

DATED 20 MARCH 2023

**AIA COMPANY (TRUSTEE) LIMITED**  
and

**AIA COMPANY LIMITED**

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AMENDED AND RESTATED MASTER TRUST DEED

establishing the  
AIA MPF – PRIME VALUE CHOICE

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THIS DEED is made on 20 MARCH

2023

BY

- (1) AIA COMPANY (TRUSTEE) LIMITED (formerly known as AMERICAN INTERNATIONAL ASSURANCE COMPANY (TRUSTEE) LIMITED) whose registered office is at 11/F, AIA Hong Kong Tower, 734 King's Road, Quarry Bay, Hong Kong (the "Trustee"), and
- (2) AIA COMPANY LIMITED (formerly known as AMERICAN INTERNATIONAL ASSURANCE COMPANY, LIMITED) whose registered office is at 35/F, AIA Central, 1 Connaught Road Central, Hong Kong (the "Sponsor").

WHEREAS:

- (A) The Sponsor established the master trust scheme known as AIA MPF - Prime Value Choice by the execution of a master trust deed between the Sponsor, PineBridge Investments Asia Limited (formerly known as AIG Global Investment Corporation (Hong Kong) Limited) ("**PineBridge**"), JF Asset Management Limited ("**JF**") and the Trustee dated 31 January 2000 (as amended from time to time) (the "**Original Trust Deed**").
- (B) PineBridge's and JF's respective appointments as investment managers of certain Constituent Funds (the "**Relevant Constituent Funds**") under the Scheme were effected by amended and restated investment management agreements entered into between (i) PineBridge and the Trustee dated 25 November 2009 (as amended from time to time); and (ii) JF and the Trustee dated 29 November 2000 (as amended from time to time) (collectively, the "**Investment Management Agreements**"). The Investment Management Agreements set out the rights and obligations of the respective investment managers of the Scheme.
- (C) With effect from 21 June 2023, PineBridge and JF will be removed as the investment managers of the Relevant Constituent Funds. Following such removal, PineBridge and JF will not be operators at the Scheme level. The Trustee therefore considers that PineBridge and JF should be removed as parties to the Deed following their removal as investment managers. The Trustee is of the view that the removal of PineBridge and JF as parties to the Deed would facilitate the operational efficiency of the Scheme.
- (D) Clause 20 of the Original Trust Deed provides that the Trustee, with the consent of the Sponsor, may by deed amend all or any of the provisions of the Deed and the Rules, subject to the limitations therein contained.
- (E) In exercise of its power under Clause 20 of the Original Trust Deed, the Trustee wishes to amend the Deed by replacing the Original Trust Deed in its entirety with this amended and restated master trust deed (the "**Trust Deed**") with effect from 21 June 2023 (the "**Effective Date**") so as to remove PineBridge and JF as parties to the Trust Deed, remove the provisions relating to PineBridge's and JF's role as investment

managers of the Relevant Constituent Funds. The Sponsor consents to these changes, whose consent is evidenced by its execution of this Trust Deed.

**NOW THIS DEED PROVIDES:**

**PART I – TRUST DEED**

**1. INTERPRETATION AND CONSTRUCTION**

**A Definitions and construction**

The definitions and rules of construction set out in the Schedule to this Deed apply throughout this Deed.

**B Schedules**

Any Schedules to this Deed form part of it.

**C Governing law**

This Deed is to be subject to and construed in accordance with the laws of Hong Kong.

**D Meaning of "person"**

Any reference to a person includes an individual, a body corporate, a partnership, any other unincorporated body or association of persons and any state or state agency.

**2. CONSTITUTION OF THE SCHEME**

**A Establishment of the Scheme**

The Sponsor establishes the Scheme under irrevocable trusts to begin on, and to operate with effect from and including, the Scheme Commencement Date.

**B Name of the Scheme**

- (i) The Scheme is called the AIA MPF – Prime Value Choice (友邦強積金優選計劃).

**C Existence of trust**

The Trustee holds the capital and income of the Trust Assets upon trust to be applied in accordance with the provisions of this Deed.

**D Trustee to hold Trust Assets**

Subject to Clauses 5(D), 7(D) and 7(E), the Trust Assets are to be held under the legal control of the Trustee.

E Perpetuity Period

The trust established by this Deed shall continue until terminated in accordance with this Deed.

3. THE TRUSTEE

A Nature

For so long as the Scheme is a Registered Scheme any Trustee must be an Approved Trustee which is a company.

B Appointment and removal

Subject to Clause 3(A) and to the appropriate provisions of the MPF Legislation, the Sponsor may by deed:-

- (i) remove on not less than the 3 month's notice from office the Trustee by deed, or
- (ii) appoint a new Trustee in place of a Trustee who for any reason ceases to be a trustee.

4. RETIREMENT OF TRUSTEE

(i) Subject to (ii) below, where the Trustee:

- gives not less than 6 months' (or such shorter period as the Sponsor may agree) notice in writing to the Sponsor, and
- executes such documents and does such things as may be necessary to transfer any Trust Assets registered in his name,

he is deemed to have retired from the trusts of the Scheme.

(ii) Notwithstanding (i) above, for so long as the Scheme is a Registered Scheme, a Trustee may only retire from the trust:-

- on the appointment of a replacement trustee which is an Approved Trustee, and
- in accordance with the MPF Legislation.

5. GENERAL POWERS OF TRUSTEE

A General powers of Trustee

- (i) Subject to Clause 5(A)(ii), the Trustee may exercise all the powers, rights and privileges in connection with the Scheme necessary or proper to enable it to carry out all or any transaction, act, deed or thing arising under, or in connection with, the Scheme.
- (ii) Nothing in Clause 5(A)(i) is to be construed so as:
  - (a) to confer on the Trustee any power, right or privilege which is conferred on the Sponsor, any Investment Manager or any Employer by any other provision of this Deed, or
  - (b) to authorise the Trustee to exercise any power, right or privilege without the consent or agreement of the Sponsor or any Employer where that consent or agreement is required under any other provision of this Deed.

#### B Insurance

- (i) Subject to (ii) and (iii), the Trustee may effect such assurance or insurance as it considers prudent in connection with the Scheme (including in respect of any action, claim or demand made against, or loss suffered by, the Trustee or the employees, agents, delegates or officers of the Trustee).
- (ii) Notwithstanding the generality of (i) above, the Trustee may not use any part of the Trust Assets to effect insurance against any liability for which it would not be indemnified under Clause 8(F).
- (iii) The Trustee shall use its reasonable endeavours to procure that "adequate insurance" (as defined in the General Regulation) is acquired and maintained for the benefit of Beneficiaries in such form and manner as satisfies the requirements of Section 29 of the General Regulation.

#### C Gifts

The Trustee may accept gifts and apply them in such manner as it may decide for the purposes of the Scheme.

#### D Safe custody of Trust Assets

- (i) The Trustee must, subject to (ii) below, appoint (in accordance with the appropriate provisions of the MPF Legislation) a custodian (or, when considered appropriate, more than one custodian) who satisfies the appropriate requirements of the MPF Legislation to act as custodian of the Trust Assets,
- (ii) Notwithstanding (i) above, the Trustee shall not be obliged to appoint a Custodian where the Trustee is an "eligible person" (as defined in Section 50(4) of the General Regulation).

#### E Information from the Sponsor and Employers

- (i) The Sponsor and each Employer must, for the purposes of the administration of the Scheme, do all things and give to the Trustee all information in their power or possession which the Trustee may reasonably request.
- (ii) The Trustee shall be entitled to disclose such information obtained from an Employer, Member, Beneficiary or other persons and/or information obtained in the exercise or performance of the functions of the Trustee within the parameters specified in section 42AAB of the MPF Ordinance and other applicable legislation.

F Power to extend time limits

- (i) Subject to (ii) below, where any period (other than the period relating to the notice required to be given by a Trustee in order to retire under Clause 4) or date is specified in this Deed:
  - (a) as the period within which or the date by which anything is to be done, or
  - (b) as applying to or in respect of an Employee who is eligible for membership or a Member,the Trustee may, on written application being made for that purpose (notwithstanding that such period has expired or that such date has passed), extend that period or fix a later date on such terms and conditions as it may prescribe.
- (ii) Notwithstanding the generality of (i) above, the Trustee must not extend any period or fix any later date where such extension or change of date would result in breach of the MPF Legislation.

G Power to take and defend proceedings and settle disputes

- (i) The Trustee may:
  - (a) start, carry on and defend proceedings relating in any way to the Scheme, and
  - (b) settle, compromise or submit to arbitration any claim or matter relating in any way to the Scheme.
- (ii) For the avoidance of doubt the leave of the court is not required to take any action under Clause 5(G)(i) and the costs, charges and expenses incurred by the Trustee in connection with any action taken under Clause 5(G)(i) are payable in accordance with Clause 15.

H Power to appoint advisers

The Trustee may:

- (i) appoint advisers to advise the Trustee in connection with the Scheme or on the exercise or non-exercise by the Trustee of any power, discretion or right conferred on the Trustee by this Deed,
- (ii) remove any adviser and appoint another in place of that adviser in accordance with Clause 5(H)(i), and
- (iii) pay such fees to any adviser as the Sponsor and the Trustee may agree to be an expense of the Scheme and such fees will be payable in accordance with Clause 15.

I Treatment of excess payments by the Employer

Subject to the provisions of the MPF Legislation, where any funds, monies or other amounts are paid to the Trustee by an Employer in excess of the amounts which an Employer is obliged to pay to the Scheme in accordance with the Rules, such amounts may, where the Sponsor so directs the Trustee, be transferred to the Reserve Account of the Employer and applied in accordance with Rule 15.

J Tax-related filings, reporting and disclosures

- (i) Subject to the applicable laws and regulations of Hong Kong and other jurisdictions, the Trustee and/or any of its authorised person(s) shall have the power to sign and/or file any returns, elections, and statement by the Scheme with any Tax Authorities, report or disclose Reportable Information regarding any person or entity considered to be Account Holder or Controlling Person of the Scheme under the AEOI to enable the Scheme to comply with applicable laws and regulations of Hong Kong and other jurisdictions.
- (ii) The Trustee may, to the extent not prohibited by applicable law including AEOI, engage, employ or authorise any individual or entity (including but not limited to third-party service providers, the Trustee's affiliates, subsidiaries, associated entities, and any of their branches and offices) (each, for the purposes of this Clause, an "**authorised person**") to:
  - (A) assist the Scheme with the fulfilment of its obligations under AEOI; and/or
  - (B) act on the Scheme's behalf in relation to its obligations under AEOI.
- (iii) Each Member, Employer and any other individual or entity considered to be Account Holder or Controlling Person of an Account Holder (where applicable) of the Scheme must:
  - (A) upon demand by the Trustee and/or any of its authorised person(s), provide any form, certification and other information that the Trustee and/or any of its authorised person(s) may at their sole discretion from



- time to time require (the "**Required Information**") in order to satisfy the Scheme's obligations under AEOI;
- (B) update or replace any Required Information;
  - (C) comply with any reporting obligations imposed by Hong Kong or any other jurisdiction; and
  - (D) assist the Scheme in complying with any of the due diligence and reporting obligations imposed on the Scheme under AEOI.
- (iv) Notwithstanding any other provisions of this Deed, to the extent not prohibited by applicable law, each of the Trustee and its authorised persons shall have the power to:
- (A) demand from any Account Holder or Controlling Person of an Account Holder (where applicable) the information the Scheme needs in order to fulfil the Scheme's obligations under AEOI;
  - (B) refuse to accept any applicant to the Scheme;
  - (C) refuse or delay in making any payment to any Account Holder before receiving the Required Information from the applicant or Account Holder (as the case may be);
  - (D) share with any Tax Authority the information it has in respect of any Account Holder or Account Holder or Controlling Person of an Account Holder (where applicable);
  - (E) take or refrain from taking any other actions with respect to the applicant or Account Holder (as the case may be), to the extent not prohibited by law; and
  - (F) share the Required Information of any Account Holder or Controlling Person of an Account Holder (where applicable) of the Scheme with the Trustee or any of the Trustee's authorised persons.

## 6. INVESTMENT PROVISIONS

### A General power of investment

- (i) For so long as the Scheme is a Registered Scheme the Trustee must, subject to Clause 6(F) below, procure that the Trust Assets are, at all times, invested in accordance with the requirements of those parts of the MPF Legislation from time to time applicable to the Scheme as a Registered Scheme and, in particular, the restrictions on investment of assets of a Registered Scheme set out in:-
  - (a) Section 36 of the General Regulation,

- (b) Section 37 of the General Regulation,
  - (c) Section 40 of the General Regulation, and
  - (d) Schedule 1 to the General Regulation.
- (ii) Subject to (i) above, the Trustee must procure that the Trust Assets are invested in the Constituent Funds subject to Rule 18(b)(iii).
  - (iii) The Trustee must use its reasonable endeavours to procure that there is at all times, in respect of each Constituent Fund, a statement of investment policy (in such form as to comply with Section 38(2) of the General Regulation) in existence.
  - (iv) Notwithstanding any other provisions of this Deed, the Trustee must ensure that the Default Investment Strategy is available under the Scheme for selection by Members and any investment related to the Default Investment Strategy must accord with Part 4AA and Part 2 of Schedule 10 of the MPF Ordinance.

**B** Specific power of investment

Subject to Clause 6(A) and to the appropriate provisions of the MPF Legislation (but without prejudice to the generality of Clause 6(C)), the Trustee may invest all or any part of the Trust Assets in all or any of the following:

- (i) contracts or policies effected with any insurance company,
- (ii) stock, shares, debentures, debenture stock, bearer securities or other investments,
- (iii) any interest in land or property,
- (iv) units in unit trusts or funds,
- (v) deposit or current accounts with any local authority or bank or insurance company or building society or finance company at such rate of interest (if any) and upon such terms as the Trustee thinks fit, and
- (vi) subject to Clause 6(E), by making loans (whether or not secured) to such persons upon such terms as the Trustee thinks fit.

**C** Power to enter into any lawful transaction

Subject to Clause 6(A) and to the appropriate provisions of the MPF Legislation (and, in particular, Sections 51, 52, 53, 65 and Schedule 1 of the General Regulation), the Trustee may engage in any lawful transaction which is not authorised by any of the other provisions of this Deed and which in its opinion would benefit the Beneficiaries

or the Scheme. In particular (but without prejudice to the generality of the foregoing), the Trustee may:

- (i) borrow money,
- (ii) give guarantees, indemnities and undertakings,
- (iii) acquire any asset (including works of art) whether revenue producing or not and whether or not of a terminable or wasting or reversionary nature,
- (iv) improve, repair and develop land and other property,
- (v) charge all or any part of the Trust Assets with the due repayment of and the payment of interest on, and the payment of expenses in connection with, any moneys borrowed by the Trustee or by any other person or as security for the due performance of any other obligation of the Trustee or any other person,
- (vi) underwrite, sub-underwrite or guarantee the subscription of any stock, shares, debentures, debenture stock, bearer securities or other investments,
- (vii) deal in foreign currencies either at the official rate of exchange or at any other rate and either for present or forward settlement,
- (viii) deal in commodities, commodity futures, financial futures and traded options, and
- (ix) lend or enter into any sale and repurchase or exchange of any Trust Assets whether overnight or for any longer or shorter period of time.

#### D Commingling

- (i) Subject to (iii) below, the Trustee may commingle all or any of the Trust Assets with the assets of any other fund, scheme or arrangement.
- (ii) In connection with any commingling the Trustee may enter into such arrangements as it thinks fit for the appointment of one or more Investment Managers of the commingled assets and Clause 7(E) applies with any necessary changes.
- (iii) Notwithstanding the generality of Clause 6(D)(i), the Trustee must ensure that the manner of application and administration of the Trust Assets complies with Section 64 of the General Regulation.

#### E Direction by Member, Personal Account Member or Employer

Where a Member, Personal Account Member or Employer makes a valid direction in relation to the manner of investment of any part of the Trust Assets in accordance with Rule 17 and the Trustee complies with such direction neither the Trustee nor any

Investment Manager shall be liable or responsible in any manner for the investment performance of that part of the Trust Assets so invested.

F Inadvertent breach

(i) Subject to (ii) below, it shall not be necessary for the Trustee immediately to effect changes in securities or other property forming part of any Trust Assets merely because, owing to appreciations or depreciations in the value of the whole or any part of the Trust Assets comprising the Constituent Funds and/or variations in exchange rates, any of the limitations or restrictions set out in the MPF Legislation shall be exceeded, or by reason of any such limitations or restrictions being exceeded as a result of:-

- (a) the receipt by the Trustee or its nominee of any rights, bonuses or benefits in the nature of capital, or
- (b) any scheme or arrangement for amalgamation, reconstruction, conversion or exchange, or
- (c) any payment out of the relevant Constituent Fund, or
- (d) any realisation of Units or assets forming part of the relevant Constituent Fund

but if and for so long as any such limitation or restriction shall be exceeded the Trustee shall procure that securities or other property shall not be purchased which would result in that limitation or restriction being further exceeded.

(ii) Notwithstanding (i) above, if any of the limitations or restrictions in the MPF Legislation shall at any time be exceeded, the Trustee shall, within a reasonable period of time thereafter, take all such steps as are necessary to remedy the situation after taking due account of the interests of Beneficiaries.

7. DELEGATION BY TRUSTEE

A General

- (i) Without prejudice to the following provisions of this Clause 7 but subject to the appropriate provisions of the MPF Legislation, the Trustee, with the consent of the Sponsor, may from time to time delegate any of its powers, duties and discretions to any person.
- (ii) Any delegation under Clause 7(A)(i) may be in terms which permit the delegate to sub-delegate to any person all or any of those powers, duties and discretions.
- (iii) Subject to (iv) below, the Trustee must supervise and exercise proper control over all service providers (as defined in the MPF Ordinance) appointed or engaged for the purposes of the Scheme.

- (iv) The Trustee will not be bound to supervise the proceedings of any auditor, solicitor or actuary to whom its powers or duties have been delegated or sub-delegated.

**B** Appointment of agents and staff

- (i) The Trustee may, with the consent of the Sponsor (such consent not required in respect of the employment of any person under a contract of service), from time to time employ or retain, on such terms as they may consider appropriate, such persons as the Trustee thinks fit in the transaction of any business of the Scheme or in the administration of the Scheme.
- (ii) Subject to Clause 7(B)(iii), a person employed or retained by the Trustee may (so long as he is acting in good faith) comply with any directions issued to him by the Trustee without being obliged to ascertain whether or not those directions are in accordance with the provisions of this Deed.
- (iii) Clauses 7(B)(i) and (ii) do not apply to any Investment Manager appointed under Clause 7(E) where Clause 7(E)(iv) will apply.
- (iv) The Trustee may, with the consent of the Sponsor (other than where the consent of the Sponsor is not required for the appointment of such person), remove any person appointed under Clause 7(B)(i) and appoint another person under that Clause.

