

Effective 29 September 2011

HONG KONG BAPTIST UNIVERSITY

DEED OF VARIATION

of the

**HONG KONG BAPTIST UNIVERSITY
1998 SUPERANNUATION FUND**

THIS Deed of Variation is made on 16 November, 2011

BETWEEN:-

- (1) **Hong Kong Baptist University**, a body corporate with perpetual succession established pursuant to the Hong Kong Baptist University Ordinance (Cap. 1126) whose principal office is at Kowloon Tong, Kowloon, Hong Kong (the “**University**”);
- (2) **Leung Wing Cheung William, Chan Albert Sun Chi, Wong Ying Wai, Hui Chun Lim William, Wong Yau Kar David, Wu Kwok Keung Andrew, Lau Wing Chung and Stephen Richard Palmquist** of Hong Kong Baptist University, Kowloon Tong, Kowloon, Hong Kong (the “**Trustees**”).

WHEREAS:-

- (A) By a Deed of Trust made on the 8 March 1998 (the “**Original Deed**”), the University established a superannuation scheme known as the **Hong Kong Baptist University 1998 Superannuation Fund** (the “**Fund**”) providing retirement and other benefits for its employees.
- (B) The Original Deed was subsequently amended by two Deeds of Variation dated 28 April 2000 and 3 October 2000 respectively (the document so amended shall be referred to in this Deed as the “**Trust Deed**”).
- (C) Clause 14 of the Trust Deed provides that the University may at any time by deed alter, amend, extend, modify or add to any of the trusts, powers or provisions of the Trust Deed subject to the restrictions contained in that clause.
- (D) The University wishes to amend the provisions of the Trust Deed in the manner set out in this Deed with effect from **29 September 2011** (the “**Variation Effective Date**”) and the Trustees acknowledge such amendments.

NOW THIS DEED WITNESSETH:-

1. **Definitions**

- (a) Words and phrases defined in the Trust Deed shall have the same meaning in this Deed of Variation.
- (b) The word “amend” in this Deed means “alter, amend, extend, modify or add to”. Derivative expressions shall be construed accordingly.

2. **Amendments**

In exercise of its powers set out in Clause 14 of the Trust Deed, the University, with effect from the Variation Effective Date, amends the Trust Deed in the manner set out in the Schedule to this Deed.

3. **Acknowledgement of the Trustees**

The Trustees acknowledge the amendments to the Trust Deed set out in 2. above.

4. **Governing law**

This Deed of Variation shall be construed in accordance with the laws of Hong Kong.

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

Executed as a Deed

SEALED with the Common Seal of
HONG KONG BAPTIST UNIVERSITY
and signed by the Council Chairman

Wong Ying Wai

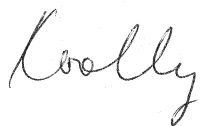
In the presence of **ALEX SHUEN**



and signed by
the President and Vice-Chancellor

Chan Albert Sun Chi

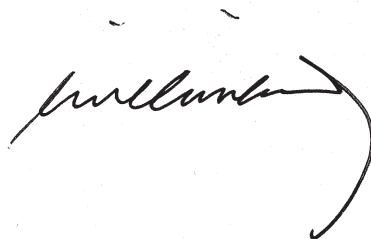
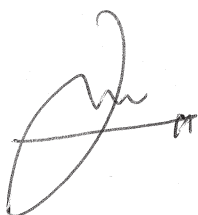
in the presence of **KOOLLY KO**



Signed by the Trustee

Leung Wing Cheung William

in the presence of **DEVON KUM**



Signed by the Trustee

Chan Albert Sun Chi

in the presence of KOOLLY KO

Koolly

Albert Chan

Signed by the Trustee

Wong Ying Wai

in the presence of ALEX SHUEN

Alex Shuen

Wing Wong

Signed by the Trustee

Hui Chun Lim William

in the presence of NOEL CHEUNG

Noel Cheung

William Hui

Signed by the Trustee

Wong Yau Kar David

in the presence of EUNICE WONG

Eunice Wong

David Wong

Signed by the Trustee

Wu Kwok Keung Andrew

in the presence of TRIXIE CHEUNG

Trixie Cheung

Andrew Wu

Signed by the Trustee

Lau Wing Chung

in the presence of ELAINE SO

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Elaine

Signed by the Trustee

Stephen Richard Palmquist

in the presence of ELAINE SO

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Elaine

SCHEDULE

The operative provisions of the Trust Deed shall be deleted in their entirety and replaced with the provisions set out below.

1. ESTABLISHMENT OF THE SCHEME

- 1.1. The University hereby establishes the Hong Kong Baptist University 1998 Superannuation Fund (hereinafter referred to as the “**Scheme**”) upon the trusts set out below in this Deed and the Rules in the Schedule hereto for the benefit of the Members of the Scheme.
- 1.2. This Deed, as far as is legally possible, shall be deemed to have taken effect on and from the Commencement Date and in particular the powers of the Trustees shall be deemed to have come into operation on that date.

2. INTERPRETATION

- 2.1. In this Deed and the Rules reference to the singular shall where the context so requires be deemed to include reference to the plural and vice versa and reference to the masculine gender shall include the feminine or neuter gender and vice versa.
- 2.2. Reference to the Schedule is to the Schedule of this Deed. The Schedule shall form part of this Deed. Reference to a Clause is to a clause of this Deed and reference to a Rule is to a provision of the Rules. Headings are for convenience only.
- 2.3. In this Deed and the Rules the following words and expressions shall have the following meanings ascribed to them:

“**Active Member**” means a Member who is not an Inactive Member, a Pre-MPF Limited Member, a New Member or an Opted-Out Member.

“**Alternate Trustee**” shall mean the person appointed for the time being as Alternate Trustee pursuant to Clause 15.1.

“**Appropriate Valuation Date**” means in respect of a Member:-

- (a) subject to (b) below, the Valuation Date coincident with or next following the date on which the Member ceases to be a Member,
- (b) the Trustees, with the consent of the University, may determine that another Valuation Date (including a Valuation Date following the date on which the Member becomes entitled to a benefit) shall be the Appropriate Valuation Date.

“**Commencement Date**” means 3 March 1998.

“**Contribution**” shall mean the sum paid by the University to the Scheme in accordance with Rules 4.2 and 4.3.

“Effective Date” shall mean 1 July 1994.

“Eligible Person” means a person, company or companies that:

- (a) is permitted to act as an investment manager of the Scheme under the MPF legislation; and
- (b) agrees to comply with the duties and obligations of an investment manager under the MPF legislation.

“Employer Account” shall mean an account established pursuant to Rule 2.1(b) to which shall be credited and debited the amounts referred to in Rule 2.3.

“Employer Account Balance” of a Member at any time means the total amount standing to the credit of the Employer Account of that Member at that time as determined by the Trustees in accordance with Rule 3.2.

“Employer’s Minimum Contribution” in respect of a Member and at any time, means the value of the mandatory MPF contribution paid by the University to the Scheme (as determined by the Trustees in accordance with Rule 3.2 and assuming the University was paying mandatory contributions of an amount payable to an MPF Scheme).

“Existing Member” in relation to the Scheme means a relevant employee who became a Member of the Scheme before the MPF Commencement Date and shall include Old Former Scheme Members, New Former Scheme Members and Pre-MPF Scheme Members.

“Final Salary” shall mean in respect of each Member his Salary in the calendar month immediately prior to retirement, termination of service or death.

“Finance Committee” shall mean the finance committee created and appointed by the University Council under Section 18 of the Hong Kong Baptist University Ordinance (Cap. 1126 of the Laws of Hong Kong).

“Former Scheme” shall mean the Hong Kong Baptist University Superannuation Fund as constituted by a Deed of Trust dated 1 May 1988, a Deed of Variation dated 18 October 1994 and a Deed of Variation dated 1 March 1998.

“Funding Obligation Account” shall mean an account established pursuant to Rule 12.4 to which shall be credited and debited the amounts referred to in such Rule.

“good cause” means, in respect of the reason for termination of service of any Member, such reason as the University may determine and notify to the Trustees from time to time having regard to the particular circumstances of the Member.

“Hong Kong” means the Hong Kong Special Administrative Region.

“Inactive Member” means, at any particular time, a Member who was also a member of the Former Scheme immediately prior to the Commencement Date and who has elected under Rule 1.4 to participate in the Scheme as an Inactive Member and who has not elected to become an Active Member or a Pre-MPF Limited Member.

“Long Service Payment” in respect of a Member means the long service payment liability of the University under the Employment Ordinance (Cap. 57 of the Laws of Hong Kong) which had accrued in respect of the Member as at the relevant time.

“Member” means a person who has joined the Scheme under Rule 1 and who continues to have rights to benefits under the Scheme.

“Member Account” shall mean an account established pursuant to Rule 2.1(a) to which shall be credited and debited the amounts referred to in Rule 2.2.

“Member Account Balance” of a Member classified as Terms A Staff or Terms B Staff at any time means the total amount standing to the credit of the Member Account of that Member at that time as determined by the Trustees in accordance with Rule 3.2.

“Minimum MPF Benefit” in respect of a Post-MPF Full Member or Post-MPF Limited Member has the same meaning attributed to that of “minimum MPF benefits” in the MPF legislation.

