objectives and internal control measures for the Plan in accordance with section 39 of the Regulation. The Trustee may from time to time amend in whole or in part such control objectives and/or internal control measures.

*Note: s. 39 General Regulation*

- 41.12 Subject to Clause 41.13, the Trustee shall not be liable for any loss or depreciation of any of the assets of the Plan and shall be indemnified out of the assets of the Plan

against all costs and expenses, actions, claims and demands made against it by any person whatsoever and arising out of anything done or omitted to be done by it in its capacity as Trustee.

41.13 Notwithstanding any other provision of this Deed, nothing shall exempt, limit or exclude the Trustee from:-

41.13.1 any liability in respect of the Trustee's breach of trust for failure to act honestly or through fraud or negligence;

41.13.2 any liability for breach of trust for an intentional or reckless failure to exercise, as regards a matter concerning the Plan, the degree of care and diligence that is to be reasonably expected of a trustee who is exercising functions in relation to a trust; or

41.13.3 any liability for a fine or penalty imposed by or under law.

and the Trustee shall not be indemnified out of the assets of the Plan in respect of any such liability.

*Note: s. 26 MPF Ordinance; para. B1.1 MPF Code*

41.14 The Trustee shall be liable only for such moneys as the Trustee shall actually receive and in no event shall the Trustee be liable for any interest in respect of such moneys. Except as otherwise required under the MPF Ordinance or the Regulation, the Trustee shall not be under any duty to take proceedings to enforce payment of any Contributions or other moneys payable under this Deed or any Participation Agreement.

*Note: s. 18 MPF Ordinance, ss. 132, 133, 135, 136(5), (9), 137 General Regulation*

41.15 The Trustee may at its sole discretion accept donations of money or any kind of property for the account of the Plan. The Trustee shall apply such money or property as the Trustee thinks fit for the purposes of the Plan.

41.16 The Trustee or any Service Provider with the approval of the Trustee shall (subject as in this sub-clause otherwise provided) be entitled to destroy all documents and

records relating to a Member or an Employer participating in the Plan at any time after the expiration of the period required under the Regulation for which such documents and records must be kept. Neither the Trustee nor any such other person as aforesaid shall be under any liability whatsoever in consequence thereof and unless the contrary be proved every document destroyed pursuant to this Clause shall be deemed to have been a valid and effective document in accordance with the recorded particulars thereof, provided that:-

- 41.16.1 the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- 41.16.2 nothing in this sub-clause shall be construed as imposing upon the Trustee or any such other person as aforesaid any liability in respect of the destruction of any document earlier than as aforesaid or in any case where the conditions of Clause 41.16.1 are not fulfilled; and
- 41.16.3 references herein to the destruction of any document include references to the disposal thereof in any manner.

*Note: General Regulation, s. 93*

- 41.17 The Trustee shall have the power generally to execute and do all such acts and things as the Trustee may consider necessary or expedient (subject to any restrictions contained herein) for the maintenance and preservation of the assets of the Plan and the rights of the Members and others thereunder.
- 41.18 Notwithstanding any other provision of this Deed, no power conferred on the Trustee by this Deed or the exercise of which may at any time be delegated by the Trustee in accordance with the provisions of this Deed shall at any time be exercised in such manner as would prejudice the registration of the Plan under the MPF Ordinance.
- 41.19 The Trustee may record all telephone conversations with Employers or Members or with any other person in relation to the affairs of the Plan and any such tape recordings may be submitted by the Trustee in its sole discretion in evidence in any proceedings relating to the Plan.



## **42. PROVISIONS RELATING TO THE SPONSOR**

- 42.1 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 (save as herein otherwise appears) be liable for any act or omission of the Trustee.
- 42.2 The Sponsor shall be entitled to delegate all or any of its duties powers and discretions under this Deed to another person or corporation approved by the Trustee and notwithstanding such delegation the Sponsor shall remain entitled to receive and retain in full any sums payable to the Sponsor under this Deed. The Sponsor shall be solely responsible for the acts and omissions of any such delegate and for the payment of its remuneration.
- 42.3 The Sponsor shall indemnify and hold the Trustee harmless in respect of all actions, proceedings, costs, claims, damages, liabilities, expenses and demands suffered or incurred by the Trustee resulting from the fraud, negligence, willful default, bad faith, breach of duty or dishonesty of the Sponsor in the performance of its obligations under this Deed or any investment management agreement pursuant to which it is appointed as Investment Manager in accordance with their respective terms or any of the obligations imposed on the Sponsor (whether in its capacity as such or as Investment Manager) under the Regulation.
- 42.4 The Sponsor undertakes to the Trustee that it will in its capacity as Sponsor comply so far as is applicable in all material respects with:
- 42.4.1 this Deed;
  - 42.4.2 the MPF Ordinance and the Regulation;
  - 42.4.3 the Personal Data (Privacy) Ordinance (Cap 486) of the Laws of Hong Kong.
- 42.5 Subject as otherwise required by law, the Sponsor shall not do or omit to do anything which could prejudice the status of the Plan as a Registered Provident Fund Scheme or the status of the Trustee as an Approved Trustee.

**PART IX  
GENERAL**

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

43.1 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 Regulation, within such time as may be prescribed by the Regulation.

*Note: ss. 54, 55, 56, 57, 58, 59 General Regulation*

43.2 The Trustee may, after consulting the Sponsor, provide Employers and/or Members or a particular class or classes of Employers and/or Members with such additional information, statements and reports as the Trustee shall think fit. Such additional information, statements and reports shall be provided at such time and in such manner and subject to such fee as the Trustee, after consulting the Sponsor, shall determine.

**44. ACCOUNTS AND REPORTS**

44.1 The Trustee shall as soon as practicable after the date of this Deed (or, if later, its appointment as Trustee), prepare a statement of accounting policies to be followed in preparing accounts relating to the Plan and each Constituent Fund. Such statement of accounting policies shall, as a minimum, comply with the requirements of the Regulation and of any relevant regulatory authority having jurisdiction over the Plan or any Constituent Fund. Subject as provided above, the Trustee may at any time and from time to time, change such statement of accounting policies in whole or in part.