**C** Receipts and discharges

- (i) The Trustee may from time to time in writing authorise any person to give receipts and discharges for any moneys or other property payable, transferable or deliverable to the Trustee and each receipt or discharge will be as valid as if it had been given by the Trustee.
- (ii) Where the written authority of the Trustee given in accordance with Clause 7(C)(i) is produced to any person, he may, unless he has received express notice in writing from the Trustee of its revocation, assume and act upon the assumption that the authority remains unrevoked.

**D** Custodian

The Trustee may, subject to Clause 5(D), appoint a company to act as custodian.

**E** Appointment, removal and retirement of Investment Managers

- (i) Subject to (v) below, the Trustee, with the consent of the Sponsor, may (and, where required by virtue of Section 44 of the General Regulation, must) appoint:
  - (a) any person to be an investment manager of all or any part of the Trust Assets, or

- (b) two or more persons to be investment managers at the same time of all or any part of the Trust Assets.
- (ii)
  - (a) the Trustee, with the consent of the Sponsor, may remove any Investment Manager by means of at least 6 months' notice in writing specifying the reason for such removal and appoint another person as Investment Manager in his place under Clause 7(E)(i).
  - (b) An Investment Manager may retire in accordance with the terms and conditions of the investment management agreement entered (or which may at any time be entered) into between the Trustee and the Investment Manager for the investment of the Trust assets, or for the investment of any Constituent Fund or Constituent Funds, as the case may be, provided that no removal or retirement of an Investment Manager shall take effect unless an Investment Manager has been appointed subject to the approval of the SFC.
  - (c) Upon its removal or retirement becoming effective and upon payment to the Trustee of all sums due by the retiring or removed Investment Manager in respect of the Scheme, the retiring or removed Investment Manager shall be released from all further obligations under this Deed but without prejudice to the rights of the Trustee or of any Member, Personal Account Member or Employer or other person in respect of any act or omission prior to such retirement or removal.
- (iii) The Trustee may:
  - (a) empower each Investment Manager to exercise or to carry out the powers of investment set out in Clause 6 and such of the other powers and duties of the Trustee as it thinks fit,
  - (b) empower each Investment Manager to engage in transactions for the account of the Scheme where the Investment Manager or persons connected with the Investment Manager are interested in the transaction or the transaction amounts to self-dealing on the part of the Investment Manager, and
  - (c) enter into agreements with any Investment Manager on such terms and subject to such conditions as the Trustee thinks fit and the Trustee will be deemed to have all powers necessary or convenient for this purpose.
- (iv) Each Investment Manager may (so long as he is acting in good faith and without negligence) comply with any directions issued to him by the Trustee without being obliged to ascertain whether or not those directions are in accordance with the provisions of this Deed.
- (v) Notwithstanding the generality of this Clause 7(E):-

- (a) any person appointed as an Investment Manager in accordance with Clause 7(E)(i) must satisfy such criteria of the MPF Legislation as are relevant to the Investment Manager of assets of a Registered Scheme (and, in particular, must be a registered investment adviser under the Securities Ordinance), and
- (b) any appointment of an Investment Manager under Clause 7(E)(i) must be on such terms as satisfy the appropriate restrictions of the MPF Legislation and, in particular, any Investment Manager must comply with Part V and Schedule 1 of the General Regulation.

F Remuneration

Where the Trustee appoints or employs or retains a person in accordance with the provisions of this Clause 7, the Trustee may pay him such remuneration or fees (if any) as the Trustee and the Sponsor may agree in accordance with the relevant provisions of Appendix A.

G Profits by associated companies

For the avoidance of doubt and without prejudice to the generality of Clause 8(G), the Sponsor, any custodian appointed under Clause 7(D), the Investment Manager and any other agent or delegate appointed by the Trustee or the Sponsor under the terms of this Deed may retain for their own use any profit derived from any transaction in relation to the Scheme notwithstanding that they are connected or associated with the Trustee or the Sponsor.

## 8. POSITION OF TRUSTEE

A Reliance upon professional advisers

Subject to Clause 8(E), where the Trustee relies upon the advice or opinion (whether or not obtained by them) of any professional adviser, it will not be responsible for any resulting loss.

B Reliance upon information provided by others

Subject to Clause 8(E), the Trustee may rely upon any information supplied to it by an Employer, the Sponsor, a Member, a Personal Account Member or any Investment Manager without being responsible for any resulting loss.

C May act notwithstanding personal interest or other fiduciary interest

- (i) Subject to (ii) below, the decision of, or the exercise of a power by, the Trustee will not be invalidated on the ground that the Trustee:

- (a) had a direct or indirect interest in the result of the decision or the exercise of the power, or
- (b) without prejudice to the generality of (a) above:
  - is a director or employee or shareholder of, or is otherwise interested in or connected with the Sponsor, any Employer or any other person, or
  - is otherwise interested in or connected to an Investment Manager, or
  - is a trustee of any other trust with which the Trustee is dealing.
- (ii) Any officer of the Trustee must, in accordance with section 61 of the General Regulation, disclose and record any matter that gives rise or may give rise, to a conflict of interests between that officer's duties as an officer of the Trustee and that officer's personal interests.

D Trustee as officer of an Employer

A Trustee who is or becomes a director of, or a holder of any other office or employment in any of, the Employers may retain any fees or remuneration received by him in connection with that office or employment notwithstanding that his retention of, or appointment to, the office or employment may be directly or indirectly due to the exercise or non-exercise of any votes by the Trustee.

E Extent of liability

- (i) The Trustee is not responsible, chargeable or liable in any manner whatsoever other than in respect of any liability of the Trustee set out in section 26 of the MPF Ordinance.
- (ii) Nothing in Clauses 8(A) or (B) in any way limits the Trustee's obligation under the MPF Legislation to supervise and exercise proper control over all service providers (as defined in the MPF Legislation)

F Indemnity

In addition to any indemnity granted by law, the Trustee is indemnified out of the Trust Assets against any liability incurred by the Trustee in the execution or professed execution of the trusts of the Scheme and in the management and administration of the Scheme other than any liability for which they are responsible, chargeable or liable under Clause 8(E).

G Remuneration

- (i) The Trustee may charge and be paid such remuneration for his services as may be agreed with the Sponsor.



- (ii) The Trustee, any firm in which a Trustee is a partner and any holding, subsidiary or associated company of a Trustee or in which a Trustee is interested, whether as an officer or shareholder, may retain any brokerage, commission, fee, remuneration, dividend (other than a dividend payable in respect of any of the Trust Assets) or other benefit payable directly or indirectly to him or it.
- (iii) Where a Trustee is a person engaged in any profession or business, he may charge and be paid all reasonable and usual professional, business and other charges for work done and time spent by him or his firm in connection with the Scheme whether in the ordinary course of his profession or business or not and including acts which a Trustee who is not in any profession or business could have done personally.

H No duty to act unless adequately protected

The Trustee will not be required to take any proceedings or steps in connection with the Scheme which may involve any costs, charges or expenses unless and until suitable provision is made to their satisfaction for the payment of all such costs, charges and expenses.

I Meaning of "Trustee" in Clause 8

In this Clause 8, the word "Trustee" includes:

- (i) (a) a director, officer or other employee of a Trustee which is a company, and
- (b) a partner or employee of a Trustee which is a firm, and
- (ii) a former Trustee in respect of his period of office as Trustee.

J Additional provisions

Without prejudice to the generality of the preceding provisions of this Clause 8 (but, for the avoidance of doubt, subject to section 26 of the MPF Ordinance), the Trustee:-

- (i) shall not be liable for any act or omission done or not done by the Trustee in good faith at the request of or on the advice of the Sponsor or any Investment Manager,
- (ii) may rely and act upon any direction given in writing by any Employer or such other person as the Employer may notify in writing to the Trustee,
- (iii) may, in valuing any part of the Trust Assets, use and rely upon any recognised mechanical or electronic system of valuation dissemination which provides a daily or more frequent valuation service,

- (iv) shall not be liable for any loss or depreciation of any of the Trust Assets,
- (v) shall only be accountable in respect of moneys actually received by the Trustee, and
- (vi) shall have the power generally to execute and do any act or thing as the Trustee may consider necessary or expedient for the purposes of the Scheme.

#### 9. PARTICIPATION IN SCHEME BY EMPLOYERS

##### A Admission to participation

- (i) The Trustee may, and must to extent required by the MPF Legislation, subject to the MPF Legislation, admit to participation in the Scheme:-
  - (a) any company, or
  - (b) any partnership, or
  - (c) any Self-Employed Person, or
  - (d) any other person who may be obliged to comply with the obligations Section 7 or 7C of the MPF Ordinance, or
  - (e) any other person who the Trustee permits to admit to participation.

Any such person admitted to participation is called in Clause 9(A) and (B), the "New Participant". Notwithstanding any other provision of this Deed, the Trustee may disallow any person, or reject any application of any person referred to in (e) to be an External Relevant Employee Participant without providing reasons.

- (ii) The New Participant must sign a document in favour of the Trustee, in terms approved by the Trustee and the Sponsor, except that for the New Participants who are transferred to the Scheme from AIA Basic and AIA Simple pursuant to the Restructure, the documents signed by such New Participants under AIA Basic and AIA Simple in favour of their respective trustees shall be deemed to have been signed in favour of the Trustee.
- (iii) The document referred to in (ii) above may, to the extent permitted by the Trustee and the Sponsor, set out certain matters concerning the payment of voluntary contributions to the Scheme, the circumstances in which such contributions are payable and such other matters as the Trustee and the Sponsor may agree.
- (iv) The Trustee and the Sponsor may make participation, or membership, in the Scheme subject to payment by the New Participant (or any specific class of New Participants), or a Personal Account Member, of such joining fee and/or annual fee as they may agree and as may be in accordance with the appropriate

provisions of the MPF Legislation. Such fee may be retained by the Trustee or the Sponsor (as appropriate) for their own use.

**B** Where participation of an Employer ceases

- (i) Where any of the events listed in Clause 9(C) occurs in relation to an Employer:
- (a) that Employer (in this Clause 9 called the "**Retiring Employer**") will cease to participate in the Scheme as from such date (in this Clause 9 called the "**Cessation Date**") as the Trustee may decide,
  - (b) the Trustee shall notify the MPF Authority of the cessation of participation of the Retiring Employer,
  - (c) Members who are employed by the Retiring Employer will cease to be Members of the Scheme on the Cessation Date,
  - (d) the following provisions of this Clause 9(B) will apply, and
  - (e) subject to the applicable provisions of the General Regulation (to the extent applicable) the Retiring Employer must pay to the Sponsor such charge or fee as the Retiring Employer, the Sponsor and the Trustee may agree (and which may, for the avoidance of doubt, be specified in any document referred to in Clause 9(A)(ii) above).
- (ii) On the cessation of participation of a Retiring Employer the Trust Assets attributable to the participation in the Scheme by the Retiring Employer and its Employees shall be dealt with in accordance with (iii) below.
- (iii) (a) The Trustee shall ascertain that part of the Trust Assets which is attributable to each Member who is an Employee of the Retiring Employer and which is credited to:-
- any MPF Balance of such Member (the "**MPF Portion**"), and
  - any Employer's Voluntary Balance or Member's Voluntary Balance of such Member (the "**AVC Portion**").
- (b) Each MPF Portion shall be dealt with in accordance with (iv) below.
- (c) Each AVC Portion (or, where the Employer considers appropriate and notifies the Trustee, that part of the AVC Portion less the non-vested part of the Employer's Voluntary Balance) shall, subject to the provisions of the MPF Legislation, be dealt with by means of:-
- (I) payment or transfer to such Registered Scheme as the Employer may determine and notify to the Trustee, or

- (II) where no notification is made under (I) above, payment or transfer to such other person (including the Member himself) as the Member in respect of which the appropriate AVC Portion is attributable may consent, or
  - (III) where there has been no notification or consent under (I) or (II) above, the AVC Portion of such Member shall be retained in the Scheme and the Member shall become Personal Account Member, provided that the Trustee reserves its right to disallow any Member to become a Personal Account Member to the extent not prohibited by law.
- (d) Any part of the Trust Assets which the Trustee determines are credited to the appropriate Reserve Account of the Retiring Employer (or any part of an Employer's Voluntary Balance not transferred under (c) above) shall be paid to the Retiring Employer.
- (iv)
    - (a) A Retiring Employer may nominate (in accordance with Part XII of the General Regulation) a Registered Scheme in which it is a participant as a recipient of the MPF Portion and upon receipt of an election to transfer such amount to such Registered Scheme the Trustee must comply with such election.
    - (b) If no valid election is made by the Retiring Employer under Part XII of the General Regulation each employee of the Retiring Employer who is also a Member will become a Personal Account Member in accordance with Rule 3(a).
    - (c) Where the Trustee makes a transfer in accordance with (a) above, no fees may be charged other than those permitted by section 34 of the General Regulation.
  - (v) The Trustee may impose such charge upon the AVC Portion and the MPF Portion in respect of any transfer under Clause 9(B)(iii) or (iv) above as it may agree with the Sponsor and as may be permitted by the MPF Legislation.

C Relevant events leading to cessation

The events referred to in Clause 9(B) are that:

- (i) the Employer gives notice in writing to the Trustee terminating its liability to contribute to the Scheme and such notice (without being revoked or rescinded) expires,
- (ii) to the extent permitted by the MPF Legislation and with the written consent of the Employer, the Trustee gives three months' notice in writing to an Employer terminating its participation in the Scheme, or

- (iii) the Trustee and the Employer agree in writing that the Employer's participation in the Scheme is to end on a particular date.

D Position of Retiring Employer

- (i) A Retiring Employer will have no liability to contribute to the Scheme in respect of any period beginning after the Cessation Date.
- (ii) A Retiring Employer will remain liable for any arrears of its contributions accrued or outstanding in respect of periods up to and including the Cessation Date.

E Clauses 21 or 21A to apply over Clause 9 in case of conflict

If an event specified in Clause 9(C) occurs at the same time or after an event specified in Clause 21(B) (or Clause 21A, as the case may be) and there is a conflict between the provisions of Clause 9 and those of Clause 21 (or Clause 21A, as the case may be), then the provisions of Clause 21 (or Clause 21A, as the case may be) will prevail.

9A. PARTICIPATION IN SCHEME BY TVC ACCOUNT HOLDERS

A Admission to participation

- (i) The Trustee may, and must to the extent required by the MPF Legislation, subject to the MPF Legislation, admit to participation in the Scheme any TVC Account Applicant. Any such TVC Account Applicant admitted to participation is called in this Deed, a "**TVC Account Holder**".
- (ii) A TVC Account Holder must sign a document (whether in paper or electronic form), in terms approved by the Trustee and the Sponsor.

B Where participation of a TVC Account Holder ceases

- (i) Where any of the circumstances under section 31(5)(c) or section 31(5A) of the General 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 Scheme as from such date (in this Clause called the "**Cessation Date**") as the Trustee may decide.
- (ii) The Retiring TVC Account Holder may nominate (in accordance with Part 12 of the General Regulation) a Registered Scheme in which he is a participant as a recipient of the TVC Balance and upon receipt of an election to transfer such amount to such Registered Scheme, the Trustee must comply with such election.
- (iii) If an event specified in this Clause 9A(B) above occurs at the same time or after an event specified in Clause 21(B) (or Clause 21A, as the case may be) and there is a conflict between the provisions of this Clause 9A(B) and those of Clause 21 (or Clause 21A, as the case may be), then the provisions of Clause 21 (or Clause 21A, as the case may be) will prevail.

10. SUBSTITUTION OF SPONSOR

A Meaning of "New Sponsor"

In this Clause 10, the expression "New Sponsor" means such company or person as the Trustee may designate as the "New Sponsor".

B Deed of Substitution

If with the consent of the Sponsor (unless it has been wound-up) and the Trustee the New Sponsor executes a deed poll in favour of the Trustee under which it undertakes the liabilities of the Sponsor under the Scheme, then:

- (i) the Sponsor will, to the extent that the New Sponsor assumes all of the existing and future obligations of the Sponsor, be released from all obligations under this Deed which apply to it, and
- (ii) this Deed will have effect as if the New Sponsor had been the Sponsor referred to in this Deed.

11. AUDITOR, SCHEME REPORT AND OTHER INFORMATION

A Appointment of Actuary

- (i) The Trustee, with the consent of the Sponsor, may appoint an Actuary to be the Actuary of the Scheme.
- (ii) The Trustee, with the consent of the Sponsor, may remove the Actuary and appoint another Actuary to be the Actuary of the Scheme.

- (iii) Where an Actuary has not been appointed and the Trustee is required to consult with or otherwise obtain the advice of the Actuary, the Trustee must consult with or otherwise obtain actuarial advice from an Actuary.

**B** Appointment of Auditor

- (i) The Trustee, with the consent of the Sponsor, must, subject to Clause 11(B)(ii), appoint an Auditor to be the Auditor on such terms as the Trustee and the Sponsor may agree with the Auditor.
- (ii) The Auditor must be a person qualified to act as an auditor of a Registered Scheme under the General Regulation.
- (iii) The Trustee, with the consent of the Sponsor, may remove the Auditor and appoint, in accordance with Clause 11(B)(i), another person to be the Auditor.

**C** Audited accounts

- (i) The Trustee must obtain within 6 months of the end of each Scheme Year audited accounts for that Scheme Year in accordance with Part VII of the General Regulation.
- (ii) The audited accounts will consist of the accounts and report by the Auditor.
- (iii) The first Scheme Year starts on the Scheme Commencement Date and ends 30th November, 2000.
- (iv) The Trustee, may select a period as the new Scheme Year to replace the previous period selected to be the Scheme Year.
- (v) An Employer may inspect the audited accounts at the registered office of the Trustee.

**D** Costs of Actuary and Auditor

The costs of employing an Actuary or an Auditor will be an expense of the Scheme payable in accordance with Clause 15.

**E** Scheme report, investment report and consolidated report

- (i) The Trustee must ensure that:-
  - a scheme report,
  - an investment report, and
  - a consolidated report,

are prepared in relation to the Scheme in accordance with sections 86, 87 and 89 of the General Regulation (and in compliance with the appropriate time limits set out in the General Regulation).

- (ii) The Trustee must prepare a statement of accounting policies in accordance with section 80 of the General Regulation.

F Provision of information to Members

- (i) Any Member may request from the Trustee for a copy of the consolidated report of the Scheme in respect of each of the immediately preceding 7 Scheme Years (or such fewer number of years as may have passed since the Scheme Commencement Date).
- (ii) The Trustee shall, upon receipt of a request pursuant to (i) above (and subject to payment of such fee as the Trustee may require and as may be permitted by the MPF Legislation), provide the Member with the appropriate copies of the consolidated report in accordance with section 90 of the General Regulation.

G MPF requirements

The Trustee must use its reasonable endeavours to comply, or procure compliance, with such provisions of Part VII of the General Regulation as are, from time to time applicable to the Scheme.