“Month” shall mean the period of time from a day in one month to the preceding day in the immediately following month.

“MPF Commencement Date” means the date on which section 7 of the Mandatory Provident Fund Schemes Ordinance comes into operation.

“MPF legislation” means the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) including the rules and subsidiary legislation made thereunder or pursuant thereto or any statutory modification or re-enactment thereof for the time being in force.

“MPF Scheme” has the same meaning attributed to that of “MPF scheme” in the MPF legislation.

“New Eligible Employee” means in relation to becoming a Member, any employee of the University who is or will be eligible to become a Member in accordance with Rule 1.1.

“New Former Scheme Member” shall mean a Member who was a member of the Former Scheme immediately prior to the Commencement Date and became a member of the Former Scheme on or after 1 May 1988.

“New Fund” means any retirement benefits scheme (as defined in the ORSO legislation) but does not include the Scheme or a Successor Scheme.

“New Member” in relation to the Scheme means a relevant employee who became a Member of the Scheme on or after the MPF Commencement Date.

“Normal Retirement Age” shall mean the age of the Member at the 30th of June coincidental with or immediately following the Member’s sixtieth birthday.

“Old Former Scheme Member” shall mean a Member who was a member of the Former Scheme immediately prior to the Commencement Date and who became a member of the Former Scheme before 1 May 1988.

“Opted-Out Member” means in relation to a Member, any Member who opted out to join an MPF Scheme (the “Other Scheme”) upon being given the opportunity to do so in accordance with the applicable requirements of the MPF legislation and left accrued benefits in the Scheme.

“ORSO legislation” shall mean the Occupational Retirement Schemes Ordinance (Cap. 426 of the Laws of Hong Kong) including the rules and subsidiary legislation made thereunder or pursuant thereto or any statutory modification or re-enactment thereof for the time being in force.

“Other Scheme” is defined in the definition of “Opted-Out Member” above.

“Personnel Committee” means the personnel committee created and appointed by the University Council under Section 18 of the Hong Kong Baptist University Ordinance (Cap. 1126 of the Laws of Hong Kong).

“Post-MPF Full Member” means a Member who became a Member after the MPF Commencement Date and who is, for the time being classified as a Post-MPF Full Member by the University under Rule 1.5.

“Post-MPF Limited Member” means a Member who became a Member after the MPF Commencement Date and who is, for the time being classified as a Post-MPF Limited Member by the University under Rule 1.5.

“Pre-MPF Limited Member” means an Inactive Member who, on or before the MPF Commencement Date, has irrevocably elected to become a Pre-MPF Limited Member in accordance with an offer made by the University under Rule 1.6.

“Pre-MPF Scheme Member” shall mean a Member who:

- (a) was not a member of the Former Scheme immediately prior to the Commencement Date; and
- (b) who is not a New Member.

“Recognition Status” means the status attaching to the Scheme (or any other recognised occupational retirement scheme as the context requires) as a recognised occupational retirement scheme within the meaning of the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong) or any statutory modification or re-enactment thereof for the time being in force.

“Registrar” shall mean the Registrar of the Office of Occupational Retirement Schemes or that person’s successor duly appointed by the Chief Executive of Hong Kong under Section 5 of the Occupational Retirement Schemes Ordinance (Cap. 426 of the Laws of Hong Kong).

“Relevant Authority” means:

- (a) the Registrar;
- (b) the Mandatory Provident Fund Schemes Authority; or
- (c) any other governmental authority responsible for administering the laws or any other rules governing retirement benefit or provident fund schemes.

“Relevant Law” means the requirements set out in:

- (a) the ORSO legislation;
- (b) the MPF legislation; or
- (c) any other present or future laws of Hong Kong which the Trustees and the University determine to be within the Relevant Law for the purposes of this Deed.

“Reserve Account” shall mean an account established pursuant to Rule 12.1 to which shall be credited and debited the amounts referred to in Rule 12.2.

“Rules” shall mean the Rules set out in the Schedule to this Deed (and includes each Appendix to the Rules) or other Rules from time to time in force.

“Salary” shall mean the monthly basic salary or monthly wages paid to the Member by the University excluding any bonuses, overtime, consulting fees and any kind of allowances or special emoluments. The decision of the University shall be final in determining the payments which fall within the definitions of salary or wages.

“Scheme” shall mean the Hong Kong Baptist University 1998 Superannuation Fund as constituted by this Deed (including any amendments thereto made from time to time).

“Social Security Scheme” shall mean any arrangement or scheme established in accordance with any government legislation or under any law or lawful order of a competent authority under which the Member is entitled to benefits on resignation, incapacity, ill-health, death or termination of service.

“Social Security Scheme Benefits” shall mean the benefits to which the Member is entitled under the Social Security Scheme.

“Subscription” shall mean the sum deducted from a Member’s Salary and paid to the Scheme in accordance with Rule 4.1.

“Successor Scheme” means an occupational retirement scheme determined by the University to be a successor to the Scheme.

“Superannuable Service” shall mean in relation to each Member completed years and completed months (each completed month being counted as one-twelfth of a year) of employment with the University while a Member of the Scheme or the Former Scheme provided that:

- (a) Superannuable Service in respect of Members who joined the Former Scheme as Group IV Staff shall in no case be counted from earlier than the Effective Date;
- (b) Superannuable Service in respect of all other Members shall in no case be counted from earlier than 1 September 1983;
- (c) should leave of absence be granted during which the Member receives less than full Salary then:-
 - (i) subject to (ii) below, only a proportion of the period of leave of absence will be considered to be Superannuable Service, such proportion to be determined by the Trustees in such manner as the University may agree; and
 - (ii) the Member may agree to pay such additional amount to the Scheme under Rule 4.3 as the Trustee and University may agree is reasonable in return for the full period of leave of absence being treated as Superannuable Service;
- (d) in the case of a Transferred Member, Superannuable Service shall include such period of employment with the employer from whom he transferred or such proportion thereof as may be determined by the University pursuant to Rule 8.1; and
- (e) Superannuable Service shall not include any period during which the Member was an Inactive Member, a Pre-MPF Limited Member or a Post-MPF Limited Member.

“Terms A Staff” shall mean any person appointed by the University on Terms of Service A. The decision of the University shall be final in determining whether or not a person falls within the definition of Terms A Staff.

“Terms B Staff” shall mean any person appointed by the University on Terms of Service B. The decision of the University shall be final in determining whether or not a person falls within the definition of Terms B Staff.

“Terms C Staff” shall mean any person appointed by the University on Terms of Service C. The decision of the University shall be final in determining whether or not a person falls within the definition of Terms C Staff.

“Total Permanent Disability” means physical or mental ill-health or incapacity which, in the opinion of the University, having taken medical advice in a manner in accordance with the Member’s conditions of service, is of such nature as to render him permanently unfit to continue in the same or similar capacity as that for which he was previously employed.

“Transferred Member” shall mean a Member in respect of whom the Trustees have accepted assets from another retirement scheme or fund of which such Member was previously a member pursuant to Rule 8.1.

“University Council” shall mean the council established under Section 14 of the Hong Kong Baptist University Ordinance (Cap. 1126 of the Laws of Hong Kong).

“Valuation Date” means:-

- (a) (i) such date or dates in each calendar month as the Trustees may from time to time determine; and
- (ii) where any day under (i) above is not a business day, then the next following business day shall be a Valuation Date.
- (b) notwithstanding (a) above the University, with the consent of the Trustees, may determine that any other day may be a Valuation Date for the purpose of the Scheme or that any Valuation Date shall not be a Valuation Date.

“Year” shall mean a period of twelve months.

- 2.4. Should any provision of this Deed or the Rules be held to be invalid in whole or in part or be required to be limited or read down in order to be valid, the provision shall be severed to the extent of the invalidity but the remainder of the provision shall continue in full force and effect.

2A. PARAMOUNT PROVISIONS

- 2A.1 The Trustees and the University shall comply with the Relevant Law and are empowered to do and procure to be done such acts, matters and things as are necessary or desirable in order to comply with the Relevant Law.
- 2A.2 Notwithstanding any provision of this Deed or the Rules to the contrary, if any provisions of the Relevant Law must be observed those provisions are deemed to be included in this Deed or the Rules, but only for so long as the deemed inclusion is necessary or for such period as the Trustees may determine.
- 2A.3 The Trustees shall comply with the requirements of the Relevant Law if the said requirements are mandatory (“the Mandatory Requirements”) notwithstanding that those Mandatory Requirements are inconsistent with this Deed or the Rules. In such cases, a breach by the Trustees of any provision of this Deed or the Rules which is inevitable in order to meet the Mandatory Requirements, will not constitute a breach of trust.

- 2A.4 If there is any inconsistency between the Relevant Law and any provision of this Deed or the Rules, the Relevant Law shall prevail to the extent of the inconsistency.