*Note: General Regulation, s. 80*

44.2 As at each Accounting Date the Trustee shall cause to be made up and audited accounts relating to the Plan and each Constituent Fund. Such accounts shall be made up in accordance with the statement of accounting policies referred in Clause 44.1 and otherwise shall be in such form and containing such information as the Trustee may from time to time determine in respect of the Accounting Period for the Plan or relevant Constituent Fund then ending. 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 44.3 annexed thereto shall be conclusive and

binding. The Trustee shall be absolutely protected in relying upon and shall act upon such accounts.

*Note: General Regulation, ss. 81, 82, 83, 84, 85, 95*

44.3 The accounts referred to in Clause 44.2 shall be audited by the Auditors in accordance with the statement of accounting policies referred to in Clause 44.1 and shall be accompanied by a report of the Auditors stating the matters required by section 102 of the Regulation.

*Note: General Regulation, ss. 82, 102*

44.4 As soon as practicable after each Accounting Date and in any event within the period required by the Regulation, the Trustee shall prepare or cause to be prepared a scheme report on the Plan in respect of the Accounting Period then ending. Such scheme report shall contain the information required by section 86 of the Regulation and such other information as the Trustee, after consulting the Sponsor, shall determine.

*Note: s. 86 General Regulation*

44.5 As soon as practicable after the end of each Accounting Period and in any event within the period required by the Regulation, the Trustee shall prepare or cause to be prepared an investment report in respect of the Accounting Period then ending. Such investment report shall contain the information required by section 87 of the Regulation and such other information as the Trustee, after consulting the Sponsor, may determine.

*Note: s. 87 General Regulation*

44.6 As soon as practicable after the scheme report referred to in Clause 44.4 and the investment report referred to in Clause 44.5 have been prepared in respect of an Accounting Period, the Trustee shall prepare and publish or cause to be prepared and published a consolidated report in English and in Chinese consisting of (a) the accounts of the Plan referred to in Clause 44.2, (b) the report of the Auditors referred to in Clause 44.3, (c) the scheme report referred to in Clause 44.4, (d) the investment report referred to in Clause 44.5 and (e) such other information as the Trustee, after consulting the Sponsor, shall determine. The consolidated report shall be open for

inspection by any Member during usual business hours at the offices of the Trustee. On receipt of a request from a Member in the specified form, the Trustee shall provide to that Member a copy of the consolidated report in respect of any Accounting Period during the 7 years (or such other period as may be specified in the Regulation) preceding the date of receipt of the request.

*Note: ss. 89, 90 General Regulation*

#### **45. REGISTER OF MEMBERS AND MEMBER ACCOUNTS**

45.1 The Trustee shall establish and maintain a register of Members of the Plan and shall record in the register in respect of each Member:-

45.1.1 the name of the Member;

45.1.2 the residential address of the Member;

45.1.3 the date of birth of the Member;

45.1.4 whether the Member is participating in the Master Trust as a Self-Employed Person or a Relevant Employee of an Employer or a TVC Account Holder or an Other Eligible Person (and, if the Member is participating in the Master Trust as an Other Eligible Person, whether the Member is an SVC Member);

45.1.5 where the Member is a Relevant Employee of an Employer, the name and business address of the Employer of such Member; and

*Note: s. 91 General Regulation*

45.1.6 such other particulars as the Trustee thinks appropriate or as may be required by the Authority.

45.2 The Trustee shall establish and maintain a separate account in respect of each Member, such account to show the following balances (a) the Credit Balance, and, where applicable, (b) the Employer's Mandatory Contribution Balance, (c) the Member's Mandatory Contribution Balance, (d) the Mandatory Transfer Balance, (e)

the Employer's Voluntary Contribution Balance, (f) the Member's Voluntary Contribution Balance, (g) the Voluntary Transfer Balance and (h) the Member's TVC Balance, of the relevant Member and such other information as required by the Regulation. The Trustee may in its discretion create sub-accounts in respect of any Member or Members.

45.3 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 credited to the Unclaimed Benefits Account and the interests of such persons in the Units and other property from time to time credited to the Unclaimed Benefits Account.

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

46.1 Subject to compliance with the MPF Ordinance, the Trustee may with the prior approval of the Sponsor (such approval not to be unreasonably withheld) and the Authority (and at the request of the Sponsor shall so far as is practicable) do such things and enter into such arrangements with the trustee or trustees of one or more other Registered Provident Fund Schemes as the Trustee considers necessary or desirable to provide for the merger of the Plan with such other Registered Provident Fund Schemes.

*Note: s. 34B MPF Ordinance, para. B1.25 MPF Code*

46.2 Subject to compliance with the MPF Ordinance, the Trustee may with the prior approval of the Sponsor (such approval not to be unreasonably withheld) and the Authority (and at the request of the Sponsor shall so far as is practicable) do such things and enter into such arrangements as the Trustee considers necessary or desirable to provide for the division of the Plan into two or more other Registered Provident Fund Schemes.

*Note: s. 34C MPF Ordinance, para. B1.25 MPF Code*

46.3 The Trustee shall give not less than one month's notice (or such other period as the Authority or the Commission may agree or may require) to Employers and Members of the merger or subdivision of the Plan.