## 12. PAYMENT OF BENEFITS

A Payment of MPF Balances

- (i) Any benefit payable by the Trustee in accordance with Rule 8 must be:-
  - (a) paid by the Trustee, in one lump sum or (if applicable) in instalments (subject to section 15 of the MPF Ordinance) and within the appropriate time limits set out in section 166 of the General Regulation (which is subject to section 167 of the General Regulation), and
  - (b) accompanied by a benefit payment statement containing the information set out in section 168 of the General Regulation.
- (ii) Any Unclaimed Benefits must be dealt with or retained by the Trustee in accordance with the appropriate provisions of the MPF Legislation (and, in particular, Division 2 of Part XIII of the General Regulation).
- (iii) The Trustee shall only pay the benefits under Rule 8 after it has satisfied itself of the validity of the claim made for such payment (including completion of such document or form, in such form and on such terms, as the Trustee may, subject to the relevant MPF requirements, from time to time prescribe) and subject to other relevant MPF requirements.



- (iv) The necessary transaction costs of any payments from the Scheme (whether in the form of lump sum payments or payments in instalments) under Rule 8 may be charged to the Trust Assets to the extent permitted by the applicable provisions of the General Regulation. Any such necessary transaction costs imposed and received must be used to reimburse the relevant Constituent Fund of the Scheme.

**B Payment of Member's Voluntary Balance and Employer's Voluntary Balance**

- (i) This Clause 12(B) applies only in respect of benefits derived from the Member's Voluntary Balance or Employer's Voluntary Balance. In no circumstances shall this Clause 12(B) apply in respect of benefits derived from an MPF Balance.
- (ii) Where the Trustee, or the Sponsor, is liable or accountable for any tax or other imposition of any kind in respect of any payment to be made to or in respect of a Member or a Personal Account Member or on the death of a Member or a Personal Account Member, the Trustee may deduct from the payment an amount equal to the tax or other imposition.
- (iii)
  - (a) Without prejudice to Clause 13 the Trustee may pay benefits in such manner and at such times as it may determine.
  - (b) The payment of any benefit or any part of it by direct transfer to any bank or other account last notified by the Beneficiary to the Trustee is a complete discharge to the Trustee of the obligation to pay that benefit or that part of that benefit (whether or not the Beneficiary actually receives the payment).
  - (c) Where any payment of any benefit or any part of it is made by cheque, the posting of that cheque to the Beneficiary in a postage paid envelope addressed to the Beneficiary at the last address of the Beneficiary held in the Trustee's or in its agents' records is a complete discharge to the Trustee of the obligation to pay that benefit or that part of that benefit so long as the cheque is paid by the person on whom it is drawn (whether or not the Beneficiary actually received the payment).
- (iv)
  - (a) The Trustee may, subject to the provisions of the MPF Legislation and/or any other relevant regulations, withhold the payment of any benefit to which a Beneficiary is entitled from the Scheme until that Beneficiary produces such information or evidence as the Trustee may reasonably require.
  - (b) If any Beneficiary makes any misstatement as to any of the matters referred to in Clause 12(B)(iv)(a), the Trustee, on discovering the mistake may make such arrangements as it considers just by way of adjustment of any benefit.
- (v)
  - (a) This Clause 12(B)(v) does not apply on the death of a Member or Personal Account Member.

(b) If a benefit payable under this Clause 12(B) is not paid within 2 years after the date on which it was due for payment and the reason for the non-payment is:

- the failure of the Beneficiary entitled to it to claim it,
- the lack of knowledge by the Trustee of the existence of, or of the whereabouts of, that Beneficiary, or
- the lack of knowledge by the Trustee of any facts giving that Beneficiary the right to it,

then, to the extent permitted by the MPF Legislation the Beneficiary entitled to it is not entitled to claim that benefit or that instalment and the amount of such benefit or instalment shall be transferred to the appropriate Reserve Account or accrue to the Trust Assets generally (as the Trustee may determine).

(vi) (a) No interest is payable on any amount payable under this Deed which is paid after its due date unless the Trustee and the Sponsor otherwise decide.

(b) For the purpose of (a) above "interest" includes any amount which would be payable under any rule of trust law.

#### C Unclaimed Benefits

Where any benefits from the Scheme are Unclaimed Benefits, the Trustee must take such action and give such notices as may be required by the MPF Legislation. The Trustee must also provide particulars of the Members (and Personal Account Members, if appropriate) included in any such notices to the MPF Authority on or before the publication of any such notices.

#### D Currency of payment

All benefits from the Scheme will be paid in Hong Kong Dollars or, with the consent of the Member or Personal Account Member concerned and at the discretion of the Trustee and subject to the MPF Legislation, in such other currency as the Trustee may from time to time determine (on such terms as the Trustee may determine).

#### E No right to particular assets

No Member or Personal Account Member shall have any right, interest or share in any particular asset of the Trust Assets and no part of the Trust Assets shall belong to any Member or Personal Account Member, until such time as it becomes payable under the provisions of these Rules.

F MPF requirements

The Trustee must use its reasonable endeavours to comply with such requirements of the MPF Legislation as relate to:-

- the maintenance of any records in respect of any Member's and Personal Account Member's benefit entitlements, and
- the provision of information relating to transfers to a Member upon his ceasing to be an Employee.

G No interest payments

(i) Subject to Clause 12(A) the Trustee is not liable for payment of interest (whether or not actually accrued):-

- (a) on any Trust Assets held by the Trustees either pending investment or pending payment to a Member, Personal Account Member or Employer, or
- (b) on any asset being transferred to the Scheme or transferred from the Scheme or in the process of being credited to any of an MPF Account, Employer's Voluntary Account, Member's Voluntary Account, TVC Account or Reserve Account

whether or not any interest is actually earned on such amounts.

(ii) Any interest actually earned on amounts specified in (i) above shall form part of the Trust Assets and shall be dealt with in accordance with Clause 12(H) below.

H Amounts in transit

Any interest actually earned or accrued:-

- (i) on any Trust Assets held by the Trustee either pending investment or pending payment to a Member, Personal Account Member or Employer, or
- (ii) on any amounts being transferred to the Scheme or transferred from the Scheme or in the process of being credited to any account set out in Clause 12 (G)(ii) above,

shall be dealt with in such manner as the Sponsor may direct the Trustee in writing, to the extent not prohibited by the MPF Legislation.

13. DISPOSAL OF LUMP SUM DEATH BENEFITS

Where a lump sum becomes payable under Rule 7(c) or 9(c) on the death of a Member or a Personal Account Member, the Trustee must pay it to such one or more of that Member's

or Personal Account Member's personal representatives (as defined in the Probate and Administration Ordinance (Cap.10 of the laws of Hong Kong)) as applies for the benefit in accordance with Rule 7(c)(ii) or otherwise in accordance with the appropriate provisions of the MPF Legislation.

#### 14. ASSIGNMENT AND PROTECTIVE TRUSTS

##### A Consequences of purported assignment

Subject to (C) below, if:-

- (i) any individual (in this Clause 14 called a "**Protected Beneficiary**") assigns or charges any benefits arising under the Scheme or attempts or purports so to do, or
- (ii) a Protected Beneficiary is adjudicated bankrupt, or
- (iii) any other act is done or event happens whereby the benefit if belonging absolutely to the Protected Beneficiary would be vested in or payable to or charged in favour of any other person,

the Protected Beneficiary will forfeit all rights to any benefit from the Scheme.

##### B Protective trust provisions

If any benefit is forfeited in accordance with Clause 14(A), the Trustee may hold the forfeited benefit with the power, if it thinks fit, to pay or apply it or any part of it to or for the benefit of all or any one or more exclusively of the others of the Protected Beneficiary and his Beneficiaries but so that in no circumstances will any payment be made to a purported assignee or chargee.

##### C MPF Benefits

Notwithstanding the provisions of this Clause 14 no part of any Member's MPF Balance may be treated in any manner other than as permitted by the MPF Legislation.

**NOTE: Section 16 of MPF Ordinance deems any attempt to charge a benefit void.**

#### 15. EXPENSES

##### A Payment of expenses

Subject to the MPF Legislation and (D) and (E) below, all costs, charges, fees and expenses incurred in connection with or in relation to all or any part of the Trust Assets or the Scheme (whether by the Trustee, the Sponsor or any Investment Manager), will be payable out of and borne by the Trust Assets in such manner (including amortising such fees, costs and charges over such period as the Trustee and the Sponsor may agree) as the Trustee and the Sponsor may determine.

B Trustee and Sponsor remuneration

In addition to any other amounts to which they may be entitled under the Deed the Trustee and the Sponsor shall be paid from each Constituent Fund fees in accordance with the provisions of Appendix A to this Deed.

C Specific expenses

- (i) Without prejudice to the generality of Clause 15(A) above, the following costs and expenses shall be payable out of and borne by the Trust Assets in the manner determined by Clause 15(A):-
- (a) any costs and expenses in connection with any fee payable to the MPF Authority, the SFC or such other regulatory authority to which the Scheme, the Trustee or any Employer is subject,
  - (b) any levy imposed by the MPF Authority in accordance with section 17 of the MPF Ordinance.
  - (c) to the extent not prohibited by the MPF Legislation, 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 in relation to transactions involving the whole or any part of the Scheme, Custodian, co-custodian, sub-custodian and proxy fees and expenses, collection fees and expenses, insurance and security costs, and other costs, charges or expenses payable in respect of the acquisition, holding and realisation for disposal or other dealing with any investment or other property or any cash, depositor 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 any Investment Manager in the event of the Trustee or any Investment Manager rendering services or effecting transactions giving rise to such fees or expenses),
  - (d) the fees and expenses of the Auditors,
  - (e) the fees and expenses of the Administrator (including those of the Trustee where the Trustee is also acting as Administrator),
  - (f) the fees and expenses of any other adviser appointed by the Trustee under Clause 5(H),
  - (g) to the extent not prohibited by the MPF Legislation, the fees and expenses (including out of pocket expenses) of the Trustee or any Investment Manager incurred by such person in the exercise or performance of its powers, rights or obligations under this Deed or under the relevant investment management agreement entered or to be entered into between the Trustee and the relevant Investment Manager,

- (h) the expenses in connection with the management and trusteeship of the Scheme authorised by this Deed to be payable out of the Trust Assets,
  - (i) all legal charges and other advisory charges incurred by any Investment Manager or the Trustee in connection with the Scheme or the duties of the Trustee or any Investment Manager in respect thereof,
  - (j) without limitation to Clause 15(C)(i)(g) above and to the extent not prohibited by the MPF Legislation, the costs and expenses incurred by any Investment Manager or the Trustee in connection with the establishment of the Scheme or any Constituent Fund or in calculating the NAV of any Constituent Fund and the Unit Price of Units and the costs and expenses of the initial issue of Units of each class,
  - (k) the costs and expenses of or incidental to the preparation of deeds supplemental to this Deed,
  - (l) the costs and expenses of giving notices to or otherwise communicating with Employers, Members, Personal Account Members any Investment Manager, Administrator or Custodian,
  - (m) the costs and expenses of obtaining and maintaining authorisation or other official approval or sanction of the Scheme or any Constituent Fund under the MPF Ordinance,
  - (n) costs charged by the Trustee in terminating the Scheme or any Constituent Fund or any class of Units,
  - (o) the fees and expenses of the Trustee in connection with time and resources incurred by the Trustee in 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 Scheme,
  - (p) the costs and expenses of the Trustee 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 Scheme, and
  - (q) to the extent not prohibited by the MPF Legislation, the costs and expenses related to promotion, advertisement or other selling in respect of the Scheme.
- (ii) Notwithstanding Clause 15(A) above, any costs, fees and expenses (including any fees imposed under Clause 9(A)(iv)) which the Trustee and the Sponsor determine to be wholly attributable to a specific Employer, Member or Personal Account Member or the participation in the Scheme of the specific Employer

must be paid and borne by that Employer or that Member or that Personal Account Member (as the Trustee and the Sponsor may agree.) (iii)

Should the specific Employer, Member or Personal Account Member fail to pay to the Trustee any amount payable by such person under Clause 15(C)(ii), the Trustee may (and, where directed by the Sponsor, must), subject to the applicable provisions of the MPF Legislation, redeem such Units credited to:-

- (a) in respect of any amount outstanding from an Employer, the Reserve Account, and
- (b) in respect of any amount outstanding from a Member or Personal Account Member, his Member's Voluntary Account (and, if there is no Member's Voluntary Account, or the Member's Voluntary Balance is insufficient to cover the outstanding amount, his Employer's Voluntary Account.)

as are necessary in order to settle the amount outstanding and shall retain the proceeds of such redemption for its own benefit.

#### D MPF Conservative Fund

- (i) Notwithstanding any other provision of this Deed, no fees, charges or expenses shall be paid out of the MPF Conservative Fund except to the extent that such payment is permitted by the MPF Ordinance or the General Regulation.
- (ii) Subject to (i) above, the Trustee shall pay or accrue fees, charges and expenses attributable to each class of Units relating to the MPF Conservative Fund on a particular Valuation Date (the "relevant Valuation Date") in the following order of priority:-
  - (a) First, in the payment of any compensation fund levy payable to the MPF Authority pursuant to the MPF Ordinance in respect of the MPF Conservative Fund, stamp duty and brokerage commission incurred in respect of the MPF Conservative Fund and other expenses permitted to be paid out of the assets of the MPF Conservative Fund pursuant to the General Regulation or other requirements issued by the MPF Authority from time to time (to the extent that such compensation fund and other costs and expenses are attributable to the relevant class of Units),
  - (b) Second, in the payment of all Scheme administrative expenses incurred by the relevant MPF Conservative Fund during the calendar month in which the relevant Valuation Date falls other than any Investment Manager's fee and the Trustee's fee (to the extent that such fees, charges and expenses are attributable to the relevant class of Units),
  - (c) Third, in the payment of any Investment Manager's fee and the Trustee's fee falling due in respect of the relevant class of Units in the calendar month in which the relevant Valuation Date falls,

- (d) Fourth, to reimburse any Investment Manager for any Deferred Expenses (as defined in (iii) 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, and
  - (e) Fifth in the payment of any Deferred Fees (as defined in (iv) below) arising prior to the calendar month in which the relevant Valuation Date falls and for this purpose Deferred Fees arising earlier in time shall be discharged prior to Deferred Fees arising later in time.
- (iii) If in any calendar month any fees, charges or expenses (other than the Investment Manager's fee or the Trustee's fee incurred in respect of that calendar month) cannot be paid out of the MPF Conservative Fund, the amount of such fees, charges and expenses shall be payable by each Investment Manager immediately on demand by the Trustee and shall be carried forward as "Deferred Expenses" to be reimbursed to the appropriate Investment Manager in accordance with this Clause provided that Deferred Expenses shall cease to be reimbursed on the expiry of a period of 12 months (or such other period as may be prescribed by the General Regulation) from the calendar month in which such Deferred Expenses first arose.
- (iv) If in any calendar month any Investment Manager's fee or any Trustee's fee that would if not for this Clause fall to be payable in respect of the MPF Conservative Fund for that calendar month is not paid, the amount of such Investment Manager's fee or Trustee's fee shall be carried forward as "Deferred Fees" to be paid in accordance with this Clause provided that Deferred Fees shall cease to be payable on the expiry of a period of 12 months (or such other period as may be prescribed by the General Regulation) from the calendar month in which such Deferred Fees first arose.

DD DIS Funds

The Trustee must ensure that:

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

E Additional charges

- (i) Where the Trustee, in carrying out any action at the request of any Member, Personal Account Member or Employer (including without limitation to the



generality of this Clause 15(E)(i), the actions set out in (ii) below), incurs or may incur, any fee, cost or expense the Trustee may (and, where directed by the Sponsor, must) make the carrying out of such action conditional upon the Member, Personal Account Member or Employer, respectively, paying such amount to the Trustee in settlement of such fees, costs and expenses as the Trustee and the Sponsor may determine and notify to the Member, Personal Account Member or Employer.

- (ii) Without limitation to the generality of Clause 15(E)(i) above, the Trustee may impose a charge for the carrying out the following actions:-
  - (a) reprinting a notice of participation,
  - (b) reprint of any benefit statement,
  - (c) subscription for interactive voice response("IVR") system,
  - (d) annual IVR subscription fee,
  - (e) providing on demand a statement of a Member's or Personal Account Member's accrued benefits under the Scheme,
  - (f) providing on demand any benefit projection,
  - (g) providing membership data to an Employer in electronic form,
  - (h) amending the Employer AVC Percentage, the amount of External RE's AVC or Member's AVC Percentage
  - (i) providing internet access to certain Scheme information,
  - (j) amendment of any IVR or internet password; and
  - (k) reprinting any other document or statement to be provided to any Employer, Member or Personal Account Member.
- (iii) The Trustee may retain for its own benefit any amounts paid to the Trustee by any Member, Personal Account Member or Employer under (i) above.
- (iv) Should the Trustee incur any fee, cost or expense due to the carrying out of an action at the request of a Member, Personal Account Member or Employer and should the Member, Personal Account Member or Employer fail to pay to the Trustee any amount payable by such person under (i) above (within such time as the Sponsor may determine), the Trustee may (and, where directed by the Sponsor, must), subject to the applicable provisions of the MPF Legislation, redeem such Units credited to :-
  - (a) in respect of any amount outstanding from an Employer, the Reserve Account,

- (b) in respect of any amount outstanding from a Member (not being a TVC Account Holder) or Personal Account Member, his Member's Voluntary Account (and, if there is no Member's Voluntary Account, or the Member's Voluntary Balance is insufficient to cover the outstanding amount, his Employer's Voluntary Account), and
- (c) in respect of any amount outstanding from a TVC Account Holder, his TVC Balance,

as are necessary in order to settle the amount outstanding and shall retain the proceeds of such redemption for its own benefit.

F Idle accounts

(i) Where:-

- (a) no contributions have been paid to the Scheme under Rule 4 or 5 by or in respect of a particular Member or Personal Account Member for a continuous period of at least 12 months, and
- (b) the aggregate of the MPF Balance, the Member's Voluntary Balance and the Employer's Voluntary Balance is less than a figure determined from time to time by the Sponsor and notified to the Trustee,

the MPF Account, Employer's Voluntary Account and Member's Voluntary Account shall, for the purpose of this Clause, be "Idle Accounts".

- (ii) Where directed by the Sponsor the Trustee must, subject to the applicable provisions of the MPF Legislation, impose such charge on each Idle Account as the Sponsor may determine and notify to the Trustee and such charge shall be payable by means of redemption of Units credited to the appropriate Idle Accounts.
- (iii) Any charge imposed under (ii) above may be retained by the Trustee for its own benefit.

## 16. CONTRACTS OF EMPLOYMENT

A Relationship to contract of employment

Nothing in this Deed will in any way restrict the right of an Employer to terminate the service of an Employee.

B Overriding right of Employers

Nothing in this Deed must in any way be construed as imposing upon an Employer a contractual obligation as between the Employer and an Employee to contribute or to continue to contribute to the Trust Assets.

C Exercise of Employers' discretion or power

Any discretion or power under this Deed exercisable by an Employer is exercisable in its absolute unfettered discretion and may be exercised in the sole and exclusive interests of the Employer. Any implied term or condition (whether in this Deed or in any contract of employment or otherwise) to the contrary is excluded. For the avoidance of doubt, but without limitation, references to an implied term or condition include any implied term or condition of mutual trust and confidence or of good faith.