3. ASSETS OF THE SCHEME

- 3.1. The Trustees shall stand possessed of the assets of the Scheme upon trust to administer, retain, invest and deal with the same or any part thereof in accordance with this Deed and the Rules for the benefit of the Members.
- 3.2. The assets of the Scheme shall consist of:
- (a) subscriptions made by Members and Contributions made by the University in accordance with Rule 4;
 - (b) any other sums or other assets referred to in Clause 10.3(a) which may be transferred to the Scheme without prejudicing the Recognition Status of the Scheme;
 - (c) all net income and investment gains accruing to the Scheme from whatever source and any donations, bequests or other gifts and any funds, investments, insurance policies, moneys and property (if any) from time to time received by and for the time being held by the Trustees for the account of the Scheme by way of additions or accretions or otherwise; and
 - (d) any debit balance in the Reserve Account made good by the University pursuant to Rule 12.2.
- 3.3. The University and the Trustees shall use their respective best endeavours to ensure that the Scheme complies with the Relevant Law.

4. APPOINTMENT OF THE TRUSTEES

The University hereby appoints the Trustees as the trustees of the Scheme upon the terms and provisions set out herein and the Trustees by execution hereof consent to their appointment as Trustees of the Scheme and covenant that they will administer the Scheme in accordance with this Deed and the Rules.

5. APPOINTMENT AND REMOVAL OF TRUSTEES

- 5.1. The minimum number of Trustees shall be four and one of the Trustees shall be the chairman for the time being of the Finance Committee and at least one of the Trustees shall be a Member and staff representative of the University who is a Member.
- 5.2. Subject to Clause 5.6, the University may appoint a corporation (whether or not a trust corporation) to be a Trustee, and notwithstanding the provisions of Clause 5.1 the corporate trustee may act alone or with other Trustees even though their number falls below the said required minimum.

- 5.3. Without prejudice to Clause 10 but subject to Clause 5.6, the University shall have the sole power of appointing a new or additional Trustee or Trustees and removing any Trustee from office at any time and from time to time. Such notice of appointment or removal shall be made by an instrument in writing under the hand of a person duly authorised by a resolution of the University Council and shall take effect forthwith or on such date as is specified in such instrument.
- 5.4. A Trustee may resign from office by giving to the University at least one month's prior notice in writing to that effect and upon the expiration of the one month's notice, the Trustees giving the notice shall thereupon cease to be a Trustee of the Scheme.
- 5.5. Unless there is a corporate Trustee, if the number of Trustees falls below four the University shall appoint an additional Trustee or additional Trustees in accordance with the power in that behalf set out in Clause 5.3.
- 5.6. Notwithstanding any provision of this Deed or the Rules:
- (a) there shall be appointed for the time being at least one non-employer trustee within the meaning of the ORSO legislation and if there is a sole trustee, the sole trustee shall not be an employer trustee within the meaning of the ORSO legislation; and
 - (b) the appointment and removal of trustees (and the directors of a trustee that is a company) must be in accordance with the applicable requirements of the MPF legislation.

6. TRUSTEES MEETINGS

- 6.1. Unless there is a sole corporate Trustee, the following provisions shall apply:
- (a) The Trustees shall meet together at such times (not being less than once in each calendar year) and at such places as they shall from time to time decide. Not less than three days' notice of any such meeting shall be given to all of the Trustees either in writing (which shall include telex, cable or fax) or personally by telephone or orally.
 - (b) Three Trustees present at a meeting of Trustees shall constitute a quorum and no meeting shall proceed unless a quorum is present.
 - (c) The Trustee who is the chairman for the time being of the Finance Committee of the University shall be chairman of all meetings of Trustees provided that in his absence the Trustees present at a meeting shall appoint one of their number to be the chairman of the meeting and provided that the chairman of any Trustees meeting shall not be a Member of the Scheme.
 - (d) The Trustees shall exercise their powers and duties by resolution of a majority vote (of the Trustees present and voting) passed at a meeting of Trustees. In the event of an equality of votes the Trustee acting as the chairman of the meeting shall have a second or casting vote. All such decisions shall be binding on all the Trustees.

- (e) The Trustees shall appoint a Secretary who shall have such duties as the Trustees may from time to time decide.
- 6.2. A resolution in writing signed by all the Trustees shall be as valid and binding as a resolution passed at a meeting of Trustees.
- 6.3. Any two Trustees may jointly request a meeting of Trustees at any time by due written notice served upon all of the Trustees in accordance with Clause 6.1(a).
- 6.4. The University may by written notice serve upon the Trustees requiring the Trustees to meet within one month from the date of such notice.
- 6.5. A Trustee who is a Member may exercise his powers and perform his duties as a Trustee notwithstanding that he is a Member and no decision of or exercise of a power or discretion by the Trustees shall be invalidated or questioned on the ground that a Trustee had by reason of his being a Member or otherwise an interest directly or indirectly in the result of such decision or of exercising such power or discretion. A Trustee which is a corporation may exercise its powers and perform its duties as a Trustee notwithstanding that one or more of its directors or employees had or may have an interest directly or indirectly by reason of being a Member or otherwise and no decision or exercise of a power or discretion by such Trustee shall be invalidated or questioned on that ground.

7. RECORDS, ACCOUNTS AND TRUSTEES REPORT

- 7.1. The University shall keep proper records of all matters (including individual-accounts of Members) relating to the Scheme.
- 7.2. The Trustees shall keep proper accounts and records as regards all assets, liabilities and financial transactions of the Scheme to show the financial position of the Scheme and all receipts and payments in respect thereof. The said accounts shall be made up to the 30th of June in each year commencing 30 June 1998 or such other date as the Trustees and the University shall from time to time agree. The accounts shall be audited by independent auditors qualified to act as auditors of a company in Hong Kong and appointed by the University for that purpose.
- 7.3. The Trustees shall in each year commencing from 1999 submit a Trustees report on the operation of the Scheme to the University. Such report shall be prepared up to the 30th of June in each year or such other date as the University may from time to time require but which shall in any event contain all such information as shall be required to comply with the Relevant Law.
- 7.4. The Trustees must comply with the Relevant Law in relation to the provision of information to Members, the University and the Relevant Authority.

8. COVENANTS OF THE UNIVERSITY

The University hereby covenants with the Trustees:

- (a) to comply with the provisions of this Deed and the Rules and of the Relevant Law on the part of the University as an employer is required to comply with;
- (b) to pay or cause to be paid to the Trustees all sums of money now or hereafter due to be paid by the University in accordance with this Deed and the Rules;
- (c) to reimburse the Trustees all costs, charges and expenses of and incidental to the management and operation of the Scheme incurred by them in the performance of their duties and administration of the Scheme except in so far as such costs, charges and expenses can be recovered from the Reserve Account of the Scheme;
- (d) to bear any costs or expenses of or incidental to the management and operation of the Scheme including all costs and expenses incurred by the University in any arbitration held under the provisions of Rule 13 and also the costs and expenses of any such arbitration which may be ordered by the University except in so far as such costs and expenses can be recovered from the Reserve Account of the Scheme;
- (e) to give to the Trustees all information and documents in its custody power possession or control which the Trustees may reasonably require or request in connection with the performance of the obligations of the Trustees pursuant to the provisions of this Deed and the Rules and the Relevant Law; and
- (f) to indemnify the Trustees and keep the Trustees indemnified from and against all costs fees charges expenses outgoings losses claims penalties fines and other amounts suffered or incurred by the Trustees or any of them as a result of any failure or omission on the part of the University to perform or observe any of the obligations on the part of the University to be performed, or observed under and pursuant to the provisions of the Relevant Law.

9. COVENANTS OF THE TRUSTEES

The Trustees hereby covenant with the University:

- (a) to hold the assets of the Scheme upon trust either to retain, invest or deal with the same or any part thereof in accordance with this Deed and the applicable requirements of the Relevant Law;
- (aa) not to invest the assets of the Scheme in a manner contrary to the applicable requirements of the Relevant Law;

- (b) to administer the Scheme in accordance with this Deed, the Rules and the applicable requirements of the Relevant Law;
- (c) to pay or transfer out of the assets of the Scheme the benefits or such other sum or sums of money as the University may from time to time direct in accordance with this Deed and the Rules;
- (d) to comply with the provisions of this Deed and the Rules and to exercise their powers in such a manner as not to prejudice Recognition Status of the Scheme; and
- (e) to comply with the provisions of this Deed and the Rules and of the Relevant Law on the part of the Trustees that it is required to comply with (whether as trustee or administrator).

10. POWERS OF THE UNIVERSITY

10.1. Without prejudice to its general power of delegation pursuant to the provisions of the Hong Kong Baptist University Ordinance, the University Council, being the executive body of the University established under Section 14 of the Hong Kong Baptist University Ordinance (Cap. 1126 of the Laws of Hong Kong), shall exercise all the powers and discretions conferred and perform all the covenants and duties imposed upon the University by this Deed or the Rules provided always that no decision or exercise of any of the powers or discretions by the University Council shall be invalidated on the ground that any of the members of the University Council may have a direct or personal interest in the mode or result of any such power or discretion.

10.2. The University Council may at its sole discretion delegate any of its powers under Clause 10.1 to Personnel Committee (which may be renamed by the University Council from time to time) for the purposes of:

- (a) the appointment and removal of Trustees under Clause 5; and
- (b) performing other duties or powers conferred by this Deed if considered appropriate;

PROVIDED THAT sub-clause (b) shall not come into operation until Section 18(4)(a) of the Hong Kong Baptist University Ordinance shall have been deleted or amended whereby the University Council is permitted under the said Ordinance to delegate its power to approve the terms and conditions of services of the Members to the Personnel Committee.