*Note: para. B1.26 MPF Code*

46.4 Without prejudice to Clause 20.3, Clause 20.4, Clause 20.5 and Clause 46.1, in the event of a merger of another Registered Provident Fund Scheme (“Original Scheme”) into the Plan (including without limitation the Scheme Merger), the Trustee shall invest the Accrued Benefits of members (“Relevant Members”) of the Original Scheme held in an account that are transferred from the Original Scheme to a Contribution Account, a Personal Account or a TVC Account in the Plan in connection with the merger, and any Contributions and Transfer Payments made in respect of the Relevant Members to the Plan, in accordance with the Investment Mandate given by the Relevant Members in the manner as specified in the notice given to the Relevant Members in connection with the merger (“Merger Notice”). If the Relevant Member fails to give an Investment Mandate to the Trustee within the period as specified in the Merger Notice, the Relevant Member shall be regarded at the end of the period as having elected to invest his Accrued Benefits in the Original Scheme, and any Contributions and Transfer Payments made in respect of the Relevant Member to the Plan, in the Constituent Fund(s) and/or other investment option or arrangement available under the Plan as may be specified in the Merger Notice. For the avoidance of doubt, the Relevant Member is entitled to submit a new Investment Mandate in accordance with Clause 20 in respect of his Contributions and Transfer Payments made to the Plan, or give Switching Instructions in accordance with Clause 21 in respect of his Accrued Benefits in the Plan.

46.4.1 where the Accrued Benefits of the Relevant Member have been invested in the Default Fund prior to 1 April 2017 and no Specific Investment Instruction has been received by the Trustee in respect of the account of the Relevant Member, clause 20.4 and clause 20.5 shall apply to such account;

46.4.2 where the Accrued Benefits of the Relevant Member have been invested in Constituent Funds other than the Default Fund, any Contributions and Transfer Payments of the Relevant Member shall continue to be invested in the same manner as immediately before 1 April 2017.

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

*Note: ss. 34A, 47B MPF Ordinance, para. B1.25 MPF Code*

- 47.1 The Trustee may, with the prior written consent of the Sponsor (such consent not to be unreasonably withheld), request the Authority to apply to the Court to wind up the Plan in accordance with the MPF Ordinance. The Trustee shall, at the request of the Sponsor, request the Authority to apply to the Court to wind up the Plan in accordance with the MPF Ordinance.
- 47.2 Subject as otherwise provided in Clause 47.3, the Trustee shall give not less than one month's notice (or such other period as the Authority or the Commission may agree or require) to Employers and Members of the termination of the Plan.
- 47.3 Subject to compliance with the MPF Ordinance, the Trustee may with the prior written consent of the Sponsor (such consent not to be unreasonably withheld) apply to the Authority to cancel the registration of the Plan pursuant to the MPF Ordinance. Subject to compliance with the MPF Ordinance, the Trustee shall at the request of the Sponsor apply to the Authority to cancel the registration of the Plan pursuant to the MPF Ordinance. With effect from the date of such cancellation, the Plan shall be terminated.

*Note: para. B1.26 MPF Code*

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

The terms and conditions of 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 the relevant 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 the relevant Participation Agreement. Except to the extent expressly provided in this Deed or the relevant Participation Agreement, no Employer or Member shall incur or assume any liability or be required to make any payment to the Trustee or the Sponsor.

## 49. DETERMINATION OF DISPUTES

Subject to the MPF Ordinance, the Trustee shall have full power conclusively to determine whether or not any person is entitled to any benefit from time to time under the Plan and the amount of any such benefit and also conclusively to determine 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.

## 50. NOTICES

- 50.1 A notice or other document required to be given or served for the purposes of the MPF Ordinance or Regulation may be given or served in such manner as may be prescribed by the Regulation.

*Note: s. 206 General Regulation*

- 50.2 Any notice by the Trustee or the Sponsor to the other shall be addressed to the other at their respective address specified in this Deed (or any other address specified by such other party for the purpose) and shall be delivered by hand or sent by telex or facsimile or prepaid post (airmail if overseas) or in such other manner as the parties may agree. Any such notice sent by telex or facsimile shall be deemed to be served at the time of despatch. 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 on the second day following (or in the case of airmail on the seventh 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. The original of any notice sent by facsimile shall be sent by post.
- 50.3 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 or sent in such other manner as is permitted under the Regulation. 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 seventh 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.

- 50.4 Subject as otherwise required by the MPF Ordinance or the Regulation, any notice or other document required to be served upon or given to a Member who is an employee of an Employer may be given to that Employer for onward transmission to the relevant Member and in that case shall be deemed to have been duly served upon or given to the relevant Member if served upon or given to the Employer of the relevant Member.
- 50.5 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 the Regulation 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.
- 50.6 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.

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

Without prejudice to section 41 of the MPF Ordinance, if the Trustee, the Sponsor or any Investment Manager, Custodian or Administrator is requested by any regulatory body or any department of any government or administration to provide such regulatory body or such department with any information regarding the Plan 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, neither the Trustee nor the Sponsor nor any such Investment Manager, Custodian or Administrator shall incur any liability to Employers or Members or any of them or to any other person as a result of such compliance or in connection with such compliance.

*Note: ss. 19, 31, 41 MPF Ordinance, Part IX, ss. 135, 136 General Regulation*

- 51A.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.

51A.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 the Plan under the AEOI to enable the Plan to comply with applicable laws and regulations of Hong Kong and other jurisdictions.

51A.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:

51A.3.1 assist the Plan with the fulfilment of its obligations under AEOI; and/or

51A.3.2 act on the Plan's behalf in relation to its obligations under AEOI.

51A.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:

51A.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 at their sole discretion from time to time require (the "**Required Information**") in order to satisfy the Plan's obligations under AEOI;

51A.4.2 update or replace any Required Information;

51A.4.3 comply with any reporting obligations imposed by Hong Kong or any other jurisdiction; and

51A.4.4 assist the Plan in complying with any of the due diligence and reporting obligations imposed on the Plan under AEOI.

51A.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:

51A.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;

51A.5.2 refuse to accept any applicant to the Plan;

51A.5.3 share with any Tax Authority the information it has in respect of any Account Holder or Account Holder or Controlling Person of an Account Holder (where applicable);

51A.5.4 take or refrain from taking any other actions with respect to the applicant or Account Holder (as the case may be); and

51A.5.5 share the Required Information of any Account Holder or Controlling Person of an Account Holder (where applicable) of the Plan with the Trustee or any of the Trustee's authorised persons.