17. BENEFITS ONLY CONFERRED BY THIS DEED

No Beneficiary will have any claim, right or interest under the Scheme or in respect of Units or any claim upon or against the Trustee, any Investment Manager or an Employer except for a claim for benefits calculated and determined in accordance with the appropriate provision of this Deed and the Rules.

18. CASES OF DOUBT

A Matters to be determined by Employers

In the case of any doubt or dispute as to :

(i) whether any individual is eligible to be a Member or a Personal Account Member, or

(ii) the amount of any individual's earnings and/or the category of those earnings,

the decision of the Employer will (save for manifest error) be conclusive.

B Disputes

Subject to Clause 18(A) and to the provisions of the MPF Legislation, the Trustee may decide all questions and matters of doubt arising under the Scheme.

19. AUGMENTATION OF BENEFITS

The Trustee, with the consent of the Employer of the appropriate Member and the Sponsor and subject to any requirement of the MPF Legislation, may augment any of the Relevant Benefits to which any individual may be entitled under the Scheme or provide Relevant Benefits for or in respect of any individuals for whom an Employer has a legal or moral obligation to provide Relevant Benefits as the Trustee with the consent of the appropriate Employer may decide.

20. POWER OF AMENDMENT

A Power of amendment

Subject to Clause 20(B), the Trustee, with the consent of the Sponsor:-

- (i) may by deed amend all or any of the provisions of this Deed (including this Clause 20) and the Rules, and
- (ii) must amend the Deed or the Rules to the extent necessary to maintain the Registered Scheme status of the Scheme.

**B** Restriction on power of amendment

Any amendment made under Clause 20(A):-

- (i) must be notified in writing to the MPF Authority in such form and with such accompanying documents as may be required by the MPF Authority and the MPF Legislation, and
- (ii) may not take effect until the MPF Authority has approved such amendment in writing (to the extent such approval is required by the MPF Authority).

**C** No duty owed to Beneficiaries

Without prejudice to Clause 17, the Trustee and the Sponsor, in exercising its powers under Clause 20(A), owes no duty to any Employer, Beneficiary or other person.

**21. TERMINATION AND WINDING-UP OF SCHEME**

**A** Winding Up

The Scheme may only be terminated, dissolved or wound-up in the circumstances permitted by, and in accordance with, the MPF Legislation and, in particular, section 34A of the MPF Ordinance.

**B** Termination Events

- (i) Subject to Clause 21(A), the Scheme may, if the Trustee decides, be wound up on the occurrence of any of the following events:
  - (a) the Sponsor giving 6 months' notice in writing to the Trustee that the Scheme is to be wound-up,
  - (b) if any law shall be passed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Scheme, or
  - (c) if within such time as the Trustee considers to be reasonable after the removal of the Sponsor pursuant to any provision of this Deed the Trustee is unable to find a qualified corporation acceptable to the Trustee to act as the new Sponsor.

- (ii) On the occurrence of any event set out in Clause 21(B)(i) above the Trustee shall immediately notify the Investment Manager and will also immediately notify the Investment Manager of its decision whether or not to wind up the Scheme.

C Winding-up of Scheme

If the Trustee decides to wind-up the Scheme in accordance with Clause 21(B):

- (i) the liability of the Employers and Members to contribute to the Scheme will cease except for contributions which have accrued prior to the date of termination.
- (ii) the Trustee must notify each of the Personal Account Members, Members and Employers of the winding-up of the Scheme, in such manner and within such timescale as it may determine in accordance with the appropriate provisions of the MPF Legislation or SFC Code,
- (iii) the Trustee must realise the Trust Assets in such manner and within such reasonable time as they may determine having regard to the interests of the Personal Account Members, Members and apply the net proceeds of realisation in accordance with the appropriate provisions on the MPF Legislation (or as otherwise directed by the MPF Authority or any court of competent jurisdiction), and
- (iv) the Membership of all Personal Account Members, Members will cease on the date of termination.

21A. CANCELLATION OF REGISTRATION AND SCHEME RESTRUCTURING

A Cancellation of registration

Subject to compliance with the appropriate provisions of the MPF Legislation, the Trustee may, upon the request of the Sponsor, apply to the MPF Authority to cancel the registration of the Scheme.

B Restructuring of the Scheme

Subject to compliance with the appropriate provisions of the MPF Legislation, the Trustee may, upon the request of the Sponsor, apply to the MPF Authority to restructure the Scheme pursuant to section 34B of the MPF Ordinance. Without prejudice to the legal effect of section 34B of the MPF Ordinance, with effect from the Restructure Effective Date, the Restructure shall be binding on (i) all the participants of the Scheme, AIA Basic and AIA Simple (including without limitation the transferring AIA Basic Employers, transferring AIA Simple Employers, all other transferring participants from AIA Basic and AIA Simple) and (ii) all other parties bound by the governing rules of the Scheme, AIA Basic and AIA Simple, all of them will be subject to the terms of the Restructure and this Deed. AIA Prime Trustee shall also assume all statutory obligations of AIA Simple Trustee and AIA Basic Trustee under the MPF Legislation

in respect of AIA Simple and AIA Basic, including without limitation all records keeping requirements in respect of AIA Simple and AIA Basic.

## 22. NOTICES

### A Notices given by or to the Trustee or an Employer

#### (i) Subject to Clause 22(C):-

##### (a) A notice may be given by the Trustee, any Investment Manager, the Sponsor or an Employer to the person entitled to it personally or:-

- by sending it by post to him or to his registered address or the address (if any) supplied by him for the giving of notices to him, or
- by sending it by facsimile to the facsimile number supplied by him for the giving of notices to him, or
- by sending it by electronic mail to him to the electronic mail address supplied by him for the giving of notices to him, or
- in respect of a notice to any Employee, by giving it, sending it by post or sending it by electronic mail to the Employer of such Employee in accordance with this Clause 22(A)(i) (and receipt by the Employer shall be deemed to be a receipt by the Employee), or
- in such other manner as the Trustee may determine.

##### (b) A notice may be given to the Trustee by any person:-

##### (i) by sending it by post to the registered office of the Trustee (or, where the Trustee does not have a registered office, such address as the Trustee may from time to time notify the Members, Personal Account Members and the Employer), or

##### (ii) in such other manner as the Trustee may determine.

##### (ii) Where a notice is sent by post and the letter containing the notice was properly addressed, prepaid and put in the post, such notice will be deemed to have been given 7 days after the letter containing it was put in the post.

##### (iii) Where a notice is sent by electronic mail or by facsimile, the notice shall be deemed to have been given at the time that it was sent.

B Service by exhibiting notice at place of work

Subject to Clause 21(C), a notice exhibited in any office or place of business of an Employer will be deemed to be sufficient notice to all the Members in the employ of any Employer at that office or place of business.

C MPF Legislation notices

Notwithstanding the generality of Clauses 21(A) and (B), any notice given by or document served for the purposes of the MPF Legislation must be given or served in accordance with the MPF Legislation.

D Forms and Notices in electronic form

Notwithstanding any other provision of this Deed or the Rules, but subject to the provisions of the MPF Legislation, where any person is required or entitled to give notice or complete any form the Trustee may, with the consent of the Sponsor, agree that such notice or form may be in electronic form or in such other form as the Trustee may, with the consent of the Sponsor, agree that such notice or form may be in electronic form or in such other form as the Trustee and the Sponsor may agree.

23. TRUSTEE'S AND EMPLOYER'S COMPLIANCE  
WITH MPF LEGISLATION

- (a) The Trustee will use its reasonable endeavours to procure that those requirements of the MPF Legislation applicable to the Scheme and to the trustee of a Registered Scheme are complied with.
- (b) Without limiting the generality of Clause 23(a) above, the Trustee covenants that it will comply with those provisions set out in Schedule 5 to the MPF Ordinance.
- (c) Each Employer and the Sponsor undertake severally to provide the Trustee with such information as may be in their respective control and possession and as may be reasonably required by the Trustee in complying with Clause 23(a).
- (d) Each Employer must comply with all relevant requirements of the MPF Legislation.
- (e) Each Employer must notify the Trustee as soon as reasonably possible of any election by a Member who is an Employee of that Employer to elect to contribute to the Scheme under Rule 5(a), such notification to be provided in such manner as the Trustee may determine.

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

THE COMMON SEAL of  
**AIA COMPANY**  
**(TRUSTEE) LIMITED**  
was hereunto affixed  
in the presence of:-



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THE COMMON SEAL of  
**AIA COMPANY LIMITED**  
was hereunto affixed  
in the presence of:-



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## **PART II - RULES**

### **MEMBERSHIP AND PERSONAL ACCOUNT MEMBER MEMBERSHIP**

#### **1. Eligibility and admission**

- (a) The Trustee shall provide each Eligible Employee with such information as may be required under the MPF Legislation (and, in particular, section 31(2) and (4) of the General Regulation).
- (b) An Eligible Employee shall become a Member with effect from the beginning of the day on which he first becomes an Eligible Employee.
- (c) Within 60 days of a Member becoming a Member, the Trustee must provide to the Member or his Employer a document containing information relating to the Scheme in accordance with section 54 of the General Regulation.
- (d) Notwithstanding paragraph (a) to (c) above, Eligible Employees who become Members of the Scheme pursuant to the Restructure shall receive information as may be required under the terms of the Restructure and paragraph (a) to (c) shall not be applicable.

#### **2. Cessation of Membership**

A Member shall cease to be a Member on the earlier of:-

- (a) in respect of any Member other than a Self-Employed Participant or an External Relevant Employee Participant, the date he ceases to be an Employee,
- (b) the date on which he reaches his Mandatory Retirement Date and the Member (not being a Self-Employed Participant or an External Relevant Employee Participant) ceases to be an Employee,
- (c) the date he becomes a Personal Account Member under Rule 3(a),
- (d) in respect of a Self-Employed Participant, the day he ceases to be a Self-Employed Person and elects to transfer his accrued benefits to another Registered Scheme within the timeframe specified under the Regulation, and
- (e) in respect of any Member who is an External Relevant Employee Participant, the date as agreed between the Trustee and the External Relevant Employee Participant.

#### **3. Personal Account Members**

- (a) (i) Where a Member becomes entitled to benefit under Rule 9, but does not become immediately entitled to payment of any benefit under Rule 7, that Member shall become a Personal Account Member.

- (ii) Where any person makes a transfer to the Scheme in accordance with Rule 13, but is not an Employee of an Employer, an External Relevant Employee Participant or a Self Employed Participant, that person shall be a Personal Account Member.
  - (iii) On the cessation of participation of an Employer in circumstances where any part of a Member's benefits (whether deriving from his Member's Voluntary Account, Employer's Voluntary Account or MPF Account) are retained in the Scheme, that Member shall become a Personal Account Member.
  - (iv) Where a Member ceases to be a Member in circumstances where any part of his benefits (whether deriving from his Member's Voluntary Account, Employer's Voluntary Account or MPF Account) are retained in the Scheme and does not elect to have his benefits transferred to another Registered Scheme in accordance with the General Regulation, that Member shall become a Personal Account Member.
- (b) To the extent required by the MPF Legislation, the Trustee must provide to any Personal Account Member who becomes a Personal Account Member under Rule 3(a) the appropriate document as if the Personal Account Member was a new Member under Rule 1.
  - (c) A Personal Account Member shall cease to be a Personal Account Member upon the date on which he ceases to have any accrued benefits (as defined in the MPF Legislation) in the Scheme.
  - (d) Notwithstanding paragraph (a) above, a personal account member under AIA Basic and AIA Simple shall become a Personal Account Member under this Scheme pursuant to the Restructure and shall receive information as may be required under the terms of the Restructure and paragraph (b) shall not be applicable.
  - (e) Notwithstanding any other provisions of this Deed, to the extent not prohibited by law, the Trustee may disallow any person, or reject any application by any person, to become a Personal Account Member without providing reasons.

## CONTRIBUTIONS

### 4. Mandatory contributions

- (a) (i) Subject to (ii) below, each MPF Member must contribute to the Scheme in respect of each Contribution Period an amount equal to the Mandatory Contribution Percentage of his MPF Relevant Income in that Contribution Period to the Scheme, such contributions being deducted from the MPF Member's Relevant Income by the Employer and paid to the Trustee (or, in respect of a Self-Employed Participant, paid from that person's own funds to the Trustee) in such manner as the Trustee and Sponsor may determine.
- (ii) Notwithstanding (i) above:
- no MPF Member may contribute to the Scheme under this Rule 4 in respect of any Contribution Period in respect of which the MPF Relevant Income of that MPF Member is less than the minimum level set out in Schedule 2 to the MPF Ordinance,
  - in respect of a MPF Member (other than a Self-Employed Participant) whose Wage Period is not more than 1 month, no contribution can be deducted under this Rule 4 in respect of that MPF Member's Relevant Income earned for any Wage Period that commences on or before the 30th day of employment after the Relevant Time, and
  - in respect of a MPF Member (other than a Self-Employed Participant) whose Wage Period is more than 1 month, no contribution can be deducted under this Rule 4 in respect of that MPF Member's Relevant Income earned for the period commencing from the Relevant Time and ending on the last day of the calendar month in which the 30th day of employment after the Relevant Time falls.
- (b) Each Employer (other than a Self-Employed Participant) in respect of each MPF Member who is an Employee of that Employer, must contribute to the Scheme in respect of each Contribution Period an amount equal to the Mandatory Contribution Percentage of the MPF Member's MPF Relevant Income in that Contribution Period in such manner as the Trustee and Sponsor may determine.
- (c) Notwithstanding the generality of this Rule 4, any contributions paid to the Scheme (other than contributions paid under Rule 5 below) shall be paid in accordance with the relevant provision of the MPF Legislation.
- (d) No Personal Account Member may, in its sole capacity as a Personal Account Member, contribute to the Scheme under this Rule 4.

- (e) Any contributions paid to the Scheme under this Rule 4 shall be paid in Hong Kong Dollars or such other currency and on such terms as the Trustee may, subject to the MPF Legislation, from time to time determine.

4A. TVC

(a) Payment of TVC to the Scheme

- (i) A TVC Account Holder may, subject to the appropriate provisions of the MPF Legislation, contribute to the Scheme TVC in such manner, at such times and on such terms as the TVC Account Holder may agree with the Trustee from time to time. Such TVC shall immediately vest in the TVC Account Holder.
- (ii) TVC shall cease upon the TVC Account Holder's cessation of membership in the Scheme, and if that date does not coincide with a date on which TVC are paid to the Trustee by the TVC Account Holder, then TVC shall cease on the most recent date on which TVC were paid to the Trustee by the TVC Account Holder.
- (iii) Any TVC paid to the Scheme under this Rule 4A shall be paid in Hong Kong Dollars or such other currency and on such terms as the Trustee may, subject to the MPF Legislation, from time to time determine.
- (iv) (A) 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.  
  
(B) Any refund of any contributions rejected under sub-rule (a)(iv)(A) 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.  
  
(C) No interest is payable on any contributions refunded under sub-rule (a)(iv)(B).

(b) Transfer to or from the Scheme

- (i) The Trustee must allow and accept a sum to be paid to a TVC Account under the Scheme in respect of a TVC Account Holder who makes an election to transfer his accrued benefits in another Registered Scheme to such TVC Account under the Scheme in accordance with Part 12 of the General Regulation.
- (ii) A TVC Account Holder may elect to have all of his TVC Balance transferred to another Registered Scheme in accordance with section 14(2A) of the MPF Ordinance and Part 12 of the General Regulation.

(c) TVC Account

- (i) The Trustee shall maintain a TVC Account in respect of each TVC Account Holder.
- (ii) The TVC Account of a TVC Account Holder shall, in respect of the TVC Account Holder, comprise:
  - TVC of the TVC Account Holder, plus
  - any accrued benefits transferred to the Scheme under Rule 4A(b)(i), less
  - any amount transferred from the Scheme to another Registered Scheme under Rule 4A(b)(ii) and any amounts paid to the TVC Account Holder,and any income or profits arising from any investments of the contributions and accrued benefits mentioned above but taking into account any losses in respect thereof.
- (iii) Rule 14(d), (e), (f) and (g) shall apply to each TVC Account Holder and his TVC Account.

(d) TVC Account Holder's investment option

- (i) Rule 17 shall apply to each TVC Account Holder in the same way as it applies to the MPF Balance of a Member not being TVC Account Holder.
- (ii) Rule 18 shall apply to a TVC Account Holder's TVC Balance in the same way as it applies to a Member's MPF Balance.

(e) Payment of TVC Balance

- (i) TVC Balance of a TVC Account Holder shall be payable in the circumstances set out in Rule 7, as if each reference to "MPF Balance" in Rule 7 (excluding Rule 7(h)) meant TVC Balance.
- (ii) Each reference to "MPF Balance" in Clause 12 and Rule 8 shall be construed to mean "TVC Balance".

5. Voluntary Contributions

- (a) (i) Each Member (who is not an External Relevant Employee Participant) may subject to the appropriate provision of the MPF legislation, contribute to the Scheme in respect of each Contribution Period an amount equal to the appropriate Member's AVC Percentage of his

Relevant Income in that Contribution Period, such contributions being deducted from the Member's Relevant Income by the Employer and paid to the Trustee (in such manner as the Trustee and the Sponsor may determine). Such contributions shall immediately vest in the Member.

- (ii) Notwithstanding (i) above, the Trustee and the Sponsor may agree with any Employer that any contributions payable under (i) above shall be calculated in such manner as they may determine.
  - (iii) Without prejudice to (i) or (ii) above, a Member (who is not an External Relevant Employee Participant) may contribute such amounts to the Scheme at such times as the Member may agree with the Trustee and the Sponsor.
  - (iv) Notwithstanding (i) to (iii) above, a Member (who is not an External Relevant Employee Participant) may contribute such amounts to the Scheme at such times and in such manner as the Member may agree with the Trustee from time to time.
  - (v) A Member who is an External Relevant Employee Participant may contribute such amounts to the Scheme at such times and in such manner as the Member may agree with the Trustee from time to time. Such contributions shall immediately vest in the Member.
- (aa) Subject to the MPF Legislation, a Personal Account Member may contribute such amounts in such manner and at such times to the Scheme as the Personal Account Member may agree with the Trustee from time to time. Such contributions shall immediately vest in the Personal Account Member.
- (b) (i) Subject to (ii) below, each Employer in respect of each Member who is an Employee of that Employer, must contribute to the Scheme in respect of each Contribution Period an amount equal to the relevant Employer's AVC Percentage of the Member's Relevant Income in that Contribution Period (in such manner as the Trustee and the Sponsor may determine).
- (ii) Any contributions payable under Rule 5(b)(i) may, if the Employer so elects and notifies the Trustee in writing, be reduced by means of any transfer from the relevant Employer's Reserve Account pursuant to Rule 15.
- (iii) Notwithstanding (i) or (ii) above, the Trustee may agree with any Employer that any contributions payable under (i) above shall be calculated in such manner as they may determine.
- (c) Contributions under this Rule 5 shall cease:
- (i) in respect of a Member who is not an External Relevant Employee Participant, upon the earlier of:

- (A) the Member's cessation of membership, and
  - (B) the date 1 month following receipt by the Trustee of written notice by the Employer terminating its obligations to contribute to the Scheme under Rule 5,
- (ii) in respect of a Member who is an External Relevant Employee Participant or a Personal Account Member, upon the earlier of:-
- (A) the Member's or Personal Account Member's cessation of participation in the Scheme, and
  - (B) the date 1 month following receipt by the Trustee of written notice by the Member or Personal Account Member terminating his obligations to contribute to the Scheme under Rule 5,

and if that date does not coincide with a date on which contributions are paid to the Trustee in respect of that Member or Personal Account Member then contributions shall cease on the most recent date on which contributions were paid to the Trustee in respect of that Member,

- (d) Any contributions paid to the Scheme under this Rule 5 shall be paid in Hong Kong Dollars or such other currency and on such terms as the Trustee may, subject to the MPF Legislation, from time to time determine.
- (e) Where an Employer or any Member or Personal Account Member contributes to the Scheme under this Rule 5, neither the Trustee nor the Sponsor shall be under any obligation or duty to validate or check the manner of calculation of such contributions.
- (f)
  - (i) Notwithstanding any other provision of this Deed and the Rules, the Trustee may reject all or part of the contributions otherwise payable by a Member (who is not an External Relevant Employee Participant), an External Relevant Employee Participant, a Personal Account Member or an Employer under Rules 5(a), (aa) or (b) respectively, without providing reasons.
  - (ii) Any refund of any contributions rejected under Rule 5(f)(i) 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.
  - (iii) No interest is payable on any contributions refunded under this Rule 5(f)(ii).