10.3. The University shall have and may from time to time exercise all or any of the following powers in its absolute discretion:

- (a) to direct the Trustees to accept from any other approved scheme or fund of which a Member or any of the Members were previously members any moneys, annuities, contracts, policies or other assets which the trustees or administrators of any such other scheme or fund are empowered to assign or transfer to the Trustees and to give such undertakings to the trustees or administrators of any such other scheme or fund as may be necessary in

respect thereof and to grant to any such Member such additional benefits as the University may determine provided always that the giving of such undertakings and the granting of such benefits do not prejudice Recognition Status of the Scheme;

- (b) in the event of an employee of the University ceasing to be a Member and becoming a member of a New Fund and at the request of the Member, to direct the Trustees to transfer to a New Fund an amount to be determined by the University (hereinafter referred to as “Transfer Payment”) instead of granting to that Member the benefits to which he would otherwise have been entitled under the Scheme provided always that:
 - (i) the Trustees shall not make a Transfer Payment until they have ascertained from the trustees or other administrators of the New Fund that the New Fund has Recognition Status;
 - (ii) any Transfer Payment made shall be subject to the terms of any undertaking given by the Trustees or the University to the Registrar in connection with the Transfer Payment; and
 - (iii) the Trustees shall (if requested) certify to the trustees or other administrators of the New Fund any amount included in the Transfer Payment which represents the Member’s contributions to the Scheme;
- (c) in the event of the dissolution of the Scheme in the situation where Clause 18.1(c) applies, to direct the Trustees to transfer to the Successor Scheme an amount equal to the aggregate of:
 - (i) the amounts determined under Clause 18.1(c)(i); and
 - (ii) any amount which a Member has requested to be transferred to the Successor Scheme under Clause 18.1(c)(ii)(B);
- (d) to employ such agents and servants (including the appointment of an administrator) as the University thinks fit and on such terms as to remuneration and otherwise as it may approve.

11. POWERS OF THE TRUSTEES

11.1. The Trustees shall have and may from time to time exercise in the performance of their duties in relation to the Scheme and otherwise for the purposes thereof all or any of the following powers (and in doing so shall have regard to the views of the University unless otherwise stated):

- (a) to allow any investments, securities or properties at any time or times held by them as part of the assets of the Scheme to remain in the actual state of investment thereof so long as they shall think fit;

- (b) to sell, call in or convert into money any of such investments, securities or properties which does not consist of money;
- (c) in respect of the net proceeds of any such sale calling in or conversion or of any other capital moneys forming part of the assets of the Scheme or of any income of the Scheme or contributions paid to the Trustees pursuant to this Deed and the Rules which shall not be immediately required for making any payment thereunder to invest or apply the same as to the whole or any part thereof:
 - (i) in the purchase of securities, bonds, debentures, stocks, shares or other investments in any currencies or properties including any interest in land of whatsoever nature and wheresoever situate and whether authorised by law for the investment of trust funds or not and whether involving liability or not and whether in possession or reversion as the Trustees may think fit including power to underwrite, sub-underwrite or guarantee the subscription of any such funds, securities, bonds, debentures, stocks, shares or other investments as aforesaid;
 - (ii) in or towards effecting and maintaining with any insurance company or insurance office of good repute any deferred or immediate annuity policies or life assurance policies or any other policies in the name of the Trustees or of any person entitled to a benefit under the Rules for the purpose of providing benefits in accordance with the Rules; and
 - (iii) by lending any of the same at interest to any municipal corporation or any joint stock company (other than the University or any associate of the University within the meaning of the Relevant Law) or mutual or other society or body of good repute and standing or any partnership or individual provided that the borrower shall be charged with the repayment of the loan on such terms as the Trustees may think fit;

to the intent that the Trustees shall have the same full and unrestricted powers of investing, transposing and varying investments, contracts or policies in all respects as if they were absolutely and beneficially entitled thereto but so that the assets of the Scheme shall not at any time consist of restricted investments (within the meaning of the Relevant Law) or any other investments (including a loan or loans) other than as and to the extent permitted by and in accordance with the Relevant Law;

- (d) to place or continue the deposit of any moneys or any part thereof for any period or periods however long to the credit of any account whether current or deposit whether in the name of the Trustees or of a nominee or other person or persons approved by the Trustees with any bank, finance company or similar organisation and to withdraw the same from time to time;

- (da) to effect (including payment of premiums out of the assets of the Scheme) any life assurance policy on the life of any Member, any indemnity insurance policy covering the Trustees or any other insurance or assurance policy;
- (e) to accept or renounce as they may think fit any bequest bequeathed to the Scheme and to apply such bequest for any special purpose consistent with the objects of the Scheme as the testator may direct or subject thereto to the general augmentation of benefits of the Scheme or its solvency;
- (f) to appoint or remove an Eligible Person to act or from acting as the investment manager of the Scheme and on such terms as to remuneration and otherwise as shall from time to time be agreed between the Trustees and the investment manager. Notwithstanding anything to the contrary in this Deed the investment manager may be authorised by the Trustees to exercise such powers and duties in relation to investments and change of investments of the Scheme as are set out in an agreement between the Trustees and such investment manager and in particular but without prejudice to the generality of the foregoing the investment manager may be empowered by the Trustees to hold any such investments in its name (or in that of its nominee approved by the Trustees) instead of in the names of the Trustees;
- (g) to appoint and obtain the advice of solicitors, accountants and other advisers upon such terms as to duties and remuneration as the Trustees may approve;
- (h) to delegate to any two or more of their number or if the Trustees are a single corporation to any two or more of its officers any such of the powers or duties conferred or imposed upon the Trustees by this Deed or the Rules and upon such conditions as the Trustees think fit;
- (i) to authorise in writing from time to time such person or persons as the Trustees shall think fit to draw cheques on any bank account or to endorse any cheques or to give receipts and discharges and every such receipt and discharge shall be as valid and effectual as if it were given by all the Trustees;
- (j) to employ such agents and servants as the Trustees think fit in the transaction of any business of the Scheme including the payment of pensions and other benefits and any valid receipt therefor given to such agents and servants shall be a good and sufficient discharge to the Trustees;
- (k) to appoint by agreement a custodian of the assets of the Scheme on such terms as to remuneration and otherwise as the Trustees may approve;
- (l) to execute and do all such other acts and things as the Trustees consider necessary or expedient for the maintenance and preservation of the assets of the Scheme and of the rights of Members;

- (m) to obtain and receive all such information reports and statements as may be required by the Trustees and to divulge the same insofar as may be required to enable the Trustees to comply with their obligations under the ORSO legislation as designated persons of the Scheme; and
 - (n) to pay such part of the benefits payable to a Member under this Deed to the University in repayment of any debts owing from that Member to the University so far as the same has been duly authorised by the Member in writing.
- 11.2. The Trustees may nominate or establish one or more investment portfolio arrangements within the Scheme on such basis, subject to such conditions and within such parameters as the University may consider appropriate.
- 11.3. Subject to such conditions as the Trustees may agree either generally or in any particular case:
- (a) the Trustees may invite a Member to nominate the investment portfolio arrangement into which all or any part of his Member Account and his Employer Account or both of the Member shall be invested; and
 - (b) a Member may elect to revoke or vary any previous nomination made by the Member under sub-clause (a) and may, with the approval of the Trustees, make further nominations with effect from such date as the Trustees may in their absolute discretion determine.
- 11.4. The Trustees shall comply with any Member's nomination, revocation or variation validly made in accordance with Clause 11.3.
- 11.5. Where a Member makes a valid nomination, revocation or variation in relation to the manner of investment of any part of the Scheme in accordance with Clause 11.3 and the Trustees comply with such direction the Trustees shall not be liable or responsible in any manner for the investment performance of that part of the Scheme so invested.
- 11.6. Where the Trustees receive two or more nominations, revocations or variations under Clause 11.3 which require the Trustees 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 Scheme in an investment portfolio arrangement (or which cancel each other out in part so as to produce a smaller net change than that which would have been achieved by acting upon each nomination, revocation or variation separately) then:
- (a) the Trustees may make internal notional transfers of holdings in any arrangements between the Member Accounts and Employer Accounts of the Members in question so as to reduce the quantity of that arrangement actually bought, sold, subscribed to or redeemed on behalf of the Scheme, subject to complying with all valid nominations, revocations or variations received;

- (b) the Member Accounts and Employer Accounts of the Members in question shall record such notional transfers as if, in each case, the Member in question had given the only valid nomination, revocation or variation in respect of the investment portfolio arrangement in question and such nomination, revocation or variation had necessitated a dealing in such investment portfolio arrangement by or on behalf of the Scheme and a net increase or decrease in the holding of the investment portfolio arrangement in question held in the Scheme; and
 - (c) any savings achieved by or on behalf of the Trustees (representing the differences between the actual cost of executing such notional transfers and the cost as reflected by the records shown in the Member Account and Employer Account) shall be credited to the Reserve Account.
- 11.7. The Trustees may determine that an investment portfolio arrangement (the “Terminating Portfolio”) shall cease to be an investment portfolio arrangement for the purpose of this Clause 11 with effect from a particular date (the “Termination Date”) in which event:
- (a) all Members shall be notified by the Trustees in writing of such determination within such reasonable period as the Trustees may decide;
 - (b) any Member whose Member Account or Employer Account is wholly, or partly, invested in the Terminating Portfolio (a “Terminating Portfolio Member”) shall, following the giving of the notice under sub-clause (a), be given the option (by means of signing a variation in accordance with Clause 11.3(b)) to elect to transfer that part of his Member Account or Employer Account invested in the Terminating Portfolio to some other investment portfolio arrangement on the Termination Date and in such manner as the Trustees may determine and notify to such Terminating Portfolio Member; and
 - (c) the whole or the part of the Member Account or Employer Account of a Terminating Portfolio Member who fails to sign and return a valid variation under sub-clause (b) prior to the Termination Date shall, with effect from the Termination Date, cease to be invested in the Terminating Portfolio and shall be invested in such manner as the Trustees may determine and notify to the Member.