## **52. SEVERABILITY**

If any provision in this Deed shall be determined to be void or unenforceable in whole or in part for any reason whatsoever such invalidity or unenforceability shall

not affect the remaining provisions or any part thereof contained within this Deed and such void or unenforceable provisions shall be deemed to be severable from any other provision or part thereof herein contained.

**53. PROPER LAW**

53.1 This Deed is governed by and shall be interpreted in accordance with the laws of Hong Kong.

53.2 The Trustee and the Sponsor submit to the jurisdiction of the Courts of Hong Kong in connection herewith. Each Employer and Self-Employed Member shall be deemed by execution of a Participation Agreement and each other Member shall be deemed by execution of an application to become a Member to submit to the jurisdiction of the Courts of Hong Kong in connection herewith.

*Note: s. 21(7)(b) MPF Ordinance*

**SCHEDULE 1**

[DELETED]

**SCHEDULE 2**

[DELETED]

SCHEDULE  
**MEMBERSHIP, CONTRIBUTIONS AND BENEFITS**

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

- 1.1 On being notified that an Eligible Employee of an Employer or a Self-Employed Person or an Other Eligible Person is considering making an application for membership of the Plan, the Trustee shall cause to be given to such Eligible Employee or Self-Employed Person or Other Eligible Person the information required to be given to such Eligible Employee or Self-Employed Person or Other Eligible Person pursuant to the Regulation.
- 1.2 An Eligible Employee of an Employer may apply to become a Member by completing an application in the specified form (which shall include an agreement on the part of the Eligible Employee to comply with this Deed and the relevant Participation Agreement so far as applicable to the Eligible Employee as a Member of the Plan) and providing such other information as the Trustee may reasonably require.
- 1.3 A Self-Employed Person or Other Eligible Person may apply to become a Member by executing a Participation Agreement in accordance with Clause 10 of the Deed.
- 1.4 Except in respect of an application to become an SVC Member, the Trustee shall not refuse membership of the Plan to any Relevant Employee of an Employer or any Self-Employed Person who is 18 years of age or over (or such other age as may be specified in the Regulation) and below Retirement Age or (where so required by the Regulation) any Other Eligible Person who complies with the requirements of Paragraph 1.2 or 1.3 respectively. For the avoidance of doubt, the Trustee may in its discretion (and shall, at the direction of the Sponsor) refuse membership of the Plan to any person in any other circumstances.
- 1.5 An Eligible Employee of an Employer who makes an application in accordance with Paragraph 1.2 shall become a Member on the date specified in the application form or, if no date is specified, the date the Trustee accepts such Eligible Employee's application for membership. A Self-Employed Person or an Other Eligible Person who makes an application in accordance with Clause 10 of the Deed shall become a Member on the date specified in the relevant Participation Agreement or, if no date is specified, the date of execution of the relevant Participation Agreement.

- 1.6 The Trustee shall issue a notice of acceptance of membership to the Eligible Employee or Self-Employed Person or Other Eligible Person within 30 days (or such other period as may be prescribed in the Regulation) from the date on which such Eligible Employee or Self-Employed Person or Other Eligible Person satisfies the requirements of this Paragraph.
- 1.7 An Eligible Employee or Self-Employed Person or Other Eligible Person who becomes a Member and any person claiming benefits through such person shall be bound by the terms and provisions of this Deed and of any relevant Participation Agreement as if a party to this Deed and such Participation Agreement.
- 1.8 A Member shall continue as a Member of the Plan until such membership is terminated by the Trustee:-
- 1.8.1 in accordance with this Deed or any relevant Participation Agreement; and
- 1.8.2 where so required by the Regulation, with the written agreement of the Member or the Employer of that Member given at such time and in such manner, if any, as may be specified by the Regulation.
- 1.9 Notwithstanding any other provisions of this Paragraph 1, the Trustee may, in respect of any Master Trust Member, waive the requirement of completing or executing an application form as referred to in Paragraph 1.2 or Participation Agreement in which case:
- 1.9.1 the provisions of the application form or participation agreement (as appropriate) such Master Trust Member executed in relation to such Master Trust Member's participation in the Master Trust (the "**Master Trust Application Form or Participation Agreement**") shall be deemed to apply to such Master Trust Member's participation in the Plan (to the extent the Trustee considers relevant or necessary),
- 1.9.2 any reference to the "Sponsor" and "Trustee" in the Master Trust Application Form or Participation Agreement shall be deemed to mean the Sponsor and Trustee under the Plan, and



1.9.3 any reference to an "application form" or "Participation Agreement" in this Deed shall, in relation to such Master Trust Member, be construed to mean the "Master Trust Application Form or Participation Agreement".

## **2. MANDATORY CONTRIBUTIONS**

2.1 Except to the extent that such payment is not required by the MPF Ordinance, each Employer must pay Employer's Mandatory Contributions to the Trustee in respect of each Member employed by such Employer who has not reached Retirement Age.

2.2 Except to the extent that such deduction and payment is not required by the MPF Ordinance, each Employer must:-

2.2.1 deduct from the relevant income (as defined in the MPF Ordinance) of each Member employed by such Employer 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 Except to the extent that such payment is not required by the MPF Ordinance, each Self-Employed 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.

*Note: ss. 7A, 7C MPF Ordinance; Part XI General Regulation*

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 and the Regulation and otherwise as may be agreed between the relevant Employer or Self-Employed Member and the Trustee.