5A. **Special Contributions**

The MPF Authority may, at any time, pay a contribution under Section 19B of the MPF Ordinance in respect of any Member in such manner and of such amount as may be specified in the MPF Legislation.



## STATEMENTS

### 6. Statements of the Balances

- (a) Within 3 months following the end of each Scheme Year the Trustee must use its reasonable endeavours to cause a statement to be provided for every Member and Personal Account Member.
- (b) The statement to be provided by the Trustee under (a) above must:-
  - be in a form which satisfies section 56 of the General Regulation, and
  - be provided to Members and Personal Account Members in accordance with section 56 of the General Regulation.
- (c) The Trustee shall provide a contribution summary to each TVC Account Holder in accordance with section 56A of the General Regulation.

## PAYMENT OF MPF BENEFITS

### 7. Conditions for payment of MPF Balance

#### (a) Application of this Rule 7

This Rule 7 sets out:-

- (i) the circumstances in which a Member or Personal Account Member may make a claim for his MPF Balance, and
- (ii) the conditions which must be satisfied prior to the Trustee being permitted to pay from the Scheme the MPF Balance of any Member or Personal Account Member.

This Rule 7 shall not apply to a Member who is an External Relevant Employee Participant.

#### (b) Attainment of Mandatory Retirement Date

- (i) A Member or Personal Account Member may claim his MPF Balance on, or at any time after, his reaching his Mandatory Retirement Date.
- (ii) Any claim by a Member or Personal Account Member on or after his reaching his Mandatory Retirement Date must:-
  - be in a form specified or approved by the MPF Authority, and
  - be accompanied by such evidence as the Trustee may require that the Member or Personal Account Member has reached his Mandatory Retirement Date.

#### (c) Death of a Member or Personal Account Member

- (i) Any personal representative of a deceased Member or deceased Personal Account Member may claim that deceased's MPF Balance.
- (ii) Any claim upon the death of a Member or Personal Account Member must:-
  - be made by the personal representative of the deceased,
  - be in a form specified or approved by the MPF Authority, and
  - be accompanied by such evidence as the Trustee may require that the claimant is the personal representative of the deceased.

(iii) For the purposes of this paragraph (c) the term "personal representative" has the same meaning as in the Probate and Administration Ordinance (Cap. 10 of the laws of Hong Kong).

(d) Attainment of Early Retirement Date

(i) A Member or Personal Account Member may claim his MPF Balance on reaching his Early Retirement Date.

(ii) Any claim by a Member or Personal Account Member upon his reaching his Early Retirement Date must:-

- be in a form specified or approved by the MPF Authority,
- be accompanied by such evidence as the Trustee may require that the Member or Personal Account Member has reached his Early Retirement Date, and
- be accompanied by such statutory declaration relating to his permanent cessation of employment as may be required by sections 15(2) and 15(7) of the MPF Ordinance.

(e) Total Incapacity of a Member or Personal Account Member

(i) A Member or a Personal Account Member may claim his MPF Balance on his Total Incapacity.

(ii) Subject to (iv) below, any claim by a Member or Personal Account Member upon his Total Incapacity must:-

- be in a form approved or specified by the MPF Authority,
- be accompanied by a medical certificate (in a form specified or approved by the MPF Authority) certifying that the Member or Personal Account Member is suffering from Total Incapacity,
- be such as to satisfy the Trustee that the Member or Personal Account Member is suffering from Total Incapacity, and
- be accompanied by a declaration by the Member or Personal Account Member (in a form specified or approved by the MPF Authority) stating that the contract of employment of the Member or Personal Account Member for the type of work carried on prior to the Total Incapacity has been terminated.

(iii) No declaration is required under the fourth condition of (ii) above in respect of a Member or Personal Account Member who was, at the date of his Total Incapacity, a Self-Employed Person.

- (iv) A claim by a Member or Personal Account Member who was unemployed immediately before the date of his Total Incapacity must be made in accordance with the requirements set out in section 164(5) or section 164(6) (as the case may be) of the General Regulation.

(ee) Terminal Illness of a Member or Personal Account Member

- (i) A Member or Personal Account Member may claim his MPF Balance on the grounds of Terminal Illness.
- (ii) Any claim by a Member or Personal Account Member on the grounds of Terminal Illness must:-
- be in a form approved or specified by the MPF Authority, and
  - be accompanied by a medical certificate (in a form specified or approved by the MPF Authority), dated not earlier than 12 months before the date on which the claim is lodged, stating that the Member or Personal Account Member has a Terminal Illness.

(f) Permanent Departure from Hong Kong

- (i) A Member or Personal Account Member may claim his MPF Balance upon his Permanent Departure from Hong Kong.
- (ii) Any claim by a Member or Personal Account Member upon his Permanent Departure from Hong Kong must:-
- be in a form specified or approved by the MPF Authority,
  - be accompanied by a statutory declaration by the Member or Personal Account Member in accordance with the relevant provisions of the MPF Legislation.
  - be accompanied by such evidence as the Trustee may require that the Member or Personal Account Member is permitted to reside in a place other than Hong Kong.
- (iii) Upon receipt of any claim under this Rule 7(f), the Trustee must give written notice to the MPF Authority of such claim. Should the MPF Authority inform the Trustee, within the time specified in the MPF Legislation, that the Member or Personal Account Member has previously claimed benefits on the grounds of Permanent Departure from Hong Kong, the claim by the Member or Personal Account Member shall be deemed invalid.

(iv) The Trustee must notify the MPF Authority of any payment to a Member or Personal Account Member pursuant to this Rule 7(f) in accordance with the MPF Legislation.

(g) Payment of small balance

(i) A Member or Personal Account Member may claim his MPF Balance on the grounds that section 162(2) of the General Regulation applies.

(ii) Any claim by a Member or Personal Account Member for payment under section 165 of the General Regulation must:-

- be in such form as may be specified or approved by the MPF Authority, and
- be accompanied by a statutory declaration by the Member or Personal Account Member in accordance with the relevant provisions of the MPF Legislation.

(iii) The Trustee may only pay the MPF Balance under this Rule 7(g) if it is satisfied that the conditions set out in section 165(3) of the General Regulation have been satisfied.

(gg) Claim for payment by committee of estate appointed under Mental Health Ordinance

(i) The committee of estate appointed under section 11 of the Mental Health Ordinance may, as if it were a Member or Personal Account Member, lodge a claim for the Member's or Personal Account Member's MPF Balance or continue with such a claim initiated by the Member or Personal Account Member under section 165A of the General Regulation.

(ii) Rule 7(gg) shall not apply in relation to a claim under Rule 7(c).

(h) Payment of amounts relating to severance pay and long service pay

The Trustee may pay the whole or any part of a Member's MPF Balance to such person as may be entitled to such payment in the circumstances set out in and subject to the restrictions of section 12A of the MPF Ordinance.

8. **Payment of MPF Balance to a Member or Personal Account Member**

(a) Where a Member or Personal Account Member (or his personal representative) has made a valid claim under Rule 7 the Trustee must pay the MPF Balance of the Member or Personal Account Member to the Member, Personal Account Member or personal representative (or such other person as may be entitled to such payment; including for the avoidance of doubt and where permitted by section 12A of the MPF Ordinance, an Employer) in accordance with Clause

12 or 13 (as appropriate) and other relevant MPF requirements and the completion of such document or form, in such form and on such terms, as the Trustee may, subject to the relevant MPF requirements, require from time to time.

- (b) Any MPF Balance payable under Rule 7 shall be valued as at the Valuation Date following or coincident with the date the Trustee satisfies itself of the validity of the claim made for such payment.
- (c) Rule 8 shall not apply to a Member who is an External Relevant Employee Participant.

## PAYMENT OF VOLUNTARY BENEFITS

### 9. Payment of the Member's Voluntary Balance and the Employer's Voluntary Balance to a Member or Personal Account Member

Benefits payable under this Rule 9 shall be paid by the Trustee from the Trust Assets in accordance with Clause 12 or 13 (as appropriate).

#### (a) Member attaining Normal Retirement Date and ceasing to be a Member

Upon a Member ceasing to be a Member on or after his Normal Retirement Date, the Trustee shall pay the Member a lump sum equal to the aggregate of:-

- (i) his Member's Voluntary Balance, and
- (ii) his Employer's Voluntary Balance

in each case calculated as at such Valuation Date following the date on which the Trustee is notified that the Member has ceased to be a Member as the Trustee may determine.

#### (b) Member attaining Normal Retirement Date and remaining a Member

Upon a Member reaching his Normal Retirement Date, but remaining as an Employee no benefit will be paid from the Scheme under this Rule 9 until such time as he ceases to be a Member.

#### (c) Death of a Member

Upon the death of a Member the Trustee shall pay a lump sum in accordance with Clause 13 equal to the aggregate of:-

- (i) his Member's Voluntary Balance, and
- (ii) his Employer's Voluntary Balance

in each case calculated as at such Valuation Date following the date on which the Trustee is notified of the Member's death as the Trustee may determine.

#### (d) Leaving Employment

Upon a Member ceasing Employment prior to his Normal Retirement Date other than due to his death or Total Incapacity the Trustee shall pay a lump sum to the Member equal to the aggregate of:-

- (i) his Member's Voluntary Balance, and
- (ii) the Appropriate Vesting Proportion of his Employer's Voluntary Balance.

in each case calculated as at such Valuation Date following the date on which the Trustee is notified of the circumstances giving rise to the cessation of that Member's Membership as the Trustee may determine (or following actual date of termination of membership, if later).

(e) Total Incapacity

On a Member (who is not an External Relevant Employee Participant) ceasing to be an Employee due to Total Incapacity or upon the Total Incapacity of a Member who is an External Relevant Employee Participant, the Trustee shall pay the Member a lump sum equal to the aggregate of:-

- (i) his Member's Voluntary Balance, and
- (ii) his Employer's Voluntary Balance

in each case calculated as at such Valuation Date following the date on which the Trustee is notified of the Total Incapacity of the Member as the Trustee may determine.

(f) Transfers of Voluntary Balances

The Trustee will not be obliged to make any payment of benefits under this Rule 9 where a Member makes a valid election to transfer such voluntary balances in accordance with Rule 12(d).

(g) Payment of a Member's Voluntary Balance to a Personal Account Member

- (i) The Member's Voluntary Balance of a Personal Account Member shall be paid to the Personal Account Member (or, if payable on the death of the Personal Account Member, in accordance with Clause 13) upon:-
  - the Personal Account Member's Normal Retirement Date, or
  - the Personal Account Member's Total Incapacity (determined in the same manner as for Rule 7(e), or
  - the Personal Account Member's death, or
  - in such other circumstances as the Trustee may agree with the Personal Account Member.
- (ii) The Member's Voluntary Balance of a Personal Account Member shall be calculated as at such Valuation Date following the date the Trustee is notified of the circumstances giving rise to the payment of such amounts under (i) above as the Trustee and the Administrator may agree.



(h) Flexible payment

Notwithstanding the preceding provisions of this Rule 9, the Trustee, on such conditions as the Trustee may consider appropriate, with the consent of the Employer (in respect of a Member and such consent only being required in relation to payment or delay of any part of a Member's entitlement due to his Employer's Voluntary Balance), and the Sponsor may, if the Member or Personal Account Member so elects, agree:-

- (i) to pay the whole or any part of the Member's Voluntary Balance or Employer's Voluntary Balance of a Member or Personal Account Member to that Member or Personal Account Member (or at the direction of the Member or Personal Account Member) at any time, or
- (ii) to delay payment of the whole or any part of the Member's Voluntary Balance of a Member or Personal Account Member to that Member or Personal Account Member.

(i) Failure to pay contributions

Notwithstanding any other provision of this Rule 9, the Member's Voluntary Balance and an amount equal to the Appropriate Vesting Proportion of his Employer's Voluntary Balance must be paid to a Member where the Employer of the Member has failed to make a contribution to the Trustee within 6 months after the end of the period as determined in accordance with section 33(3) of the General Regulation subject to such conditions as the Trustee and the Administrator may determine.

(j) Payment of amounts relating to severance or long service payments

The Trustee may pay the whole or any part of a Member's Employer's Voluntary Balance to such person as may be entitled to such payment in the circumstances set out in and subject to the restrictions of section 12A of the MPF Ordinance.

(k) Payment of a Member's Voluntary Balance to a Member who is an External Relevant Employee Participant

Notwithstanding (a) to (e), a Member who is an External Relevant Employee Participant may apply for payment of the whole or any part of the Member's Voluntary Balance at such time and in such manner as the Trustee may agree with such Member.

10. Dismissal or Redundancy

- (a) (i) This Rule 10 shall only apply in respect of benefits payable under Rule 9. In no circumstances will it effect benefits payable under Rule 8.

- (ii) This Rule 10 shall not apply to a Member who is an External Relevant Employee Participant.
- (b) If a Member shall be dismissed from employment and the Trustee shall receive written confirmation from that Member's Employer that the dismissal was for any of the following reasons:-
  - (i) wilfully disobeying a lawful and reasonable order,
  - (ii) misconducting himself, such conduct being inconsistent with the due and faithful discharge of his duties,
  - (iii) being guilty of fraud or dishonesty,
  - (iv) being habitually neglectful of his duties, or
  - (v) upon any other grounds on which the Employer is entitled to terminate his employment without notice at common law, or

that the Member has left his employment to avoid such dismissal, such Member (a "**Dismissed Member**") shall not, to the extent permitted by the MPF Legislation, be entitled to receive any benefit made or payment from the Scheme other than such amount as is equal to the value of his Member's Voluntary Balance calculated as at the Valuation Date following, or coincident with, that Member's cessation of membership.

- (c) The Employer's Voluntary Balance of a Dismissed Member shall be transferred to the appropriate Reserve Account in accordance with Rule 15.

#### 11. **Member becoming a Personal Account Member**

A Member may elect, on becoming a Personal Account Member, that the benefits to which he would be entitled under Rule 9 (other than for the effect of this Rule) shall be retained in his Member's Voluntary Account in the Scheme in which case any amount to which he may be entitled from his Employer's Voluntary Account shall be transferred to his Member's Voluntary Account.

## TRANSFERS

### 12. Transfers from the Scheme

#### (a) Transfer of MPF Balance on cessation of Employment

- (i) A Member may, on his ceasing to be an Employee, elect to have his MPF Balance transferred to a Recipient Scheme and, subject to that Member's election being in accordance with the provisions of section 146 of the General Regulation, the Trustee must comply with the election (in accordance with section 146 of the General Regulation).
- (ii) For the purposes of (i) above "Recipient Scheme" means:-
  - a specified account within a Registered Scheme which is an industry scheme (as defined in the MPF Ordinance), or
  - an account in any Registered Scheme which is a master trust scheme (as defined in the MPF Ordinance) including the Scheme or an employer sponsored scheme (as defined in the MPF Ordinance).

#### (b) Transfer of MPF Balance of Self-Employed Participant

- (i) A Self-Employed Participant may, at any time, elect to have his MPF Balance transferred to a Recipient Scheme and, subject to such election being in accordance with the provisions of section 148 of the General Regulation, the Trustee must comply with the election (in accordance with section 148 of the General Regulation).
- (ii) For the purposes of (i) above, "Recipient Scheme" means:-
  - an existing account of the Self-Employed Participant in an industry scheme (as defined in the MPF Ordinance), or
  - an account in an industry scheme which that Self-Employed Person is eligible to join (as defined in the MPF Ordinance), or
  - an account in another master trust scheme (as defined in the MPF Ordinance).

#### “(ba) Transfer of MPF Balance contributed by the Members in respect of current employment to Personal Account

- (i) A Member who is an Employee may, at any time, elect to transfer the whole of his MPF Balance that are paid under Rule 4(a) and held in an account referred to in section 78(6)(b) of the General Regulation to:-
  - a Personal Account of the Member within the Scheme

nominated by the Member, or

- a personal account of the Member within another Registered Scheme, which is a master trust scheme or an industry scheme, nominated by the Member,

and, subject to that Member's election being in accordance with the provisions of section 148A of the General Regulation, the Trustee must comply with the election (in accordance with section 148A of the General Regulation).

- (ii) For the purposes of (i) above, an election by the Member who is an Employee under this Rule 12(ba) shall be limited to once in every calendar year unless the Trustee in its sole discretion consent to such other arrangement.
- (iii) For the avoidance of doubt, this Rule 12(ba) is not applicable to a Member who is an Employee on cessation of Employment under Rule 12(a) above.

(bb) Transfer of MPF Balance in respect of former employments or former self-employments

- (i) A Member who is an Employee may, at any time, elect to transfer the whole of his MPF Balance that are attributable to his former employments or former self-employments and held in an account referred to in section 78(6)(c) of the General Regulation to:-
  - another MPF Account of the Member within the Scheme nominated by the Member, or
  - a contribution account of the Member within another Registered Scheme nominated by the Member, or
  - a Personal Account of the Member within the Scheme, nominated by the Member, or
  - a personal account of the Member within another Registered Scheme, which is a master trust scheme or an industry scheme, nominated by the Member,

and, subject to that Member's election being in accordance with the provisions of section 148B of the General Regulation, the Trustee must comply with the election (in accordance with section 148B of the General Regulation).

- (ii) For the avoidance of doubt, this Rule 12(bb) is not applicable to a Member who is an Employee on cessation of Employment under Rule 12(a) above.”