12. COSTS AND CHARGES

- 12.1. Subject to Rule 3.3, all costs, charges and expenses incurred by the University or the Trustees in the performance of their duties in relation to the management and conduct of the Scheme (including any costs, charges and expenses relating to the management, custody, purchase or sale of investments and the remuneration of any Trustee, investment manager, actuary, custodian, administrator, Alternate Trustee, auditors or any professional advisor appointed hereunder) shall be payable out of the Reserve Account of the Scheme.

- 12.2. Any Trustee including a corporate trustee or an officer of a corporate trustee being a solicitor or other person engaged in any profession or business may charge and be paid all usual, professional, banking or other charges for business done by him or his firm, or company in connection with the trusts hereof whether or not in the ordinary course of business of that Trustee or officer and including acts which a Trustee not being in any profession or business could have done personally.
- 12.3. The Trustees and all Members or any of them shall be entitled to be indemnified out of the Reserve Account of the Scheme in respect of all liabilities and expenses properly incurred in the execution or purported execution of the trusts hereof or of any powers, authorities or discretions vested in the Trustees under this Deed or the Rules.

13. LIABILITY OF THE TRUSTEES

- 13.1. Without prejudice to the right of indemnity by law given to trustees but subject to Clause 13.6 the Trustees (and in the case of a corporate Trustee all its directors, officers and, employees) or any of them shall be entitled to be indemnified out of the Scheme in respect of all liabilities and expenses properly incurred in the execution or purported execution of the trusts hereof or of any powers, authorities or discretions vested in the Trustees under this Deed or the Rules.
- 13.2. The University declares that the Trustees shall not be liable for any loss or depreciation of the assets of the Scheme not arising from their fraud and undertakes to hold the Trustees indemnified against all proceedings, costs and expenses occasioned by any claim in connection with the Scheme not arising from their fraud.
- 13.3. The Trustees shall be liable only for such moneys or other assets as they shall actually receive and shall in no event be liable for any interest in respect of such assets.
- 13.4. In the professed execution of the trusts of the Scheme no Trustee shall be liable for any loss to the assets of the Scheme arising by reason of an improper investment made in good faith or for the negligence or fraud of any agent employed by the Trustees although the employment of such agent was not strictly necessary or expedient or by reason of any mistake or omission made in good faith by any Trustee or by reason of any other matter or thing except wilful default or individual fraud or wrongful breach of trust on the part of the Trustees sought to be made liable.
- 13.5. The Trustees shall not be chargeable or accountable in respect of any calculation, determination, payment or other matter or thing made, done or omitted by the Trustees in the administration of the Scheme upon the advice of the administrator or of any solicitors, accountants or other advisers obtained under Clause 11.1(g).

- 13.6. The assets of the Scheme may not be used to indemnify any person who manages the Scheme or any of the Trustees against any fraud misfeasance or breach of trust.

14. AMENDMENTS TO THE DEED

- 14.1. The University may at its discretion at any time by deed alter, amend, extend, modify or add to any of the trusts, powers or provisions of this Deed or the Rules provided always that no such alteration, amendment, extension, modification or addition shall be made which would:
- (a) extend the perpetuity period hereof beyond the period specified in Clause 19; or
 - (b) result in the Scheme ceasing to have Recognition Status; or
 - (c) affect the antecedent rights of the Members without their consent being first obtained in writing; or
 - (d) reduce the benefits of any Member (whether or not then due) in respect of whom a transfer of assets has been accepted by the Trustees in accordance with Clause 10.3(a) to less than the benefits equivalent to the transfer value thereof; or
 - (e) result in payment or transfer to the University of any part of the assets of the Scheme, except in respect of any balance remaining after the payment of all expenses and the provision of benefits under the Rules in the event of the Scheme being dissolved under Clause 17; or
 - (f) cause the main purpose of the Scheme to be other than the provision of benefits for Members;

and PROVIDED THAT

- (i) no person without the consent of the Member concerned shall alter to the Member's detriment either his accrued rights under the Scheme or his vested benefits unless such alteration is consequential upon an amendment to the terms of the Scheme consented to by 90% of the Members of the Scheme;
- (ii) where an alteration described in sub-paragraph (i) occurs, any vested benefit which the Member concerned is entitled to receive as at the date of such alteration under the terms of the Scheme as if the condition precedent, if any, of such entitlement had been satisfied shall, if he so elects, become payable to him; and
- (iii) for the purposes of sub-paragraphs (i) and (ii), the expressions "accrued rights" and "vested benefit" shall have the meanings respectively attributed to them in the ORSO legislation.

- 14.2. Where an alteration, amendment, extension, modification, variation or addition under Clause 14.1 would reduce the future benefits or rights of a Member under the Scheme, that Member must first be given the opportunity to become a member of another scheme in accordance with the applicable requirements of the MPF legislation.

15. ALTERNATE TRUSTEE

- 15.1. Subject to the provisions of this Clause, the University shall have power from time to time to appoint an Alternate Trustee on such terms as to remuneration as the University shall in its absolute discretion determine. The University may revoke the appointment of such Alternate Trustee and appoint another Alternate Trustee as frequently and as often as the University shall decide. Such appointment or revocation of appointment shall be made in accordance with Clause 5.3.
- 15.2. Notwithstanding any provisions herein, the Alternate Trustee may be a corporation (whether or not a trust corporation and whether registered under the laws of Hong Kong or not), or a minimum of two Trustees who may be residing outside Hong Kong, provided always that the provisions of Clauses 5.5, 6.1 and 6.3 shall not apply to the Alternate Trustee.
- 15.3. The Alternate Trustee shall vacate its office as Alternate Trustee:
- (a) if it shall resign by giving to the University one month's prior notice in writing at its registered office for the time being; or
 - (b) if it shall be removed from office in accordance with the provisions of this Clause; or
 - (c) if it shall at any time be unable, whether by reason of any legislation or from any other cause, to discharge and perform fully all its functions as Alternate Trustee; or
 - (d) if a resolution shall be passed or an order made for the winding-up of the Alternate Trustee or any analogous proceedings shall occur or it shall be in any other manner dissolved.
- 15.4. Notwithstanding anything contained in these presents, if any of the following events or circumstances shall in the opinion of the Alternate Trustee (which shall be conclusive) have happened or exist the Alternate Trustee shall subject to the approval of the University have power at any time and from time to time by deed executed under its Common Seal with effect from the date of such deed or such later date (if any) as may be specified in such deed either to designate the proper law of these presents as the laws of England and to stipulate that the Scheme, this Deed and the Rules shall be governed by the laws of England or to remove from office the Trustees and to assume all or any of the rights powers duties and obligations conferred or imposed by these presents on them or to appoint a new Trustee:

- (a) the declaration, existence or imminent danger of a state of war in consequence whereof the citizens or nationals or residents of Hong Kong are or may be declared to be or deemed to be or treated as enemies of any foreign Government;
- (b) the occupation or invasion of Hong Kong by any enemy or other foreign power whether by military forces or otherwise;
- (c) the enactment of any law or any action by or on the part of any governmental authority, agency or officer of or in Hong Kong the main purpose or effect of which is or is apprehended by the Alternate Trustee to be:
 - (i) the acquisition, expropriation or confiscation of any of the assets comprising the Scheme; or
 - (ii) to compel the Trustees to sell or otherwise dispose of any of the assets comprising the Scheme; or
 - (iii) to restrict in any way the use, investment or distribution of the assets comprising the Scheme; or
 - (iv) to restrict, suspend or abrogate in whole or in part the assets comprising the Scheme;
- (d) the existence or imminent danger of serious civil unrest or the occurrence or expectation of constitutional or political changes which would or might be damaging to the interests of Members.

15.5. Notwithstanding the provisions of Clause 14, so often as any deed shall be executed by the Alternate Trustee pursuant to the provisions of this Clause the Alternate Trustee may in its absolute discretion in each such case by the said deed or at any time or times thereafter by further deed or deeds executed under its Common Seal make such alterations, additions or modifications to these presents as the Alternate Trustee may consider expedient of the effective administration of the Scheme provided that no such alteration addition modification shall be made which would:

- (a) extend the perpetuity period beyond that specified in Clause 19; or
- (b) cause the main purpose of the Scheme to be other than the provision of benefits for Members.