*Note: Part XI General Regulation*

## **2A. TVC**

2A.1 Payment of TVC to the Plan

- 2A.1.1 A TVC Account Holder may, subject to the appropriate provisions of the MPF Ordinance and the Regulation, contribute to the Plan TVC in such manner, at such times and on such terms as the TVC Account Holder may agree with the Trustee from time to time. Such TVC shall immediately vest in the TVC Account Holder and be dealt with in accordance with Paragraph 5.
- 2A.1.2 TVC shall cease upon the TVC Account Holder's cessation of membership in the Plan, and if that date does not coincide with a date on which TVC are paid to the Trustee by the TVC Account Holder, then TVC shall cease on the most recent date on which TVC were paid to the Trustee by the TVC Account Holder.
- 2A.1.3 Notwithstanding any other provisions of this Deed, the Trustee may reject all or part of the TVC otherwise payable by a TVC Account Holder without providing reasons.
- 2A.1.4 Any refund of any contributions rejected under Paragraph
- 2A.1.3 shall be made in such manner and at such time (which in any event shall not exceed 45 days of receipt of any such contributions unless for some exceptional regulatory reasons the Trustee is unable to effect a refund within such timeframe) as the Trustee may consider appropriate.
- 2A.1.5 No interest is payable on any contributions refunded under Paragraph 2A.1.4.
- 2A.2 Transfer to or from the Scheme
- 2A.2.1 The Trustee must allow and accept a sum to be paid to a TVC Account under the Plan in respect of a TVC Account Holder who makes an election to transfer his benefits in another Registered Provident Fund Scheme to such TVC Account under the Plan in accordance with Part 12 of the Regulation.

2A.2.2 A TVC Account Holder may elect to have all of his TVC Balance transferred to another Registered Provident Fund Scheme in accordance with section 14(2A) of the MPF Ordinance and Part 12 of the Regulation.

2A.3 TVC Account

2A.3.1 The Trustee shall maintain a TVC Account in respect of each TVC Account Holder.

2A.3.2 The TVC Account of a TVC Account Holder shall, in respect of the TVC Account Holder, comprise:

- (a) TVC of the TVC Account Holder, plus
- (b) any benefits transferred to the Plan under Paragraph 2A.2.1, less
- (c) any amount transferred from the Plan to another Registered Provident Fund Scheme under Paragraph 2A.2.2 and any amounts paid to or in respect of the TVC Account Holder,

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

2A.4 TVC Account Holder's investment option

2A.4.1 For the avoidance of doubt, Clauses 20, 21 and 22 shall apply to a TVC Account Holder.

2A.5 Payment of TVC Balance

2A.5.1 Paragraph 6 shall apply to TVC Balance of a TVC Account Holder in the same way as it applies to the benefits derived from Mandatory Contributions.

### 3. MEMBER'S VOLUNTARY CONTRIBUTIONS

*Note: ss. 12 (Contributions to vest in scheme member as accrued benefits), 13 (Preservation of accrued benefits derived from contributions), 14 (Portability of accrued benefits) and 15(1) to (3) (Withdrawal of accrued benefits) of the MPF Ordinance do not apply to voluntary contributions - see s. 11(8) of the MPF Ordinance*

3.1 Without prejudice to Paragraph 3.2, where a Participation Agreement requires a Member to make Voluntary Contributions then (subject as provided below) the relevant Member must make Voluntary Contributions in accordance with that Participation Agreement.

3.1.1 A Self-Employed Member or an SVC Member who has agreed in the relevant Participation Agreement to pay Member's Voluntary Contributions may at any time in his or her absolute discretion reduce or suspend payment of such Member's Voluntary Contributions by giving not less than one month's notice (or such shorter period of notice as the Trustee may in its discretion agree to accept) to the Trustee in the specified form to this effect, such notice to take effect from the last day of the calendar month in which such notice expires.

3.1.2 The obligation of a Member who is an Eligible Employee of an Employer to pay Member's Voluntary Contributions pursuant to the relevant Participation Agreement shall cease where the Employer of such Member reduces or suspends the payment of Employer's Voluntary Contributions in respect of the Member in accordance with Paragraph 4.1.

3.2 Unless otherwise prohibited by the MPF Ordinance or the Regulation, a Member may at any time elect to make Member's Voluntary Contributions. An election to make Member's Voluntary Contributions:-

3.2.1 shall be in the specified form;

*Note: s. 10 MPF Ordinance*

3.2.2 shall contain such information as the Trustee may reasonably require, including the method of calculation and the frequency of payment of such Member's Voluntary Contributions;

3.2.3 shall be given to the Trustee and (if applicable) the Employer of the relevant Member; and

3.2.4 unless otherwise agreed with the Trustee and (if applicable) the Employer of the relevant Member, shall take effect from the date the Trustee receives such election.

*Note: ss. 10, 11 MPF Ordinance*

3.2A The Trustee may in its discretion refuse to allow or accept Member's Voluntary Contributions in respect of an SVC Member.

3.3 An election made under Paragraph 3.2 may be revoked by the relevant Member by notice to the Trustee and (if applicable) the Employer of the relevant Member in the specified form. Unless otherwise agreed with the Trustee and (if applicable) the Employer of the relevant Member, such revocation shall take effect from the date the Trustee receives such revocation.

3.4 Unless otherwise agreed with the Trustee, Member's Voluntary Contributions shall be paid to the Trustee at the same time and in the same manner as Member's Mandatory Contributions. An Employer must, on the request of a Member employed by the Employer, pay to the Trustee any Member's Voluntary Contributions of that Member.

*Note: s. 33(2)(a) General Regulation*

3.5 Member's Voluntary Contributions shall at all times be fully vested in the relevant Member.

*Note: s. 33(2)(c) General Regulation*

#### **4. EMPLOYER'S VOLUNTARY CONTRIBUTIONS**

*Note: ss. 12 (Contributions to vest in scheme member as accrued benefits), 13 (Preservation of accrued benefits derived from contributions), 14 (Portability of accrued benefits) and 15(1) to (3) (Withdrawal of accrued benefits) of the MPF Ordinance do not apply to voluntary contributions - see s. 11(8) of the MPF Ordinance*

4.1 Without prejudice to Paragraph 4.2, where a Participation Agreement requires an Employer to make Employer's Voluntary Contributions then (subject as provided below) the relevant Employer must make Employer's Voluntary Contributions in accordance with that Participation Agreement.

4.1.1 An Employer who has agreed in the relevant Participation Agreement to pay Employer's Voluntary Contributions may at any time in its absolute discretion reduce or suspend payment of such Employer's Voluntary Contributions by giving three (3) months' notice (or such shorter period of notice as the Trustee may agree) to the Trustee in the specified form and to each relevant Member employed by such Employer to this effect. The reduction or suspension 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.