(c) Transfer of MPF Balance and Voluntary Balance of a Personal Account Member

A Personal Account Member may, at any time, elect to transfer the whole of his MPF Balance and Voluntary Balance in his Personal Account to:-

- a contribution account of the Personal Account Member within the Scheme nominated by the Personal Account Member,
- a contribution account of the Personal Account Member within another Registered Scheme, nominated by the Personal Account Member,
- another Personal Account of the Personal Account Member within the Scheme nominated by the Personal Account Member, or
- a personal account of the Personal Account Member within another Registered Scheme, which is a master trust scheme or an industry scheme, nominated by the Personal Account Member,

and, subject to that Personal Account Member's election being in accordance with the provisions of section 149 of the General Regulation, the Trustee must comply with such election (in accordance with section 149 of the General Regulation).

(d) Transfer of Voluntary Balances

(i) Any Member (who is not an External Relevant Employee Participant) who ceases to be an Employee may request the Trustee to transfer a sum representing:-

- his Member's Voluntary Balance, and
- that portion of his Employer's Voluntary Balance to which he is entitled

(or such part of such Balances as the Trustee and the Sponsor may agree) to the trustee of such Registered Scheme (which may, for the avoidance of doubt, be a different Registered Scheme from the Registered Scheme to which the Personal Account Member has elected to transfer his MPF Balance under (c) above) as it may determine and the Trustee may, on receipt of such information as it may reasonably require and with the consent of the Sponsor, comply with such request.

(ii) For the avoidance of doubt, this Rule 12(d) shall not apply to any contributions paid under Rule 5 except those contributions paid under Rules 5(a)(i) or 5(b)(i), unless with the Trustee's consent.

(e) Costs of transfer

The necessary transaction costs of any transfers from the Scheme under this Rule 12 may be charged to the Trust Assets to the extent permitted by sections 31(7), 34 and 35 of the General Regulation. Any such necessary transaction costs imposed and received must be used to reimburse the relevant Constituent Fund of the Scheme.

13. Transfers to the Scheme

- (a) (i) The Trustee must allow and accept a sum to be paid to the Scheme in respect of any Member or Personal Account Member (or such other person as the Trustee may agree) who, prior to his becoming a Member or Personal Account Member, has accrued benefits in another retirement benefits scheme and who makes an election to transfer his benefits in such retirement benefits scheme (the "**Transferor Scheme**") to the Scheme in accordance with (b) below.
- (ii) An Employer, on becoming an Employer for the purposes of the Scheme, may request the Trustee to accept a sum to be paid to the Scheme in respect of a Member or Personal Account Member who is an Employee of that Employer from another retirement benefits scheme (the "**Transferor Scheme**") in accordance with the appropriate provisions of the General Regulation.
- (b) (i) Any application under Rule 13(a) above to transfer to the Scheme an amount which includes any amount in respect of contributions made pursuant to sections 7A or 7C of the MPF Ordinance or any amount equal to the minimum MPF benefits of the Member or Personal Account Member (the "**MPF Portion**") must be made in accordance with the provisions of the MPF Legislation.
- (ii) Any application to transfer to the Scheme an amount other than an MPF Portion must be made in writing by the Member or Personal Account Member concerned (or by the Employer of such Member or Personal Account Member) in such manner as the Trustee may require.
- (c) Upon receipt of any amount pursuant to an application under Rule 13(b)(i) above:-
- (i) the Trustee shall credit that part received from the trustees of the Transferor Scheme which is the MPF Portion to the relevant MPF Account in accordance with Rule 14(c), and
- (ii) any amount transferred in excess of the MPF Portion shall be treated as having been transferred pursuant to an application under Rule 13(b)(ii) and applied in accordance with Rule 13(d) below.

- (d) Upon receipt of any amount pursuant to an application under Rule 13(b) (ii) above:-
  - (i) in respect of a Member (who is not an External Relevant Employee Participant), that Member shall be treated upon admission to the Scheme as having completed such number of years of Service as the Trustee and the appropriate Employer shall consider fair and equitable,
  - (ii) in respect of a Member (who is not an External Relevant Employee Participant) or Personal Account Member, the Trustee shall allocate the sum received between the relevant Member's Voluntary Balance and Employer's Voluntary Balance of the Member or Personal Account Member in accordance with Rule 14, and
  - (iii) in respect of a Member who is an External Relevant Employee Participant, the Trustee shall credit the sum received to that Member's Voluntary Balance in accordance with Rule 14.
- (e) The necessary transaction costs of any transfers to the Scheme under this Rule 13 may be charged to the Trust Assets to the extent permitted by sections 34 and 35 of the General Regulation. Any such necessary transaction costs imposed and received must be used to reimburse the relevant Constituent Fund of the Scheme.
- (f) Notwithstanding paragraph (a) to (e) above, the Trustee may accept and assume such rights, assets, accrued benefits (including unclaimed benefits) and liabilities transferred to the Scheme from AIA Basic and AIA Simple pursuant to the terms of the Restructure.

## ACCOUNTS

### 14. Members' Accounts

(a) Subject to Rule 14(h), each amount:-

- (i) paid to the Scheme by a Member under Rule 5(a), or
- (ii) paid to the Scheme by a Personal Account Member under Rule 5(aa), or
- (iii) transferred to the Scheme pursuant to Rule 13 and certified by the trustee or administrator of the retirement benefits scheme referred to in such Rule as being paid in respect of:-

- the Member's or Personal Account Member's contributions, or
- fully vested (as determined by the Trustees) contributions made by the Member's or Personal Account Member's employer

to such scheme (other than any contributions made pursuant to sections 7A or 7C of the MPF Ordinance), or

(iv) transferred from an Employer's Voluntary Account under Rule 11

and not being an amount equal to the minimum MPF benefits of the Member or Personal Account Member, shall be credited to a notional account (known as the "**Member's Voluntary Account**") in the name of the Member or Personal Account Member to whom that payment relates.

(b) Subject to Rule 14(h), each amount:-

- (i) paid to the Scheme by an Employer under Rule 5(b) in respect of a Member (who is not an External Relevant Employee Participant) (or transferred from the Reserve Account pursuant to Rule 5(b)(ii)), or
- (ii) transferred to the Scheme pursuant to Rule 13 and confirmed by the trustee or Sponsor of the paying retirement benefits scheme to be in respect of the employer's contributions to that scheme (other than amounts credited to the Member's Voluntary Account under Rule 14(a)(iii) above and other than any amount contributed to the scheme pursuant to sections 7A or 7C of the MPF Ordinance)

shall be credited to a notional account (known as the "**Employer's Voluntary Account**") in the name of the Member to whom that payment relates.

(c) Subject to Rule 14(h), each amount:-

- (i) paid to the Scheme by a Member or the Employer of such Member under Rule 4,



- (ii) transferred to the Scheme in respect of a Member or Personal Account Member pursuant to Rule 13 and confirmed by the trustee or administrator of the scheme as being:-
- contributions made pursuant to sections 7A or 7C of the MPF Ordinance, or
  - an amount equal to the minimum MPF benefits of the Member or Personal Account Member,
- (iii) paid to the Scheme by the MPF Authority in accordance with Sections 18 or 19B of the MPF Ordinance.

shall be credited to a notional account (the "**MPF Account**") in the name of the Member or Personal Account Member (as appropriate) to whom that payment or transfer relates.

- (d) Except as is provided in these Rules or in the MPF Legislation no Member or Personal Account Member shall withdraw nor be entitled to withdraw any part of his Member's Voluntary Balance, his Employer's Voluntary Balance, his MPF Balance or any part of the Trust Assets.
- (e) No Member or Personal Account Member shall have any right interest or share in any particular asset of the Trust Assets and no part of the Trust Assets shall belong to any Member or Personal Account Member.
- (f) Notwithstanding the existence of each of the notional accounts in respect of a Member specified in (a), (b) or (c) above, the Trustee shall maintain a separate account in respect of each Member and Personal Account Member in a form satisfying section 78 of the General Regulation.
- (g) The Trustee shall use its reasonable endeavours to comply with such requirements of the MPF Legislation as relate to the maintenance of any records in respect of Member's and Personal Account Member's benefit entitlements.
- (h) (i) The Sponsor may, at any time and from time to time, determine that an amount not exceeding 2.5% of any amount which is capable of being credited to the Member's Voluntary Account, Employer's Voluntary Account or the MPF Account under Rules 14(a), (b) or (c) shall not be credited to the Member's Voluntary Account, the Employer's Voluntary Account or the MPF Account, but instead shall be paid to the Sponsor for its own use.
- (ii) Without prejudice to the generality of (i) above, the Sponsor may charge a different amount:-

- (I) on funds from different Employers or from different sources under (i) above, and/or
- (II) on funds being invested in different Constituent Funds, and/or
- (III) on funds being paid to the Scheme in different manners.

15. **Reserve Account**

If a Member ceases to be a Member and any part of his Employer's Voluntary Balance is not otherwise disposed of by these Rules (including by means of a transfer to Member's Voluntary Balance of the Member in accordance with Rule 11) then that part which is not otherwise disposed of shall be credited to an account (known as the "**Reserve Account**") designated in the name of the Employer of the Member concerned and any credit balance on the Reserve Account shall be used to:-

- reduce such future contributions as may be due from that Employer to the Scheme under Rule 5(b) by means of transfer from the Reserve Account to the relevant Employer's Voluntary Accounts , or
- in such other manner as the Trustee may determine, having consulted the Employer (including, for the avoidance of doubt, payment to the Employer)

provided that in the event of the Scheme being dissolved or otherwise wound up, or an Employer ceasing to participate in the Scheme any credit balance on the Reserve Account shall be repaid to the appropriate Employer or Employers.

## **EVIDENCE**

16. **Provision of evidence**

Any Beneficiary shall be bound to produce such evidence and information as may be required by the Trustee and, where relevant, permitted by the MPF Legislation, for the purposes of the Scheme and payment under these Rules to any Beneficiary shall be conditional upon prior production by that person of such evidence or information in accordance with Clause 12(B)(iv).

## MEMBERS' INVESTMENT OPTION

### 17. Member's investment option

- (a) (i) Every Member (on becoming a Member of the Scheme and then on each Investment Option Date) may by means of an Investment Option, elect (subject to such charges and fees, to the extent permitted by the MPF Legislation, and as the Trustee may from time to time determine), that his MPF Balance, Employer's Voluntary Balance and Member's Voluntary Balance be invested in one or more Constituent Funds in such proportions as the Member may specify in the Investment Option.
  - (ii) Every Personal Account Member on becoming a Personal Account Member (and then on each Investment Option Date) may, by means of an Investment Option, elect (subject to such charges and fees, to the extent permitted by the MPF Legislation, and as the Trustee may from time to time determine), that his MPF Balance and Member's Voluntary Balance be invested in one or more Constituent Funds in such proportions as the Personal Account Member may specify in the Investment Option.
  - (iii) without prejudice to the generality of (i) above, the Sponsor, in respect of a Member who is an Employee (other than a casual employee as defined in the MPF Ordinance), may determine that an Investment Option shall not take effect until a date no later than the next day following the expiry of 60 days employment of the Member with the Employer upon which the Employer of the Member pays contributions to the Scheme under Rule 4.
  - (iv) Notwithstanding paragraph (i) to (iii) above, investment options of the participants under AIA Basic and AIA Simple shall be deemed to be Investment Options of such participants under this Scheme pursuant to the Restructure.
- (b) Each Member and Personal Account Member must be given the option to elect to invest under (a) above in every Constituent Fund.
- (bb) Each Member and Personal Account Member may elect to invest under (a) above in the following manner:
- (i) invest in the Age 65 Plus Fund and/or the Core Accumulation Fund according to the Default Investment Strategy, as supplemented in the Offering Document; and/or
  - (ii) invest in any Constituent Fund, including without limitation the Age 65 Plus Fund and the Core Accumulation Fund, in such proportion (but subject to such restrictions and limitations, to the extent not prohibited

by the MPF Legislation, as the Sponsor or the Trustee may from time to time determine) as the Member or Personal Account Member may determine, provided that investments in the Age 65 Plus Fund and the Core Accumulation Fund under this (ii) shall not be subject to the Default Investment Strategy.

- (c) (i) (A) (I) Subject to (A)(II) and (ii) below, if a Member or Personal Account Member has not completed a valid Investment Option in accordance with Rule 17(a), whether due to failing to provide an Investment Option or providing an invalid Investment Option, in respect of all or such part of the MPF Balance, Employer's Voluntary Balance and/or the Member's Voluntary Balance of that Member or Personal Account Member, all or such part of the MPF Balance, Employer's Voluntary Balance and/or the Member's Voluntary Balance of that Member (as the case may be) shall be invested in the Age 65 Plus Fund and/or the Core Accumulation Fund according to the Default Investment Strategy.
  - (II) Any invalid Investment Option given after enrolment of the Member or Personal Account Member into the Scheme shall be rejected and the existing investment allocation in respect of all or such part of the MPF Balance, Employer's Voluntary Balance and/or the Member's Voluntary Balance of that Member or Personal Account Member shall continue to apply.
  - (B) Any de-risking under the Default Investment Strategy in respect of a Member or Personal Account Member under (A) above will take place on the birthday of that Member or Personal Account Member, subject to the provisions specified in the subsection "*De-risking of the MPF default investment strategy*" of the DIS Section.
  - (C) The smallest amount of Units of the Age 65 Plus Fund and/or the Core Accumulation Fund (as the case may be) that can be issued in the annual de-risking under the Default Investment Strategy shall be a fraction of a Unit rounded to 4 decimal places.
- (ii) Notwithstanding (i):
- (A) in respect of a Member or a Personal Account Member whose age the Trustee is not aware of, the Trustee must invest the accrued benefits of the Member or Personal Account Member solely in the Age 65 Plus Fund;

- (B) in respect of an account of a Member or a Personal Account Member who joined the Scheme, and who has reached 60 years of age, before the DIS Launch Date, accrued benefits in that account shall not be invested in the Default Investment Strategy unless the Member or Personal Account Member has given an Investment Option to so invest such benefits;
  - (C) in respect of an account of a Member or a Personal Account Member who joined the Scheme before the DIS Launch Date which is not subject to the Default Investment Arrangement per (ii) of the sub-section "***Circumstances for accrued benefits to be invested in the MPF default investment strategy***" of the DIS Section, then (i) shall not apply to that account and that account shall be treated in accordance with (ii) of the sub-section "***Circumstances for accrued benefits to be invested in the MPF default investment strategy***" of the DIS Section;
  - (D) Any switching in and out of the Default Investment Strategy will be subject to the provisions specified in the sub-section "***Switching in and out of the MPF default investment strategy***" of the DIS Section.
- (d) On receipt of any new Investment Option from a Member or Personal Account Member which has been validly completed:-
- (i) any previous Investment Option in respect of that Member or Personal Account Member shall be treated as of no further force or effect immediately prior to the date upon which the Trustee determines that the new Investment Option Form will take effect, and
  - (ii) the Trustee must, within such timescale as it may agree with the Sponsor, invest the MPF Balance, Employer's Voluntary Balance and the Member's Voluntary Balance of the Member or Personal Account Member in the manner set out in the Investment Option until the earlier of the Investment Option Date on which the Member or Personal Account Member makes a further election under Rule 17(b) above, or the date the Constituent Fund ceases to be a Constituent Fund.
- (e) Where the Trustee receives two or more Investment Options from different Members or Personal Account Members which require the Trustee to take two or more actions which are wholly or partly reciprocal and which will produce no net change in the overall manner of investment of the Trust Assets in a Constituent Fund (or which cancel each other out in part so as to produce a smaller change than that which would have been achieved by acting upon each Investment Option separately) then the Trustee may (but shall not be obliged to):-
- (i) make internal notional transfers of holdings in any Constituent Fund or Funds between the MPF Balance, Member's Voluntary Balance and

Employer's Voluntary Balance of the Members or Personal Account Members in question so as to reduce the quantity of that Constituent Fund actually bought, sold, subscribed to or redeemed on behalf of the Scheme, subject to complying with all valid Investment Options received,

- (ii) the MPF Balance, Member's Voluntary Balance and Employer's Voluntary Balance of the Members or Personal Account Members in question shall record such notional transfers as if, in each case, the Member or Personal Account Member in question had given the only valid Investment Option in respect of the Constituent Fund in question and such Investment Option had necessitated a dealing in such Constituent Fund by or on behalf of the Scheme and a net increase or decrease in the holding of the Constituent Fund in question held in the Scheme, and
  - (iii) any savings achieved by or on behalf of the Trustee (representing the differences between the actual cost, if any, of executing such notional transfers and the cost as reflected by the records shown in the MPF Balance, Member's Voluntary Balance and Employer's Voluntary Balance) shall be dealt with in such manner as the Trustee may determine.
- (f) Where the Sponsor or the Trustee determines that a Constituent Fund shall cease to be a Constituent Fund in accordance with Rule 22 (the "**Terminating Fund**"), the Trustee must, or must procure that:-
- (i) the prior approval of the MPF Authority has been obtained,
  - (ii) all Members and Personal Account Members shall be notified in writing of such determination within such reasonable period as the Sponsor or the Trustee (as the case may be) may decide,
  - (iii) any Member or Personal Account Member whose MPF Balance, Member's Voluntary Balance or Employer's Voluntary Balance is wholly, or partly, invested in the Terminating Fund (a "**Terminating Fund Member**") shall, following the giving of the notice under (ii) above, be given the option (by means of completing an Investment Option) to elect to transfer the whole or the part (as applicable) of his MPF Balance, Member's Voluntary Balance or Employer's Voluntary Balance to some other Constituent Fund on such date (the "**Termination Date**") and in such manner as the Sponsor or the Trustee (as the case may be) may determine and the Trustee shall notify such Terminating Fund Member of the same, and
  - (iv) the whole or the part of the MPF Balance, Member's Voluntary Balance or Employer's Voluntary Balance of a Terminating Fund Member who fails to sign and return a valid Investment Option Form under (iii) above prior to the Termination Date (or such earlier time the Trustee may

specify in the notice in (ii) or (iii) above) shall, with effect from the Termination Date, cease to be invested in the Terminating Fund and shall be invested on such date and in such manner as the Sponsor or the Trustee (as the case may be) may determine and the Trustee shall notify the Member or Personal Account Member of the same. For this purpose, the Trustee shall have the power to effect such redemptions and subscriptions of the Constituent Funds as it may consider appropriate.

- (g) The Reserve Balance shall be invested in such manner as determined by the Trustee, unless the Trustee and the appropriate Employer agree otherwise.



## CONSTITUENT FUNDS

### 18. Trust Assets to be invested in Constituent Funds

- (a) The Trust Assets comprising each Member's MPF Balance, Employer's Voluntary Balance, Member's Voluntary Balance and the balance on the Reserve Account shall be divided into Constituent Funds in accordance with this Rule 18.
- (b)
  - (i) Each Constituent Fund shall comprise the Trust Assets allocated to such Constituent Fund from time to time in accordance with Rule 17 together with any investment return on such Trust Assets.
  - (ii) Each Constituent Fund must be invested in accordance with the MPF Legislation, the MPF Code, the SFC Code and, in particular, each Initial Constituent Fund shall be invested in accordance with Rule 19.
  - (iii) The Trustee may, to the extent permitted by the MPF Legislation, determine not to invest any part of the Trust Assets attributable to a Constituent Fund, but to maintain part of such Trust Assets in some other form of investment in accordance with Clause 6 (including for the avoidance of doubt, cash or deposits with a bank or any other appropriate institution or any form of currency forward contract for the purposes of hedging).