15.6. The provisions of Clauses 11, 12 and 13 shall apply to the Alternate Trustee as if set out in full herein with the substitution of the Alternate Trustee in place of the Trustees and all such indemnities and provisions shall apply to the exercise or purported exercise by the Alternate Trustee of its powers and discretions under this Clause.

16. CLOSURE OF THE SCHEME

Should the University Council at any time hereafter decide to close the Scheme, the University Council shall give to each Member six calendar months' prior notice in writing (expiring at any time) of its decision in that behalf. Then as from the expiry of such notice no new Members shall be admitted to the Scheme and both the Members and the University shall not make any further Subscriptions or Contributions to the Scheme pursuant to Rule 4 and the Scheme shall thenceforth continue only for the purpose of paying to each Member upon actual cessation of his employment by the University or death, such Member's entitlement being calculated in accordance with Rule 5 provided always that service after the expiry of such notice shall count as Superannuable Service for the purpose of Rule 5 but Final Salary shall be based on the rate of Salary of the Member being earned immediately prior to expiry of the said notice and not the rate of Salary being earned immediately prior to cessation of membership. Any sums still remaining in the Reserve Account after all such payments as aforesaid have been made shall be refunded to the general funds of the University and shall be the sole property of the University and the trust herein shall then be terminated.

17. DISSOLUTION OF THE SCHEME

The Scheme shall be dissolved and the trusts herein shall be terminated:

- (a) if the University shall be dissolved by legislation; or
- (b) if for any reason the Scheme appears in the opinion of the University to be unable to fulfil its purpose and a resolution has been passed by the University Council that the Scheme be dissolved; or
- (c) upon the expiration of the period specified in Clause 19; or
- (d) if there is a Court Order made or legislation passed to that effect; or
- (e) if for any reason the Scheme ceases to hold Recognition Status.

18. DISTRIBUTION OF THE SCHEME

18.1. Upon the dissolution of the Scheme in accordance with Clause 17, the Trustees shall apply the assets of the Scheme in the following manner:

- (a) first, in the payment of all outstanding taxes, duties, fees, costs, charges and expenses of and incidental to the administration, management and winding up of the Scheme;
- (b) secondly, in the payment of all benefits the entitlement to which arose prior to the date of dissolution of the Scheme;

(c) thirdly, in securing for each Member at the date of dissolution the benefits to which he would have been entitled in accordance with the Rules had he left employment on the day preceding the date of dissolution, such benefits to be payable on termination of the Member's employment provided that if the Scheme is dissolved under Clause 17(b) and consequential upon the establishment of a Successor Scheme, in securing for each Member at the date of dissolution the benefits to which he would have been entitled in accordance with the Rules had he left employment on the day immediately prior to such date of dissolution, such benefits to be payable:

(i) in respect of an amount equal to the Long Service Payment of the Member, to the Successor Scheme under Clause 10.3(c);

(ii) in respect of any balance remaining:

(A) to the Member in cash; or

(B) to the Successor Scheme under Clause 10.3(c),

or, subject to the approval of the Trustees, any combination of sub-paragraphs (A) and (B), at the option of the Member, otherwise all benefits payable under this Clause 18 shall be paid by the Trustees in accordance with Clause 18.4.

18.2. If the assets of the Scheme are not sufficient to satisfy in full the amounts specified in Clauses 18.1(a), (b) and (c) the University shall make up any deficiency.

18.3. If there is a balance of assets remaining unexpended after having made provision under Clauses 18.1(a), (b) and (c), such balance shall be refunded to the general funds of the University and shall be the sole property of the University.

18.4. Upon dissolution of the Scheme, then notwithstanding any provision of this Deed or the Rules to the contrary, the benefits payable to Members shall:

(a) in the case of Minimum MPF Benefit, be transferred out of the Scheme to another scheme as required under the applicable requirements of the MPF legislation; or

(b) in any other case, be paid by the Trustees directly to the Members instead of being paid through the University or its agent.

19. DURATION OF THE TRUSTS

The perpetuity period of the trusts hereof shall be eighty years from the date of execution hereof or such longer period as shall then be lawful.

20. LAW

This Deed and the Rules shall in all respects be governed by and interpreted according to the laws of Hong Kong Special Administrative Region.

SCHEDULE

RULES OF HONG KONG BAPTIST UNIVERSITY 1998 SUPERANNUATION FUND

1. MEMBERSHIP

1.1. Subject to Rule 1.2 and Rule 5.7, an employee of the University shall be eligible to be admitted as a Member if

- (a) by the terms of his employment, he is invited to participate in the Scheme;
- (b) his service is full-time; and
- (c) his appointment is not designated as temporary.

Provided always that the decision of the University shall be final in determining whether or not a person is eligible to become a Member of the Scheme and no Member may terminate membership of the Scheme prior to Normal Retirement Age, termination of service or death other than upon the dissolution of the Scheme.

1.2. A New Eligible Employee shall become a Member of the Scheme upon giving notice in writing to the University in such form and subject to such terms as the University may require.

1.3. [Blank]

1.4. A Member who was also a member of the Former Scheme immediately prior to the Commencement Date may elect to participate in the Scheme as an Inactive Member. An Inactive Member may elect to participate in the Scheme as an Active Member. Any election under this Rule must be made in writing to the Trustees.

1.5. The University:

- (a) shall, upon a New Eligible Employee becoming a Member of the Scheme after the MPF Commencement Date, classify the Member as either a Post-MPF Full Member or a Post-MPF Limited Member;
- (b) may, at any subsequent time with the consent of the Member, re-classify a Post-MPF Limited Member as a Post-MPF Full Member by advising the Trustees in writing; and
- (c) may, at any subsequent time with the consent of the Member, re-classify a Post-MPF Full Member as a Post-MPF Limited Member by advising the Trustees in writing.

- 1.6. Any Inactive Member who irrevocably elects, on or before the MPF Commencement Date, to become a Pre-MPF Limited Member following an offer made to that Member by the University shall be classified as a Pre-MPF Limited Member by the University until such time when an opportunity arises when such Pre-MPF Limited Member can elect to become a member of an MPF Scheme. A Pre-MPF Limited Member may elect to participate in the Scheme as an Active Member. Any election under this Rule must be made in writing to the Trustees.
- 1.7. Each Member shall cease to be a Member on the date on which the Member ceases to be in the employment of the University or such other date as the University and the Member may agree.

2. ESTABLISHMENT OF ACCOUNTS

- 2.1. For the purpose of determining the benefits which may become payable to or in respect of a Member, the Trustees shall establish and maintain:

- (a) in respect of each Member, a Member Account; and
- (b) in respect of each Member, an Employer Account.

- 2.2. There shall be credited to the Member Account in respect of each Member classified as Terms A Staff or Terms B Staff:

- (a) the Subscriptions made by the Member pursuant to Rule 4.1;
- (b) any amounts credited to such account pursuant to Rule 3;
- (c) any amounts credited to such account pursuant to Rule 4.3;
- (d) any amounts credited to such account as the Trustees may determine in the event of the Trustees accepting any asset pursuant to Rule 8.1;

and there shall be debited to the Member Account in respect of each Member classified as Terms A Staff or Terms B Staff:

- (i) any benefit paid from the account in respect of the Member;
- (ii) any amounts debited to such account pursuant to Rule 3.

- 2.3. There shall be credited to the Employer Account in respect of each Member:

- (a) the balance of any Contributions made by the University pursuant to Rule 4.2 or Rule 4.5 after setting aside any amount determined by the Trustees under Rule 4.6;
- (b) any amounts credited to such account pursuant to Rule 3;
- (c) any amounts credited to such account pursuant to Rule 12;

- (d) any amounts credited to such account as the Trustees may on the advice of the actuary determine in the event of the Trustees accepting any asset pursuant to Rule 8.1 or any contribution pursuant to Rule 4.4;

and there shall be debited to the Employer Account in respect of each Member:

- (i) any benefit paid from the account in respect of the Member;
- (ii) any amounts debited to such account pursuant to Rule 3.

3. DETERMINATION OF EARNINGS

- 3.1. Where any amount in a Member Account or an Employer Account is invested in an investment portfolio arrangement established under Clause 11.2 the Trustees shall (unless they decide to determine the earnings in respect of that portfolio on the basis contained in Rule 3.2(a)), determine that the proportion of the amount in each Member Account or Employer Account which is represented by or is attributable to investments forming part of that portfolio shall directly reflect changes in the net value of those investments from time to time after having due regard to any debits and credits to be made to those accounts under Rule 2.

3.2. Valuation

- (a) On each Valuation Date following 29 September, 2011 the Trustees shall calculate the value of:-

- (i) the Member's Account Balance;
- (ii) the Employer's Account Balance;
- (iii) the Employer's Minimum Contribution; and
- (iv) the Reserve Account and the Funding Obligation Account.

in such manner as it may, from time to time, agree with the University.

- (b) Any assets of the Scheme due to Subscriptions and Contributions paid to the Fund under Rule 4 or transfers received by the Scheme under Rule 8.1 since the last Valuation Date shall be credited to the respective Employer's Account Balance or Member's Account Balance as appropriate immediately following, or coincident with, receipt by the Trustees of such contributions or transfers.