4.1.2 A notice given pursuant to Paragraph 4.1.1 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 shall be reduced or suspended to the extent specified in the notice except in respect of any amounts due on or before the date upon which the notice takes effect.

4.2 An Employer may at any time elect to make Employer's Voluntary Contributions in respect of all or some only of the Members employed by such Employer. An election to make Employer's Voluntary Contributions:-

4.2.1 shall be in the specified form;

*Note: s. 10 MPF Ordinance*

4.2.2 shall contain such information as the Trustee may reasonably require, including the method of calculation and the frequency of payment of such

Employer's Voluntary Contributions and the Members in respect of whom such Employer's Voluntary Contributions will be made;

4.2.3 shall be given to the Trustee; and

4.2.4 unless otherwise agreed with the Trustee, shall take effect from the date the Trustee receives such election.

*Note: ss. 10, 11 MPF Ordinance*

4.3 An election made under Paragraph 4.2 may be revoked by the relevant Employer by notice to the Trustee in the specified form and to each relevant Member employed by such Employer. Unless otherwise agreed with the Trustee, such revocation shall take effect from the date the Trustee receives such revocation.

4.4 Unless otherwise agreed with the Trustee, Employer's Voluntary Contributions shall be paid to the Trustee at the same time and in the same manner as Employer's Mandatory Contributions.

4.5 Subject as otherwise provided in this Deed or the relevant Participation Agreement, Employer's Voluntary Contributions shall at all times be fully vested in the relevant Member.

*Note: s. 33(2)(b) General Regulation*

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

5.1 The Trustee shall accept all Contributions paid to or to the account of the Trustee for the purposes of the Plan and shall hold and deal with such Contributions in accordance with this Deed and any relevant Participation Agreement.

*Note: s. 32(1) General Regulation*

5.2 On receipt of Contributions, the Trustee shall:-

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

- 5.2.2 credit Member's Mandatory Contributions to the Member's Mandatory Contribution Balance of the relevant Member;
- 5.2.3 credit Employer's Voluntary Contributions to the Employer's Voluntary Contribution Balance of the relevant Member;
- 5.2.4 credit Member's Voluntary Contributions to the Member's Voluntary Contribution Balance of the relevant Member;

*Note: s. 12(1) MPF Ordinance, s. 138 General Regulation*

- 5.2.5 credit Member's TVC to the Member's TVC Balance of the relevant Member.

- 5.3 The Trustee shall invest Contributions received for the account of a Member in Units in accordance with this Deed and the Investment Mandate of that Member from time to time in effect on a Valuation Date for the relevant Constituent Fund or Constituent Funds within 20 Business Days (or such shorter period as the Trustee and the Sponsor may agree) of receipt of such Contributions in cleared funds or, if later, the Valuation Date for the relevant Constituent Fund or Constituent Funds next following the date of receipt of such Contributions in cleared funds. Pending such investment all moneys received for the account of a Member may be held by the Trustee in cash or on Deposit with any Authorized Financial Institution or Eligible Overseas Bank (including any Associate of the Trustee or the Sponsor).

*Note: para. B1.13 MPF Code*

## **6. ENTITLEMENT TO BENEFITS**

- 6.1 Subject to Paragraph 6.2 and 6.3, where:

- 6.1.1 a Member becomes entitled to benefits pursuant to this Deed in respect of Mandatory Contributions, the Trustee shall either, based on the Member's instructions (i) realize all or part of; or (ii) transfer to another voluntary contribution account in respect of the Member within the Plan as an SVC Member, the Units standing to the credit of the Employer's Mandatory Contribution Balance, the Member's Mandatory Contribution Balance and the Mandatory Transfer Balance of the relevant Member on (a) a



Valuation Date within 20 Business Days (or such shorter period as the Trustee and the Sponsor may agree) of the later of (i) the date the Member becomes entitled to such benefits, and (ii) the date the Trustee receives satisfactory notice and supporting documentation of such entitlement and such other documents as may be required by the Trustee or (b) if later, the Valuation Date for the relevant Constituent Fund or Constituent Funds next following the date the Trustee receives satisfactory notice and instructions together with supporting documentation of such entitlement and in any event make payments within the time limit specified under the Regulation;

- 6.1.2 a Member becomes entitled to benefits pursuant to this Deed in respect of Voluntary Contributions, the Trustee shall either based on the Member's instructions (i) realize all or part of; or (ii) transfer to another voluntary contribution account in respect of the Member within the Plan as an SVC Member, the Units standing to the credit of the Employer's Voluntary Contribution Balance (if any), the Member's Voluntary Contribution Balance (if any) and the Voluntary Transfer Balance (if any) of the relevant Member, on (a) a Valuation Date within 20 Business Days (or such shorter period as the Trustee and the Sponsor may agree) of the later of (i) the date the Member becomes entitled to such benefits, and (ii) the date the Trustee receives satisfactory notice and supporting documentation of such entitlement and such other documents as may be required by the Trustee or (b) if later, the Valuation Date for the relevant Constituent Fund or Constituent Funds next following the date the Trustee receives satisfactory notice and instructions together with supporting documentation of such entitlement and in any event make payments within the time limit specified under the Regulation.

*Note: para. B1.13 MPF Code*

- 6.2 A Member (other than an SVC Member) who has attained the Member's 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 Regulation, to either (i) receive a lump sum equal to; (ii) receive by instalments; or (iii) transfer to another voluntary contribution account in respect of the Member within the Plan as a SVC Member:-

- 6.2.1 the Mandatory Credit Balance of the relevant Member; and

6.2.2 subject to Paragraph 7.1 and unless the Participation Agreement applicable to the Member provides otherwise, the Voluntary Credit Balance of the relevant Member which in respect of the Employer's Voluntary Contribution shall be 100% vested. For the avoidance of doubt, in the event that a Member continues employment with an Employer after attaining Retirement Age, the Member shall not be entitled to receive the amount hereunder until the Member ceases employment with the Employer.