### 19. Initial Constituent Funds

The Initial Constituent Funds shall be:-

- (i) Growth Portfolio,
- (ii) Balanced Portfolio,
- (iii) Capital Stable Portfolio,
- (iv) Guaranteed Portfolio, and
- (v) MPF Conservative Fund.

### 20. New Constituent Funds

- (a) The Trustee and the Sponsor may, subject to compliance with the MPF Legislation, establish a new Constituent Fund (the "New Constituent Fund").
- (b) That part of the Trust Assets from time to time attributable to the New Constituent Fund must be invested in a different investment policy from any other Constituent Fund.

### 21. Unitisation and valuation of Constituent Funds

- (a) With effect from the first Valuation Date following receipt of assets to be invested in each Initial Constituent Fund, the Trustee shall divide each Initial Constituent Fund (other than any Non-Unitised Fund) into Units, in accordance with Appendix B to this Deed.

- (b) On the first Valuation Date following the date of receipt of any assets to be invested in a new Constituent Fund established under Clause 20 the Trustee shall (other than in respect of any Non-Unitised Fund) divide that Constituent Fund into Units in accordance with Appendix B to this Deed.
- (c) The Trustee shall, or shall procure that:-
  - (i) each unitised Constituent Fund is valued in accordance with the appropriate provisions of Appendix C, and
  - (ii) each Non-Unitised Fund is valued with effect from each Valuation Date in such manner as the Trustee and the Sponsor may agree.

22. **Termination of a Constituent Fund**

- (a) Either the Sponsor or the Trustee may, subject to (b) below, determine that any Constituent Fund (whether established under Rule 19 or Rule 20) shall terminate and Rule 17(f) shall apply.
- (b) Any determination under (a) above shall be subject to compliance with the appropriate provisions of the MPF Legislation.

### PART III - DEFINITIONS

1. **Definitions**

- (a) In these Rules and the Deed the following expressions shall have the following meanings:-

"**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).

"**Actuary**" has the same meaning as in the Occupational Retirement Schemes Ordinance (Cap.426 of the laws of Hong Kong).

"**Administrator**" means such person as may, from time to time be appointed to administer the Scheme under Clause 7(B).

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

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

"**AIA Basic**" means the AIA MPF - Basic Value Choice, a Registered Scheme under section 21 of the MPF Ordinance.

"**AIA Basic Employer**" means a participating employer under AIA Basic immediately prior to the Restructure Effective Date, and who becomes an Employer under this Scheme pursuant to the Restructure.

"**AIA Simple**" means the AIA MPF - Simple Value Choice, a Registered Scheme under section 21 of the MPF Ordinance.

"**AIA Simple Employer**" means a participating employer under AIA Simple immediately prior to the Restructure Effective Date, and who becomes an Employer under this Scheme pursuant to the Restructure.

"**amend**" means alter, amend, extend, modify, vary or add to. Derivative expressions shall be construed accordingly.

"**Application for Participation**" means the documents signed or deemed to be signed by such an Employer pursuant to Clause 9(A)(ii).

"**Appropriate Vesting Proportion**" means that proportion determined by reference to the table set out in the relevant Application for Participation.

"**Approved Pooled Investment Fund**" has the same meaning as "approved pooled investment fund" in section 2 of the General Regulation.

"**Approved Trustee**" means a person approved by the MPF Authority as a trustee in accordance with section 20 of the MPF Ordinance.

"**Auditor**" means, in relation to the Scheme, a person appointed under Clause 11(B)(i).

"**Business Day**" means any day (other than a Saturday) on which banks in Hong Kong are open for normal banking business provided that where, as a result of a typhoon signal number 8 or above or a black rainstorm warning or other similar event, the period during which banks in Hong Kong are open for normal banking business on any day is reduced, any such day shall not be a "Business Day" unless the Trustee and the Sponsor otherwise determine.

"**Beneficiary**" means any person entitled to benefits from the Scheme in accordance with the terms of the Scheme from time to time.

"**Collective Investment Scheme**" means:-

- (i) 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, and
- (ii) any other investment vehicle of a similar nature to that described in paragraph (i) of this definition, 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:-

- (A) 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
- (B) 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.

"**Connected Person**" in relation to any person (the "**relevant person**") means:

- (a) any person beneficially owning, directly or indirectly, 15 per cent or more of the issued ordinary share capital of the relevant person or able to exercise, directly or indirectly, 15 per cent or more of the total voting rights attributable to the voting share capital of the relevant person,

- (b) any company controlled by any such person as is described in (a) above, and for this purpose "control" of a company means:
- (i) control (either direct or indirect) of the composition of the board of directors of that company, or
  - (ii) control (either direct or indirect) of more than half of the voting rights attributable to the voting share capital of that company, or
  - (iii) the holding (either directly or indirectly) of more than half of the issued share capital (excluding any part of it which confers no right to participate beyond a specified amount in a distribution of either profits or capital), PROVIDED ALWAYS THAT if the Trustee determines some other definition, such definition shall be substituted for the above definition thereof,
- (c) any company 15 per cent or more in aggregate of whose issued ordinary share capital is beneficially owned, directly or indirectly, by the relevant person and any company 15 per cent or more in aggregate of the total votes attributable to the voting share capital of which can be exercised, directly or indirectly, by the relevant person, or
- (d) any company which is a member of the group of companies of which Jardine Fleming Group Limited is the holding company, or
- (e) any director or other officer of the relevant person or of any company which is a Connected Person of the relevant person pursuant to paragraph (a), (b), (c) or (d) above.

**"Constituent Fund"** means those funds from time to time constituted by means of and set out in Rules 19 and 20.

**"Contribution Period"** means, in respect of a Member:-

- (i) who is an MPF Member, the same as "contribution period" in section 7A(10) of the MPF Ordinance, and
- (ii) in relation to a Self-Employed Participant, the same as "contribution period" in section 7C(2) of the MPF Ordinance.

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

**"Core Accumulation Fund"** means a Constituent Fund meeting the requirements from time to time prescribed under section 2(b) of Part 2 of Schedule 10 to the MPF Ordinance.

**"Custodian"** means that person (if any) from time to time appointed as custodian of the Trust Assets in accordance with Clause 5(D).

**"Deed"** means the Deed to which the Rules are scheduled.

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

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

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

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

**"DIS Section"** means the section "7. MPF default investment strategy" in the Offering Document.

**"Early Retirement Date"** means, in relation to a Member or Personal Account Member the date upon which that Member or Personal Account Member attains the age set out in Schedule 7 of the MPF Ordinance.

**"Eligible Employee"** means:-

(i) Subject to (ii) below, any:-

- Employee who is a Relevant Employee and who has applied to become a Member in such manner as the Trustee may reasonably require, or
- Self-Employed Participant, or
- External Relevant Employee Participant, or
- such other Employee (or class of Employees) as the Trustee and the appropriate Employer may agree.

(ii) An Employer may, subject to the MPF Legislation, determine (by means of written notice to the Trustee) that any particular class of Employees shall not be an Eligible Employee.

**"Employee"** means a person employed by an Employer.

**"Employer"** means (i) any person admitted to participation in the Scheme in accordance with Clause 9(A); and (ii) each AIA Basic Employer and AIA Simple Employer which participates in the Scheme pursuant to the Restructure; and:

- (a) in relation to a Member, "Employer" means that Employer by which the Member is for the time being employed or, as the case may be, that Employer by which he was formerly employed or last employed,
- (b) in respect of a Member who is a Self-Employed Participant, "Employer" means the Self-Employed Participant,
- (c) in relation to a Personal Account Member the term "Employer" means the Personal Account Member, and
- (d) in relation to a Member who is an External Relevant Employee Participant, "Employer" means the External Relevant Employee Participant.

**"Employer's AVC Percentage"** means, for the purposes of Rule 5, that percentage set out in the Application for Participation.

**"Employer's Voluntary Account"** means a notional account in accordance with Rule 14(b).

**"Employer's Voluntary Balance"** means in respect of a Member and at any date the value (determined by the Trustee by reference to the Unit Price applicable to the appropriate Constituent Fund or Constituent Funds on that date (or, in respect of the Non-Unitised Fund, in such other manner as the Trustee may determine) of:-

- (i) contributions made by his Employer under Rules 5(b) (or transferred from the Reserve Account pursuant to Rule 15), and
- (ii) amounts transferred to the Scheme under Rule 13(c)(ii) and being in respect of employer's contributions to the transferring retirement benefits scheme (other than amounts credited to the Member's MPF Balance under Rule 13(c)(i))

having taken into account any deduction under Clause 15(E) or payment under Rule 9(h)

**"External Relevant Employee"** means a Relevant Employee:

- (i) whose employer does not participate in the Scheme, and
- (ii) who is not a Personal Account Member.

**"External Relevant Employee Participant"** means any External Relevant Employee who is participating in the Scheme under Clause 9, including without limitation any external relevant employee under AIA Basic and AIA Simple who participates in the Scheme pursuant to the Restructure.

**"External RE's AVC"** means, for the purposes of Rule 5 and in respect of a Member who is an External Relevant Employee Participant, the amount of voluntary contributions the External Relevant Employee Participant elects to make to the Scheme and notifies to the Trustee from time to time.

**"Feeder Fund"** means any Constituent Fund the objective of which is to invest solely in a specific approved pooled investment fund.

**"General Regulation"** means the Mandatory Provident Fund Schemes (General) Regulation made pursuant to the MPF Ordinance.

**"Guaranteed Fund"** means a Constituent Fund which is determined by the Trustee to be a Guaranteed Fund.

**"Hong Kong"** means the Hong Kong Special Administrative Region.

**"Initial Constituent Fund"** means a Constituent Fund established under Rule 19.

**"Investment Manager"** means the investment manager, if any, appointed under Clause 7(E).

**"Investment Option"** means (i) a form to be completed by a Member for the purposes of an election under Rule 17(a) and meeting the requirements for a specific investment instruction as set out in the Offering Document; and (ii) where the Member is a AIA Basic Member or AIA Simple Member immediately before the Restructure, Investment Option includes the investment option of such a Member under AIA Basic or AIA Simple, as the case may be.

**"Investment Option Date"** means:-

- (i) subject to (ii), each Valuation Date (or, where that date is not a Business Day the next following Business Day).
- (ii) the Trustee and the Sponsor may, having regard to the manner of administration of the Constituent Funds, from time to time determine that the dates in (i) above (or any other dates determined in accordance with this paragraph (ii)) shall cease to be Investment Option Dates and any other date or dates shall be Investment Option Dates.

**"Mandatory Contribution Percentage"** means, in relation to Member and for the purposes of Rule 4, the prescribed percentage as set out in sections 7A or 7C (as appropriate) of the MPF Ordinance from time to time.

**"Mandatory Retirement Date"** means, in relation to an MPF Member, the date of his 65th birthday.

**"Market"** means any stock exchange, over-the-counter market, commodities or currency or futures exchange or market or association of dealers in securities, currencies or other assets in any country which the Trustee may approve.

**"Member"** means an Eligible Employee or a TVC Account Applicant who has been admitted to membership in accordance with this Deed, and who has not ceased to be a Member in accordance with this Deed, and "membership" shall be construed



accordingly. For the avoidance of doubt, an individual could be a Member, a Personal Account Member and a TVC Account Holder at the same time.

**"Member's AVC Percentage"** means, for the purposes of Rule 5 and in respect of any Member, that percentage notified to the Trustee by the Employer from time to time.

**"Member's Voluntary Account"** means a notional account in accordance with Rule 14(a).

**"Member's Voluntary Balance"** means, in respect of a particular Member or Personal Account Member and at any date the value (determined by the Trustee by reference to the Unit Price applicable to the appropriate Constituent Fund or Constituent Funds on that date (or, in respect of any Non-Unitised Fund, in such other manner as the Trustee may determine)) of:-

- (i) contributions made by the Member or Personal Account Member under Rule 5(a) or Rule 5(aa) respectively, and
- (ii) amounts transferred to the Scheme under Rule 13 and being in respect of member's voluntary contributions (or employer's voluntary contributions which the Trustee determines are fully vested under Rule 14(a)(ii)) to the transferring retirement benefits scheme

having taken account of any payment from the Member's Voluntary Account of the Member under Rule 9 and any deduction under Clause 15(E) or Rule 14(h).

**"minimum MPF benefits"** has the same meaning as in the MPF Ordinance.

**"month"** means any period of time from a set day in any one month up to and including the day immediately preceding the same day in the immediately succeeding month.

**"MPF Account"** means, in respect of a Member or Deferred member, that account maintained in accordance with Rule 14(c).

**"MPF Authority"** means the Mandatory Provident Fund Schemes Authority established pursuant to the MPF Ordinance.

**"MPF Balance"** means, in respect of a Member or Personal Account Member and at any date, the value (determined by the Trustee by reference to the Unit Price applicable to the appropriate Constituent Fund or Constituent Funds on that date (or, in respect of the Non-Unitised Fund, in such other manner as the Trustee may determine)) of the amount credited to the appropriate Member's Account in accordance with Rule 14(c) (having taken account of any payment from the Member's MPF Account under Rule 8 and any deduction under Rule 14(h)).

**"MPF Code"** means the MPF Code on Investment Products issued by the MPF Authority as amended from time to time.

**"MPF Conservative Fund"** means the Constituent Fund established under Rule 19 of the Trust Deed in order to comply with section 37 of the General Regulation.

**"MPF Legislation"** means the MPF Ordinance and the General Regulation.

**"MPF Member"** means any Member who is:

- (i) a Relevant Employee but not an External Relevant Employee Participant, or
- (ii) a Self-Employed Participant.

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

**"MPF Relevant Income"** means, in respect of an MPF Member, the Relevant Income of that MPF Member, subject to the maximum applicable for contributions payable under sections 7A or 7C of the MPF Ordinance set out in section 10 of the MPF Ordinance.

**"NAV"** in relation to a Constituent Fund means the net asset value of that fund determined in accordance with Appendix C.

**"Non-Unitised Fund"** means such Constituent Fund as is permitted to be a non-unitised fund under the MPF Legislation and as the Sponsor may determine and notify the Trustee is a Non-Unitised Fund.

**"Normal Retirement Date"** means in relation to any Member or Personal Account Member, the date on which the Member or Personal Account Member attains such age as:-

- the Employer (in respect of a Member or Personal Account Member who has an Employer) or
- the Member or Personal Account Member (in respect of any other person),

may determine and notify the Trustee.

**"Offering Document"** means the principal brochure of the Scheme, as amended from time to time.

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

**"Permanent Departure from Hong Kong"** means, in respect of a Member or Personal Account Member, the Member or Personal Account Member departing from Hong Kong to reside elsewhere with no intention of returning for employment or to resettle in Hong Kong as a permanent resident, or such other meaning as the MPF Legislation may prescribe from time to time.

**"Personal Account"** means, in respect of a Personal Account Member, that notional account maintained, into which:-

- (a) any special contributions under the MPF Ordinance (including any amounts that are treated as special contributions under Part IIIA of the MPF Ordinance) that are paid in respect of the Personal Account Member,
- (b) a Member's accrued benefits that are attributable to his/her former employment or former self-employment are held,
- (c) a Member's accrued benefits that are paid by the Member and are attributable to the current employment of the Member are held,
- (d) any amount transferred to the Scheme under Rule 13,

and any income or profits arising from any investments of the contributions, surcharges and benefits mentioned above but taking into account any losses in respect thereof, are credited in accordance with the terms of the Master Trust Deed.

**"Personal Account Member"** means a person who has become a Personal Account Member under Rule 3(a) or pursuant to the Restructure and who has not ceased to be a Personal Account Member under Rule 3(c).

**"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).

**"Registered Scheme"** means a retirement benefits scheme registered under section 21 or 21A of the MPF Ordinance.

**"Relevant Benefits"** means benefits payable on the termination of service, death, retirement of a Member or in such other circumstances as the Trustee and Sponsor may agree.

**"Relevant Employee"** means any person who is a "relevant employee" for the purposes of the MPF Legislation, and in respect of whom contributions are required to be paid to a Registered Scheme in accordance with the MPF Ordinance.

**"Relevant Income"** has the same meaning, in respect of a Member, as the term "relevant income" in the MPF Ordinance (and for this purpose the term "relevant employee" means a Relevant Employee and the term "self-employed person" means a "Self-Employed Person").

**"Relevant Time"** has the same meaning as the term "relevant time" in section 7(3) of the MPF Ordinance.

**"Reserve Account"** means, in respect of an Employer, the notional account maintained in respect of that Employer in accordance with Rule 15.

**"Reserve Balance"** means, in relation to any Reserve Account the balance on that Reserve Account determined (determined by the Trustee by reference to the Unit Price applicable to the appropriate Constituent Fund or Constituent Funds on that date (or, in respect of any Non-Unitised Fund, in such other manner as the Trustee may determine) having taken into account of any deduction under Clause 15(E).

**"Restructure"** means, subject to the approval of the Authority and the SFC (where necessary), the restructure of the AIA Basic, AIA Simple and this Scheme effected pursuant to the signed "Application for Restructuring of (1) AIA MPF - Simple Value Choice and (2) AIA MPF - Basic Value Choice and (3) AIA MPF - Prime Value Choice", dated November 2015 and all accompanying application documents.

**"Restructure Effective Date"** means the effective date of the Restructure as set out in the Restructure application.

**"retirement benefits scheme"** means any insurance, superannuation, provident scheme or any other scheme which the Trustee may determine from time to time to be a retirement benefits scheme for the purposes of these Rules.

**"Rules"** means the Rules set out in Part II, together with this Part III, as may be amended or supplemented from time to time.

**"Scheme"** means the AIA MPF – Prime Value Choice (友邦強積金優選計劃) governed by the Deed and these Rules.

**"Scheme Year"** means, subject to Clauses 11(C)(iii) and (iv), each period of 12 months ending on 30th November.

**"Scheme Commencement Date"** means the date of this Deed.

**"Self-Employed Participant"** means any Self-Employed Person who is participating in the Scheme under Clause 9 or pursuant to the Restructure.

**"Self-Employed Person"** has the same meaning as the words "self-employed person" in the MPF Ordinance.

**"Service"** means, in respect of a Member, the total period of continuous employment with any one or more Employers measured from the date on which he first becomes an Employee to the date of cessation of employment in complete years (of twelve (12) consecutive months) and complete months after taking into account such other recognised period of employment in respect of a Member in respect of whom assets have been received by the Scheme under the provisions of Rule 13.

**"SFC"** means the Securities & Futures Commission of Hong Kong.

**"SFC Code"** means the SFC Code on MPF Products issued by the SFC as amended from time to time.

"**Sponsor**" means AIA Company Limited or such other person as may be appointed to administer the Scheme.

"**Tax Authority**" means any government, state or municipality or any local, state, federal or other authority, body or official anywhere in the world exercising a fiscal, revenue, customs or excise function.