- 3.3. (a) In respect of any amount in a Member Account or an Employer Account invested otherwise than in an investment portfolio arrangement established under Clause 11.2, or as an alternative to determining the value of an investment portfolio arrangement by reference to Rule 3.1, the Trustees may:

- (i) determine on an annual basis, one or more rates of interest (which may be positive or negative) which shall reflect the net earnings of the investments of the Scheme for that year having due regard to the matters referred to in Rule 3.3(c) and Rule 3.4; or

- (ii) prospectively determine a rate of interest on an interim basis in respect of a particular period and for a particular purpose and may subsequently and retrospectively determine a rate on a final basis in respect of that period and for that purpose.

(b) A rate of interest declared under Rule 3.3(a) shall be:

- (i) credited to each Member Account and Employer Account if positive; or
- (ii) debited to each Member Account and Employer Account if negative;

having due regard to any Member's nomination or variation under Clause 11.3.

(c) Where any amount in a Member Account or an Employer Account is invested in an investment portfolio arrangement established under Clause 11.2 and the Trustees have decided to determine the earnings in respect of that portfolio on the basis contained in Rule 3.3(a), then, in determining how and to what extent the relative investment performance of such a portfolio is reflected in a rate of interest under Rule 3.3(a) the Trustees shall have due regard to the extent which the amount in each Member Account or Employer Account is represented by or is attributable to:

- (i) investments forming part of that portfolio; and
- (ii) investments not forming part of that portfolio.

3.4. Any cost of the establishment or maintenance of an investment portfolio arrangement established under Clause 11.2 and any amounts that the Trustees may deem necessary to meet the costs of the management, operation and administration of the Scheme shall be allocated between the net earnings to be attributed to:

- (a) that investment; and
- (b) the investments of the Scheme as a whole,

in such proportions as agreed between the Trustees and the University.

4. SUBSCRIPTIONS AND CONTRIBUTIONS

4.1. The University shall:

- (a) from the Salary accrued due and paid to each Member classified as Terms A Staff or Terms B Staff (excluding Inactive Members, Pre-MPF Limited Members, Post-MPF Limited Members or Opted-Out Members), deduct a sum equal to 5% of such Salary; and

- (b) from the Salary accrued due and paid to each Member, deduct a sum equal to the percentage (if any) of such Salary or any amount nominated by the Member to the University and agreed by the University from time to time,

and shall pay any sums so deducted to the Trustees as the Member's Subscription and such amounts shall be credited to the Member Account of the Member.

4.2. Simultaneously with the aforesaid deductions the University shall:

- (a) in respect of each Active Member and Post-MPF Full Member classified as Terms A Staff or Terms B Staff contribute a sum equal to 15% (or such percentage as agreed between the University and the Member) of the Salary of the Member and shall pay such sum to the Trustees as the University's Contribution to the Scheme,
- (b) in respect of each Active Member and Post-MPF Full Member classified as Terms C Staff contribute a sum equal to 8.5% (or such other percentage as agreed between the University and the Member) of the Salary of the Member and shall pay such sum to the Trustees as the University's Contribution to the Scheme,
- (c) in respect of each Pre-MPF Limited Member and Post-MPF Limited Member contribute a sum equal to the amount referred to in Part III of the Mandatory Provident Fund Schemes Ordinance as being the 'employer's contribution' and shall pay such sum to the Trustees as the University's Contribution to the Scheme and such amounts shall be credited to the Employer Account of the Member.

4.3. Should a Member be granted leave of absence and such Member elects to make additional voluntary Subscriptions under paragraph (ii) of the definition of "Superannuable Service", then such amounts shall be credited to the Member Account of the Member.

4.4. The University may from time to time pay to the Trustees for the purposes of the Scheme a special contribution.

4.5. The University may at its discretion contribute to the Scheme in respect of Members specified by the University to the Trustees such sums in addition to those referred to in Rule 4.2 and Rule 4.4 and shall pay such sums to the Trustees.

4.6. The Trustees may determine that part of the contributions of the University will be set aside for crediting to the Reserve Account.

4.7. The University may pay such additional amounts to the Scheme to cover, inter alia, costs and expenses of the management of the Scheme or funding obligations generally as it may in its absolute discretion determine and these amounts will be credited to the Reserve Account or to the "Funding Obligation Account" in accordance with Rule 12.

5. BENEFITS PAYABLE

- 5.1. Subject as in these Rules otherwise provided, the Trustees shall pay from the assets of the Scheme to each Member upon retirement, termination of employment or death a cash sum benefit after deduction (if any) of any debts owing by the Member to the University as herein mentioned is determined as follows:
- (a) In the case of an Active Member or an Opted-Out Member:
 - (i) who is or was also an Old Former Scheme Member, his benefit entitlement shall be calculated as set out in Appendix A hereto;
 - (ii) who is or was also a New Former Scheme Member or a Pre-MPF Scheme Member, his benefit entitlement shall be calculated as set out in Appendix B hereto;
 - (b) In the case of a New Member or an Opted-Out Member who was also a New Member, his benefit entitlement shall be calculated as set out in Appendix C hereto; and
 - (c) In the case of an Inactive Member or a Pre-MPF Limited Member, his benefit entitlement shall be calculated as set out in Appendix D hereto.
- 5.2. The amount of benefit payable hereunder to any Member shall be calculated up to the date of his retirement, termination of service or death, whichever is the earlier date, and thereafter no interest on such benefit shall be payable out of the Scheme.
- 5.3. (a) Subject to (b) below, every Member shall be entitled to direct the Trustees in writing to pay the whole or any part of the benefits payable to him under the provisions of this Deed to any party other than himself and payment to the said party shall be deemed due payment to the Member himself. A receipt for the payment issued by the said party shall also be deemed valid receipt from the Member; and
- (b) No Member who joins the Scheme on or after 29 September, 2011 may exercise the right set out in (a) above without the consent of the University.
- 5.4. The Trustees hereby covenant to pay the whole or such part of the benefits payable to the Member in such manner as the Member may direct in accordance with Rule 5.3.
- 5.5. The Trustees may delay payment of a benefit until any proof of entitlement which:
- (a) the Trustees require; or
 - (b) is required to be supplied to the Trustees under the applicable requirements of the MPF legislation before the benefit can be paid,
- is made available to the Trustees.

- 5.6. The Minimum MPF Benefit of any Post-MPF Full Member or Post-MPF Limited Member (who becomes a Member of the Scheme after the MPF Commencement Date) shall only become payable to or in respect of the Member as permitted under the applicable requirements of the MPF legislation.
- 5.7. For an Opted-Out Member, the following provisions will apply to that Member:
- (a) the Member shall remain a Member of the Scheme until the Member is entitled to receive a benefit under an Appendix hereto;
 - (b) Contributions to the Scheme by the University in respect of that Member shall cease;
 - (c) the accrued rights of the Member shall be retained in the Scheme and continue to be credited with interest until the Member is entitled to receive a benefit under an Appendix hereto;
 - (d) for the purpose of an Appendix hereto, the period of the Member's Superannuable Service shall include the period of employment with the University while a member of the Other Scheme; and
 - (e) any reference in an Appendix hereto to the attainment of a particular age by the Member shall include attainment of that age while a member of the Other Scheme.
- 5.8. Where any benefit payable from the Scheme is determined by reference to the Member Account Balance and/or Employer Account Balance of a Member then the value standing to the credit of such Accounts shall be determined by the Trustees as at the Appropriate Valuation Date.

6. CURRENCY OF BENEFITS

Subject as in these Rules otherwise provided, all benefits payable under the Rules shall be paid in the lawful currency of Hong Kong.

7. INSPECTION OF ACCOUNTS

Each Member shall be entitled to inspect the account in his name under the Scheme at all times during normal office hours of the University.

8. TRANSFERRED OR TRANSFERRING MEMBERS

- 8.1. Upon the direction of the University pursuant to Clause 10.3(a), the Trustees shall accept as an asset of the Scheme from the trustees or other administrators of any other scheme or fund having Recognition Status of which a Member was previously a member, a sum representing the contingent liability of that scheme or fund to such Member on the day immediately preceding the date of cessation of employment with the previous employer on the assumption that such Member were not leaving such employment (or such other amount as the University and the Member may agree and notify the Trustees). The said employer or trustees or other administrators of that scheme or fund having notified the University of the length of qualifying employment in respect thereof, the University shall

determine the proportion of such employment to be allowed as Superannuable Service or the basis upon which benefits shall be granted for the period of employment with the previous employer and notify the Trustees of such determination.

- 8.2. Upon the request of a Member leaving employment and upon the direction of the University pursuant to Clause 10.3(b), the Trustees shall pay from the assets of the Scheme in lieu of the benefits payable to that Member under the Scheme to the trustees or other administrators of a scheme or fund or arrangement having Recognition Status of which the Member becomes a member, a sum determined representing the contingent liability of the Scheme to the Member on the day immediately preceding the date of termination of employment with the University on the assumption that the Member were not leaving employment (or such other amount as the University and the Member may agree and notify the Trustees) and shall notify the trustees or other administrators of the other scheme or fund of the length of Superannuable Service and any further information required by such trustees or other administrators. Upon payment over as aforesaid the Member shall cease to be a Member of the Scheme and shall have no claim against or other interest whatsoever in the Scheme.