*Note: s. 15(1) MPF Ordinance, s. 159 General Regulation*

6.3 A Member (other than an SVC Member) who satisfies the requirements of section 15(2) and/or 15(3) 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 Regulation, to either (i) receive a lump sum equal to; (ii) receive by instalments (except for a Member whose entitlement is based on the circumstances specified under section 15(3) of the MPF Ordinance); or (iii) transfer to another voluntary contribution account in respect of the Member within the Plan as a SVC Member:-

6.3.1 the Mandatory Credit Balance of the relevant Member; and

6.3.2 subject to paragraph 7.1 and unless the Participation Agreement applicable to the Member provides otherwise, the Voluntary Credit Balance of the relevant Member which in the case of a Member who satisfy the requirements of sections 15(2) and/or 15(3) of the MPF Ordinance, the Employer's Voluntary Contribution shall be 100% vested.

*Note: ss. 15(2), (3) MPF Ordinance, ss. 160, 162-165 General Regulation*

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 Regulation, pay a lump sum equal to:-

6.4.1 the Mandatory Credit Balance of the relevant Member; and

6.4.2 unless the Participation Agreement applicable to the Member provides otherwise, the Voluntary Credit Balance of the relevant Member, which in respect of the Employer's Voluntary Contribution shall be 100% vested

to the persons entitled under the MPF Ordinance to receive such amount.

*Note: s. 15(4) MPF Ordinance, s. 161 General Regulation*

## 7. ENTITLEMENT TO VOLUNTARY CONTRIBUTIONS

- 7.1 Subject as otherwise provided in the relevant Participation Agreement, a Member (other than a Self-Employed Member or an Other Eligible Person) who ceases employment with an Employer shall be entitled on request to the Trustee in the specified form to payment of a lump sum or by instalments equal to the Voluntary Credit Balance of such Member provided that where a Member is dismissed from employment, the vested portion of the Employer's Voluntary Contribution may be 0% subject to the discretion of the Employer.

*Note: s. 33(3) General Regulation*

- 7.1A Notwithstanding Clause 7.1 and subject to such restrictions as may be determined by the Trustee, a Member who is an Eligible Employee of the Employer, shall at any time be entitled on request to the Trustee in the specified form to payment of a lump sum equal to all or part of Voluntary Transfer Balance of such Member.
- 7.2 Subject as otherwise provided in the relevant Participation Agreement, a Self-Employed Member and a Member who is an Other Eligible Person shall at any time be entitled on request to the Trustee in the specified form to payment of a lump sum equal to the aggregate of (a) the Member's Voluntary Contribution Balance and (b) the Voluntary Transfer Balance of such Member.
- 7.2A Subject as otherwise provided in the relevant Participation Agreement and subject to such restrictions as may be determined by the Trustee (including without limitation the number and frequency of requests during any one Accounting Period, any minimum withdrawal amount, any minimum remaining balance and any fee payable to the Trustee, the Sponsor or their Associates), an SVC Member shall at any time be entitled on request to the Trustee in the specified form to payment of a lump sum equal to all or part of the aggregate of (a) the SVC Member's Voluntary Contribution Balance and (b) the Voluntary Transfer Balance of such SVC Member.
- 7.2B Upon expiry of a notice given by an SVC Member in accordance with Clause 10.4, the Trustee shall pay to the SVC Member a lump sum equal

to the aggregate of (a) the SVC Member's Voluntary Contribution Balance and (b) the Voluntary Transfer Balance of such SVC Member.

7.3 Where in respect of a Member:-

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

7.3.2 the Employer has failed to make such Employer's Voluntary Contributions within 6 months (or such other period as may be prescribed by the Regulation) after the end of the period determined in accordance with section 33(3) of the Regulation,-

the Member shall be entitled on giving notice to the Trustee in the specified form to receive a lump sum equal to the Voluntary Credit Balance of that Member.

*Note: s. 12A MPF Ordinance, s. 33(3) General Regulation*

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

7.5 On the termination of employment of a Member with an Employer, the Trustee shall apply any amount of the Employer's Voluntary Contribution Balance of such Member which is not otherwise paid or transferred in accordance with this Deed or any relevant Participation Agreement as the relevant Employer may direct in writing to:-

7.5.1 reduce Contributions due to the Plan from the Employer; and/or

7.5.2 pay any fees, costs or expenses relating to the Plan and payable by the Employer; and/or

7.5.3 refund all or part of such amount to the Employer

or otherwise as the Employer may direct in writing.

## **8. SEVERANCE PAYMENTS AND LONG SERVICE PAYMENTS**

- 8.1 An Employer may make an application to the Trustee in the specified form for payment to the Employer of any amount which the 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 referred to in this sub-paragraph as the "Relevant Amount"). Subject to the MPF Ordinance, on receipt of such application the Trustee shall pay the Relevant Amount to the Employer:-
- 8.1.1 out of the vested portion of the Employer's Voluntary Contribution Balance (if any) of the relevant Member; and
- 8.1.2 if after payment under Paragraph 8.1.1 any part of the Relevant Amount remains outstanding, out of the Employer's Mandatory Contribution Balance of the relevant Member.
- 8.2 A Member or an Employer in respect of a Member may make an application to the Trustee in the specified form for payment to the 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 referred to in this sub-paragraph as the "Relevant Amount"). Subject to the MPF Ordinance, on receipt of such application the Trustee shall pay the Relevant Amount to the relevant Member:-
- 8.2.1 out of the vested portion of the Employer's Voluntary Contribution Balance (if any) of the relevant Member; and
- 8.2.2 if after payment under Paragraph 8.2.1 any part of the Relevant Amount remains outstanding, out of the Employer's Mandatory Contribution Balance of the relevant Member.
- 8.3 No payment shall be made out of the Plan pursuant to this Paragraph in respect of the excess (if any) of the Relevant Amount over the aggregate of the Employer's Mandatory Contribution Balance and the vested portion of the Employer's Voluntary Contribution Balance of the relevant Member.