"**Terminal Illness**" means, in respect of a Member or Personal Account Member, the Member or Personal Account Member having an illness that is likely to reduce the life expectancy of the Member or Personal Account Member to 12 months or less, or such other meaning as the MPF Legislation may prescribe from time to time.

"**Total Incapacity**" means, in respect of a Member or Personal Account Member, permanent unfitness to perform the kind of work that the Member or Personal Account Member was last performing before the incapacity.

"**Trust Assets**" means the sum total of all moneys and other assets held by or to the order of the Trustee on the trusts of the Scheme or any part of such moneys or other assets, as the context may permit.

"**Trustee**" means AIA Company (Trustee) Limited as such other person or persons for the time being appointed as trustee of the Scheme pursuant to the provisions of the Deed, and can include a body of trustees.

"**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 under section 11A(1) of the MPF Ordinance.

"**TVC Account Holder**" has its meaning given in Clause 9A(A)(i).

"**TVC Balance**" means in respect of a TVC Account Holder and at any date the value (determined by the Trustee by reference to the Unit Price applicable to the appropriate Constituent Fund or Constituent Funds on that date (or, in respect of a Non-Unitised Fund, in such other manner as the Trustee may determine)) of the balance held in the TVC Account.

"**Unclaimed Benefits**" means those benefits which the Trustee is entitled to treat as "unclaimed benefits" pursuant to Division 2 of Part XIII of the General Regulation.

"**Unit**" means a unit of a Constituent Fund as determined in accordance with Rule 21.

"**Unit Price**" means that price determined in accordance with Rule 21(c).

**"Valuation Date"** means, in respect of each Constituent Fund, each Business Day or such other day or days as the Trustee with the approval of the SFC, may from time to time determine to be a Valuation Date either generally or in respect of a particular Constituent Fund PROVIDED THAT if:-

- (a) any Market on which, in the opinion of the Trustee, all or part of the Trust Assets comprising the relevant Constituent Fund is quoted, listed or dealt in is not open for trading on a particular day (the "relevant day"), or
- (b) the dealing of Units of any Constituent Funds or the determination of the NAV of any Constituent Funds has been suspended pursuant to paragraph 7 of Appendix B,

the Trustee may without notice to any Employer, Member or Personal Account Member determine in its absolute discretion that the relevant day shall not be a Valuation Date and select a subsequent Business Day as the Valuation Date.

**"Wage Period"**, in relation to an Employee and his Employer, means the period for which the Employee is paid, or should be paid, Relevant Income by the Employer.

**"year"** means any period of twelve consecutive months.

- (b) Words importing the singular number only shall where the context so requires be deemed to include the plural and vice versa and words importing any particular gender shall include each other gender.
- (c) References to Clauses shall mean Clauses of the Deed and references to a Rule shall mean an individual Rule.
- (d) Headings in this Deed do not affect the interpretation.
- (e) References to any statute (or to any particular chapter, part or section of, or schedule to a statute, regulation or statutory instrument) shall include any subsequent statutory modification or reenactment.

**APPENDIX A  
FEES AND CHARGES**

1. Subject to paragraph 6 below, the Trustee shall, in addition to any other sums it is entitled to receive or retain for its own use and benefit under this Deed, receive out of each Constituent Fund a fee at a rate to be agreed with the Sponsor in respect of its services in relation to that Constituent Fund provided that such fee shall not, subject to paragraph 5, exceed 1.1 per cent. per annum of the NAV of the relevant Constituent Fund.
2. (a) Subject to paragraph 6 below, each Investment Manager shall in addition to any other sums it is entitled to receive or retain for its own use and benefit under this Deed, receive out of each Constituent Fund in respect of which it is appointed to act as an Investment Manager a fee at a rate to be agreed with the Trustee in respect of its services as Investment Manager provided that such fee shall not, subject to paragraph 5, exceed 1.2 per cent per annum of the NAV of the relevant Constituent Fund.  
  
(b) Where more than one Investment Manager is appointed as Investment Manager of a Constituent Fund, the aggregate of their fees under paragraph 2(a) shall not, subject to paragraph 5 below, exceed 1.2 per cent per annum of the NAV of the relevant Constituent Fund.
3. Subject to paragraph 6 below, the Trustee may deduct from any Constituent Fund which provides a guaranteed level of investment return a fee which, subject to paragraph 5, shall not exceed 2.3 per cent per annum of the NAV of the relevant Constituent Fund.
4. Each of the fees referred to in paragraphs 1 and 2 shall accrue on each Valuation Day, and shall be payable as soon as reasonably practicable and in any event within 1 calendar month after the last Valuation Date of each month.
5. Notwithstanding the limits laid down in paragraphs 1, 2, or 3 no fee shall be repayable and no reduction shall be made in any fee subsequently payable on the grounds that due to a diminution for whatever reason in the NAV of the relevant Constituent Fund or relevant part of the Constituent Fund, the aggregate of the fees paid to the Trustee and/or the Investment Manager as the case may be in respect of any calendar year would exceed the relevant maximum fee by reference to the NAV of the relevant Constituent Fund or relevant part of the Constituent Fund on the last Valuation Day of the relevant calendar year.
6. No fee may be taken out of the MPF Conservative Fund other than to the extent permitted by section 37 of the General Regulation.

## APPENDIX B – UNITISATION, ISSUE AND REDEMPTION

### Unitised Funds

1. (a) In respect of each Constituent Fund (other than a Non-Unitised Fund) the Trustee may, on each Valuation Date, issue new Units (including a fraction of a Unit rounded to 4 decimal places) in respect of monies to be credited to that Constituent Fund due to contributions paid to the Scheme under Rules 4 or 5, transfers to the Scheme under Rule 13 or the switching of the manner of investment of funds in accordance with Rule 17, such Units shall, subject to paragraph 4 below, be issued at the Unit Price applicable on that Valuation Date determined by reference to the calculation in accordance with Rule 21(c) on that Valuation Date.
- (b) Units may be of such class or classes as the Sponsor and the Trustee may at any time and from time to time agree and the Sponsor may at any time determine that more than one class of Units shall relate to any particular Constituent Fund.
2. (a) Subject to MPF Legislation, when the Trustee is required to make any payment (other than the payment of any costs, charges, fees or expenses which the Investment Manager determines are to be deducted from the NAV of the Constituent Fund prior to the calculation of the Unit Price of that Constituent Fund) from a Constituent Fund (other than a Non-Unitised Fund), such payment may (to the extent deemed necessary by the Trustee) be made by means of the Trustee redeeming Units in the Constituent Fund in such manner as the Trustee shall direct and such redeemed Units shall, if the Trustee determines necessary, be cancelled.
- (b) Subject to MPF Legislation, when the Trustee is required to make any payment from a Non-Unitised Fund the Trustee shall redeem amounts in such manner as the Trustee and the Sponsor may from time to time agree and as may be in accordance with the terms of any insurance policy into which the Non-Unitised Fund is invested.
- (c) (i) The Trustee shall be entitled to limit the total number of Units relating to a Constituent Fund realised on any Valuation Date to 10 per cent. of the total number of Units of such class in issue (disregarding any Units which are to be issued on such Valuation Date).
- (ii) Any Units which, due to the effect of (i) above, are not realised shall be realised (subject to any further application of the provisions of this sub-clause) on the next following Valuation Date for the Units of such class.
3. Where a Member makes an election under Rule 17 the Trustee shall (to the extent necessary taking account of the effect of Rule 17(e)) effect such election by means of the redemption and issue of Units in the appropriate Constituent Funds to be sold and bought respectively; such redemption and issue of Units (subject to paragraph 4.



below) to be determined at the appropriate Unit Price calculated after the determination in accordance with in Rule 21(c).

4. (a) The Sponsor may, subject to the provisions of the MPF Legislation and in respect of any Constituent Fund other than the MPF Conservative Fund:-
  - (i) add to any Unit Price of a Unit issued under 1 above an amount as determined by the Sponsor (not exceeding 3 per cent of the applicable Unit Price) as an offer spread on any amount paid to the Constituent Fund, and/or
  - (ii) subtract from the Unit Price of any Unit redeemed under 2 or 3 above, an amount determined by the Sponsor (not exceeding 1 per cent of the applicable Unit Price) as a bid spread on an amount to be paid from the Scheme,
  - (iii) Any offer spread or bid spread under (i) or (ii) above may be retained by the Sponsor for its own absolute use and benefit.
- (b) The Sponsor may, subject to the provisions of the MPF Legislation, impose an offer spread on certain amounts paid to the Constituent Fund and not on other amounts or impose a different level of offer spread on amounts received from different sources (including other Constituent Funds).

#### **Non-Unitised Funds**

5. Any Non-Unitised Fund shall not be unitised. The crediting of any amounts to, and payment of any amounts from, a Non-Unitised Fund shall be determined in such manner as the Trustee may determine.
6. Notwithstanding the generality of 5. above, the Trustee may (and must if the Sponsor directs), subject to the provisions of the MPF Legislation, impose an offer spread (not exceeding 3 per cent) on any amount paid to a Non-Unitised Fund. This offer spread may be retained by the Sponsor for its own absolute use and benefit. The Trustee may (and must if the Sponsor directs) impose an offer spread on certain amounts paid to the Non-Unitised Fund and not on other amounts or impose a different level of offer spread on amounts received from different services (including different constituent funds).

#### **Suspension or deferral of issue and redemption**

7. Notwithstanding any prior provision of this Appendix B, the Investment Manager or, in the case of a Constituent Fund for which no Investment Manager is appointed, the Trustee may at any time suspend or defer the issue or redemption of Units relating to a Constituent Fund and/or may delay the payment of any moneys in respect of the realisation of Units of such Constituent Fund only during any of the following periods:-

- (a) any period when any Market on which a substantial part of the securities or other property for the time being comprised in the relevant Constituent Fund is quoted, listed or dealt in is closed otherwise than for ordinary holidays,
  - (b) any period when dealings on any such Market are restricted or suspended,
  - (c) during the existence of any state of affairs as a result of which disposal of any of the securities or other property for the time being comprised in the relevant Constituent Fund cannot, in the reasonable opinion of the Investment Manager or in respect of a Constituent Fund for which no Investment Manager is appointed, of the Trustee, be effected normally or without seriously prejudicing the interests of Beneficiaries,
  - (d) during any breakdown in the means of communications normally employed in determining the NAV (in accordance with Appendix C) of the relevant Constituent Fund or when for any other reason the NAV of any securities or other property for the time being comprised in the relevant Constituent Fund cannot be promptly and accurately ascertained,
  - (e) any period when the realisation of securities or other property for the time being comprised in the relevant Constituent Fund or the transfer of funds involved in such realisation cannot, in the reasonable opinion of the Investment Manager or in respect of a Constituent Fund for which no Investment Manager is appointed, of the Trustee, be effected at normal prices or normal rates of exchange,
  - (f) any period, in the reasonable opinion of the Investment Manager or in respect of a Constituent Fund for which no Investment Manager is appointed, of the Trustee, when the payment or receipt of the proceeds of the realisation of any of the securities or other property comprised in the relevant Constituent Fund is the subject of delay due to exceptional circumstances,
  - (g) any period where there exists exceptional circumstance such that it would, in the reasonable opinion of the Investment Manager or the Trustee, be detrimental to the beneficiaries to continue dealing in the units of the relevant Constituent Fund,
  - (h) any period where suspension is required for the purpose of implementing a restructuring or merger proposal under which the Scheme is to be restructured or merged into other Registered Scheme, which proposal has been approved by the MPF Authority pursuant to section 34B of the MPF Ordinance.
8. Such suspension (which expression shall include the right to delay payment) or deferral shall take effect forthwith upon the declaration by the Trustee on the direction of the Investment Manager, where applicable. Following a declaration of suspension or deferral, there shall be no realisation of Units and/or payment of moneys in respect of any such realisation until the Trustee on the direction of the Investment Manager, where applicable, shall declare the suspension or deferral at an end (at which time any requests for realisations of Units received prior to or during the suspension or deferral

shall, to the extent not previously actioned, be actioned), except that the suspension or deferral shall terminate in any event on the day following the first Business Day on which:-

- (a) the condition giving rise to the suspension or deferral shall have ceased to exist, and
  - (b) no other condition under which suspension or deferral is authorised under this paragraph shall exist.
9. Each declaration by the Trustee under paragraph 8 shall be consistent with any relevant official rules and regulations, as shall have been promulgated by any authority having jurisdiction over the Scheme or any of the Trust Assets and as shall be in effect at the time, and will not cause the Trustee to contravene the MPF Legislation. To the extent not inconsistent with such official rules and regulations, and subject to the foregoing provisions, the declaration of the Trustee shall be conclusive.

### APPENDIX C – VALUATION

1.
  - (a) In relation to each Valuation Date the Trustee shall determine the Unit Price applicable to a Unit of a Constituent Fund (other than the a Non-Unitised Fund) by means of dividing the NAV of that Constituent Fund (calculated in accordance with 2 below) by the number of Units of that Constituent Fund then in existence (ignoring any Units issued or to be issued or redeemed on that Valuation Date under Appendix B) and rounding the resultant figure down to 2 decimal places, except that, in respect of each DIS Fund, the resultant figure shall be rounded down to 4 decimal places.
  - (b) Where a Constituent Fund has more than one class of Units in issue the Unit Price of a Unit of each such class shall be determined by:-
    - (i) calculating the NAV of the Constituent Fund in accordance with paragraph 2 below before the deduction of any liabilities or the addition of any assets attributable specifically to the class in question,
    - (ii) the figure obtained from (i) above shall be apportioned between each class of Units relating to such Constituent Fund by reference to the numbers of undivided shares in the relevant Constituent Fund represented by all Units of each class relating to such Constituent Fund in issue,
    - (iii) the liabilities and assets specifically attributable to the class of Units in question shall then be deducted from or added to such apportioned amount, and
    - (iv) the resulting sum shall be divided by the number of Units of the relevant class in issue immediately prior to the relevant Valuation Date.
2. The Trustee shall, subject to the generality of 3 below, calculate the NAV of a Constituent Fund by reference to the following:-
  - (a) any amounts received by the Trustee under Rules 4, 5 or 13 (or otherwise transferred to the Scheme) since the last Valuation Date and shall be excluded,
  - (b) the value of any asset which is quoted, listed or dealt in on a Market (other than a Collective Investment Scheme) shall be the last traded price of the relevant Investment on the relevant Market on the relevant Valuation Date or, if for any reason the relevant Market does not trade on that Valuation Date or there is no transaction in respect of the relevant instrument on the relevant Market on that Valuation Date the day immediately following the relevant Valuation Date on which there is a transaction of the relevant instrument on the Market (as the case may be),
  - (c) any current or fixed deposits shall be valued at face value,

- (d) interest, discount and similar income returns shall be deemed to accrue from day to day,
- (e) dividends shall be deemed to be receivable on the date on which the relevant asset is first quoted ex the dividend or interest payment in question,
- (f) the value of any accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and receivable but not yet received shall be deemed to be the full amount thereof unless the Trustee shall determine that less than the full amount is likely to be received. In such case, the Trustee shall determine the reasonable value thereof,
- (g) the value of any futures contract shall be:-
  - (i) in the case of a futures contract (which has a margining requirement) for the sale or other disposal of a commodity or property of any other description or any index of performance or other factor, the positive or negative amount produced by applying the following formula:-

(A-B)

- (ii) in the case of a futures contract for the purchase or other acquisition of a commodity or property of any other description or any index of performance or other factor, the positive or negative amount produced by applying the following formula:-

(B-A)

- (iii) in respect of a futures contract which does not have a margining requirement, B

where:-

A = the full amount expressed in the particular contract as being due to be paid or received by the holder thereof upon settlement or (as the case may be) delivery of the subject matter ("**Contract Value**") of the relevant futures contract ("**the relevant Contract**"),

B = the amount determined by the Investment Manager to be the contract value of such futures contract as would be required to be entered into by the Trustee on behalf of the Constituent Fund in order to close the relevant Contract, such determination to be based on the latest available price or (if bid and offered quotations are made) the latest available middle market quotation on the market in which the relevant contract was entered into by the Trustee,

- (h) there shall be included the sum (or the Trustees' estimate of the sum) as will fall to be reclaimed in respect of taxation related to the income of the relevant Constituent Fund and all transactions effected prior to the relevant Valuation Date,
- (i) the value of any asset (other than a Collective Investment Scheme) which is not for the time being quoted or dealt in on any Market or in respect of which for any other reason market dealing prices on a Market may not be available at any relevant time shall be the value either:-
  - (I) certified by an approved valuer and approved by, or in accordance with a method approved by, the Trustee or,
  - (II) determined by the Trustee,
- (j) the value of each unit, share or other interest in a Collective Investment Scheme shall be the last published bid price for such unit, share or other interest,
- (k) where investments have been agreed to be purchased or sold pursuant to a legally binding contract but such purchase or sale has not been completed, such investments shall be included (in the case of purchase) or excluded (in the case of sale) and the gross purchase or net sale consideration excluded or included (as the case may require) as if such purchase or sale had been duly completed, and regard shall be had to the effect of any call option written and outstanding in respect of any Investment held for account of the relevant Constituent Fund and any matching call option the benefit of which is held for the account of such Constituent Fund in respect of the same asset,
- (l) there shall be deducted from the gross value of the assets of the relevant Constituent Fund calculated in accordance with the provisions of this Clause:-
  - (i) the amount of all liabilities including any taxation related to the income of the Constituent Fund and in respect of all transactions effected prior to the relevant Valuation Date and any other fiscal charges for which the Constituent Fund may be liable in any country and any contingent or unascertained liabilities for which the Trustee shall consider it prudent to provide and the extent of such provisions shall be determined by the Trustee in determining the amount of liabilities the Trustee may calculate the same on an estimated figure for a yearly or other period in advance and accrue the same in equal proportions over any such period. The Trustee may amortise any expense over such period as it may consider appropriate and from time to time lengthen or shorten any such period of amortisation,
  - (ii) expenses attributable to the Constituent Fund calculated and accruing on a daily basis,

- (iii) any Trustee, Investment Manager or Administrator fee (if any) payable in accordance with the Deed (and calculated in accordance with Appendix B),
- (iv) the aggregate amount for the time being outstanding of any borrowings attributable to the Constituent Fund together with the amount of any interest and expenses thereon accrued or accruing on the relevant Valuation Date but remaining unpaid. For this purpose interest includes all fees, charges and expenses incurred directly in effecting, maintaining and discharging such borrowing and interest payable by the relevant Constituent Fund shall be deemed to accrued from day to day,

provided that no liability to pay any moneys in respect of benefits shall be taken into account unless a redemption of Units has already been effected to provide moneys to pay those benefits.

- 3. (a) Notwithstanding any provision of 2 above, the Trustee may adjust the value of any asset or permit some other method of valuation to be used if, having regard to currency, applicable rate of interest, maturity, marketability and such other considerations as the Trustee may deem relevant, the Trustee considers that such adjustment or other method of valuation is required to reflect more fairly the value of such asset.
- (b) Property of types other than those mentioned in 2 above shall be valued in such manner and at such time or times as the Trustee may determine.