## 9. DEDUCTIONS FROM BENEFITS AND RESTRICTIONS ON ALIENATION

*Note: This paragraph is applicable to voluntary contributions only*

- 9.1 In this Paragraph, references to "**Relevant Benefits**" means in respect of a Member so much of the benefits payable to the Member pursuant to this Deed or any relevant Participation Agreement as relate to the Voluntary Credit Balance of such Member.
- 9.2 Where Relevant Benefits become payable to a Member pursuant to this Deed or the relevant Participation Agreement, the Trustee shall on the written direction of the Employer of such Member deduct from the Relevant Benefits of such Member the amount of any debts which the Member owes to the Employer but only to the extent that the Member has acknowledged such debts in writing. The Trustee shall pay such amount to the Employer for its own benefit.
- 9.3 An Employer shall have a lien over the Relevant Benefits payable to a Member employed by that Employer for any losses of the Employer arising directly from any dishonest acts committed by such Member. The Trustee shall on the direction of the Employer and on receipt of evidence of the Employer's losses deduct from the Relevant Benefits payable to the Member the amount of such losses. The Trustee shall pay such amount to the Employer for its own benefit.
- 9.3A Notwithstanding any other provisions of this Deed, any reference to "Member" in Paragraphs 9.2 and 9.3 shall exclude any Member who is an employee of a Master Trust Employer (whether or not such Member is a Master Trust Member)(a "**Relevant Master Trust Member**") (to which the following Paragraph 9.3B shall apply).
- 9.3B In respect of a Member who is a Relevant Master Trust Member, the following shall apply:
- 9.3B.1 The interest of any Relevant Master Trust Member (who is employed by an Employer) or any other person derived from Voluntary Contributions kept under the Plan shall stand charged with the payment of any debts or liabilities to an Employer arising out of any criminal, negligent or fraudulent act or omission of such Relevant Master Trust Member, as

certified to the Trustee by the Employer.

9.3B.2 Where any liability arises to pay any tax or other expenses in respect of any Accrued Benefits under the Plan, the Trustee may deduct the amount payable from the Accrued Benefits.

9.3B.3 The provisions of this Clause 9.3B are subject always to any contrary provisions of the MPF Ordinance or the Regulation or any other contrary requirement of any regulatory authority having jurisdiction over the Plan and/or any Constituent Fund.

9.4 If there is any dispute as to the amount of any debt or loss or the right of the Employer to direct the Trustee to deduct such amount, the Trustee shall hold the amount notified to the Trustee by the Employer separate from the Plan pending resolution of the dispute. The Trustee may hold such amount in cash or on Deposit with any Authorized Financial Institution or Eligible Overseas Bank (including any Associate of the Trustee or the Sponsor). On resolution of the dispute the Trustee shall pay such amount to the Employer or the Member, as the case may be.

9.5 Subject to Paragraph 9.6, if any person who is prospectively or contingently entitled to Relevant Benefits under the Plan (a “**Protected Person**”):

9.5.1 assigns or charges such Relevant Benefits or attempts or purports to do so;  
or

9.5.2 is adjudicated bankrupt or becomes so financially embarrassed that, in the opinion of the Trustee, such Relevant Benefits would be attached for the benefit of the Protected Person’s creditors, -

then:-

9.5.3 the Protected Person will forfeit all rights to such Relevant Benefits; and

9.5.4 the Trustee may hold such Relevant Benefits with the power to pay or apply all or part of them to or for the benefit of such one or more of the close relatives (as defined in the MPF Ordinance) of the Protected Person as the Trustee may in its absolute discretion determine.



9.5.5 The Trustee must not exercise the power in Paragraph 9.5.4 in any way which would result in a payment to any purported assignee or chargee. Any Relevant Benefits not dealt with in accordance with Paragraph 9.5.4 shall be treated as Unclaimed Benefits and shall be dealt with in accordance with Paragraph 10.

9.5A Notwithstanding any other provisions of this Deed, Paragraph 9.5 shall not apply to any Relevant Benefits to which a Relevant Master Trust Member is prospectively or contingently entitled.

9.6 Paragraph 9.5 does not apply in respect of the Relevant Benefits of SVC Members.

## **10. UNCLAIMED BENEFITS**

*Note: ss. 170, 171, 172, 174 General Regulation*

10.1 Where any amounts due to a Member are to be treated as Unclaimed Benefits the Trustee shall:-

10.1.1 transfer such amounts in the books of the Plan to the Unclaimed Benefits Account and record the interest of the relevant Member in the Unclaimed Benefits Account; and

10.1.2 continue to hold such amounts for such period as may be prescribed by the Regulation and shall:-

10.1.3 where such amounts are invested in one or more Constituent Funds immediately prior to being treated as Unclaimed Benefits, continue to invest such amounts in such Constituent Fund or Constituent Funds;

10.1.4 where such amounts are not invested in one or more of the Constituent Funds immediately prior to being treated as Unclaimed Benefits, invest such amounts in the Default Fund on a Valuation Date for the Default Fund within 20 Business Days (or such shorter period as the Trustee and the Sponsor may agree) of the date on which such amounts are to be treated as Unclaimed Benefits or, if later, the Valuation Date for the

Default Fund next following the date on which such amounts are to be treated as Unclaimed Benefits.

10.2 Where the Trustee receives a request in the specified form from a Member having an interest in the Unclaimed Benefits Account (or, on the death of a Member, where the Trustee receives a request in the specified form from a personal representative of the Member and on the personal representative complying with such other requirements as may be imposed by the Regulation), the Trustee shall:-

10.2.1 realise the Units standing to the credit of the Unclaimed Benefits Account which are attributable to the relevant Member on a Valuation Date for the relevant Constituent Fund or Constituent Funds within 20 Business Days (or such shorter period as the Trustee and the Sponsor may agree) of the date the Trustee receives such request or, if later, the Valuation Date for the relevant Constituent Fund or Constituent Funds next following the date the Trustee receives such request; and

10.2.2 pay the proceeds of realisation to the relevant Member or personal representative, as the case may be.