9. BENEFITS OFFSET

- 9.1. Any benefits payable under the Scheme in respect of a Member attributable to the Contributions, together with the part of his Minimum MPF Benefit derived from his former employer transferred from another relevant scheme, if any (in case of a New Member), may be used by the University to offset any payments payable to the Member pursuant to the Employment Ordinance (Cap. 57 of the Laws of Hong Kong) to the extent permitted by the Employment Ordinance.
- 9.2. In the event that a Social Security Scheme or any analogous scheme is introduced in Hong Kong by the Government of Hong Kong, the Trustees at the request of the University may reduce the benefits payable under the Scheme to or in respect of any Member by the amount of the Social Security Scheme Benefits or any such analogous benefits attributable to the Contributions.

10. DEATH OF A MEMBER

In the event of a Member's death, his entitlement shall, subject to the provisions of these presents, be paid to his legal personal representative whose receipt shall be a complete discharge to the Trustees.

11. PERSONAL BENEFIT STATEMENT

The Trustees shall prepare and forward half-yearly to each Member a statement showing his benefit entitlements under the Scheme.

12. RESERVE ACCOUNT AND FUNDING OBLIGATION ACCOUNT

- 12.1. There shall be maintained in the books of the Scheme a Reserve Account.

- 12.2. There shall be credited to the Reserve Account:
- (a) the Employer Account Balance of a Member after all benefits which could become payable out of the Scheme to or in respect of the Member have been paid;
 - (b) any amounts paid to the Scheme by the University (including, but not limited to, any amounts made by the University to meet the costs of the management, operation and administration of the Scheme under Rule 4.7) other than any amount which is credited to:-
 - (i) a Member Account; or
 - (ii) an Employer Account; or
 - (iii) the Funding Obligation Account (under Rule 12.4);
 - (c) any amount set aside under Rule 4.6 for crediting to this Account;
 - (d) any amounts (other than amounts covered by Rule 2.3(a)) credited to such account as the Trustees may on the advice of the actuary determine in the event of the Trustees accepting from any retirement scheme or fund pursuant to Rule 8.1 any asset which they are advised to be surplus assets;
 - (e) any other amount which the Deed or these Rules may require to be credited thereto or the Trustees may consider it appropriate and equitable to credit thereto,

and there shall be debited to such Account:

- (i) any amounts that the Trustees may deem necessary to meet the costs of the management, operation and administration of the Scheme (unless already allocated to Member Accounts and Employer Accounts under Rule 3.3);
- (ii) any amounts distributed to Employer Accounts under Rule 12.3; and
- (iii) any other amount which the Deed or these Rules may require to be debited thereto or the Trustees may consider it appropriate and equitable to debit thereto.

12.3. The Trustees must distribute any balance remaining in the Reserve Account at the end of each financial year (after all amounts have been debited under Rule 12.2(i)) amongst the Employer Accounts. Amounts must be distributed in such manner as the Trustees determine to be fair and equitable.

- 12.4. (a) There shall be maintained in the books of the Scheme a Funding Obligation Account.
- (b) There shall be credited to the Funding Obligation Account such contributions paid to the Scheme by the University under Rule 4.7 which the University directs should be credited to the Funding Obligation Account.

- (c) There shall be debited to the Funding Obligation Account such amounts as the University may from time to time direct in order to fund certain benefit payments to Members on death or disability.

13. **ARBITRATION**

All disputes and questions whatsoever which shall either during the continuance of the Scheme or afterwards arise between any Member or the executors or administrators of such Member and the University or the Trustees touching the Scheme or the construction or application of these presents or as to whether the Scheme is still subsisting or not or touching any account, valuation or calculation of interest to be made under the terms of these presents or as to any act deed or omission of the University or of any Member or as to any other matter in any way relating to these presents or the rights duties or liabilities of any person thereunder shall be referred to a single arbitrator in Hong Kong if the parties in dispute can agree upon one, or otherwise to two arbitrators in Hong Kong one to be appointed by each party to the dispute and the umpire of such arbitrators in accordance with the provisions of the Arbitration Ordinance, (Cap. 341 of the Laws of Hong Kong) or any ordinance for the time being replacing or modifying the same, provided that any question in regard to which either the opinion of the University Council, or the decision of the University Council, is by any provisions of these presents declared to be final, shall not be the subject of arbitration under the provisions of this Rule.

APPENDIX A

BENEFITS FOR ACTIVE MEMBERS WHO ARE OLD FORMER SCHEME MEMBERS and OPTED-OUT MEMBERS WHO WERE OLD FORMER SCHEME MEMBERS

1. TERMINATION OF SERVICE BENEFITS

1.1. A Member who retires from the service with the University:

- (a) at Normal Retirement Age;
- (b) with the consent of the University, after Normal Retirement Age;
- (c) within five years of Normal Retirement Age as approved by the University or as called for by the University for good cause; or
- (d) on the grounds of ill-health and such ill-health is certified and substantiated in a manner to the satisfaction of the University Council (whose decision in the matter shall be final),

shall be paid a lump sum equal to the aggregate of his or her Member Account Balance and his or her Employer Account Balance.

1.2. A Member who ceases service with the University before retirement on grounds of ill-health but at or after age 45 and after 10 years of Superannuable Service shall be paid a lump sum equal to the aggregate of his or her Member Account Balance and his or her Employer Account Balance.

1.3. A Member who ceases service with the University before retirement on grounds of ill-health and before 10 years of Superannuable Service but at or after age 45 shall be paid a lump sum equal to the aggregate of:

- (a) his or her Member Account Balance; and
- (b) 80% of his or her Employer Account Balance.

1.4. If a Member ceases service with the University and a benefit is not payable pursuant to Rule 1.1, 1.2, 1.3 or 2 of this Appendix then the Member shall be paid a lump sum benefit equal to the sum of:

- (a) his or her Member Account Balance (if any); and
- (b) a percentage of his or her Employer Account Balance determined according to the following table:

Completed Years of Superannuable Service	Terms A Staff	Terms B Staff
less than 2	0%	0%
2 to less than 4	80%	0%
4 to 9	80%	80%
10 or more	100%	100%

2. DEATH AND DISABILITY BENEFITS

- 2.1. A Member who dies while in service with the University shall have paid to his legal personal representative a lump sum equal to the greater of:
- (a) an amount equal to M times Final Salary, where M is 36 for an Active Member and M is zero for an Opted-Out Member,
 - (b) the benefit determined as if the Member is at Normal Retirement Age under Rule 1.1 of this Appendix.
- 2.2. A Member who ceases to be in service with the University due to Total Permanent Disability shall be paid, upon the Trustees being directed by the University so to do and upon being satisfied with the permanence of the Member's physical or mental ill-health or incapacity, a lump sum equal to the amount to which the Member would be entitled if the Member had died at the date of cessation of service.

APPENDIX B

BENEFITS FOR ACTIVE MEMBERS WHO ARE NEW FORMER SCHEME MEMBERS OR PRE-MPF SCHEME MEMBERS and OPTED-OUT MEMBERS WHO WERE NEW FORMER SCHEME MEMBERS OR PRE-MPF SCHEME MEMBERS

1. RETIREMENT BENEFITS

1.1. A Member who retires from service with the University at Normal Retirement Age shall be paid a lump sum equal to:

- (a) his or her Member Account Balance (if any); and
- (b) if the Member (irrespective of the Superannuable Service or grade of the Member) was a Member of the Former Scheme before 1 July 1994, his or her Employer Account Balance.
- (c) if the Member became a Member of the Former Scheme on or after 1 July 1994, the greater of:
 - (i) a percentage of his or her Employer Account Balance, determined according to the following table:

Completed Years of Superannuable Service	Terms A Staff or former Terms A Staff Member	Terms B Staff or former Terms B Staff Member but never Terms A Staff Member	Terms C Staff and never Terms A Staff Member or Terms B Staff Member
Less than 2	0%	0%	67%
2 to 3	80%	0%	67%
4 to 9	80%	80%	67%
10 or more	100%	100%	100%

- (ii) his or her Employer's Minimum Contribution, such amount not to exceed the Employer Account Balance.
- 1.2. With the consent of the University, a Member whose employment with the University is extended beyond the Normal Retirement Age may continue membership of the Scheme beyond Normal Retirement Age. Upon late retirement the Member will be paid the benefit determined under Rule 1.1 of this Appendix but based on the Superannuable Service of the Member as at the date of late retirement.
- 1.3. In the event of a Member:
 - (a) retiring early within five years of Normal Retirement Age as approved by the University or as called for by the University for good cause; or
 - (b) retiring on the grounds of ill-health and such ill-health is certified and substantiated in a manner to the satisfaction of the University Council (whose decision in the matter shall be final),

upon such retirement the Member will be paid the benefit determined under Rule 1.1 of this Appendix but based on the Superannuable Service of the Member as at the date of early retirement or ill-health retirement.

2. **DEATH AND DISABILITY BENEFITS**

- 2.1. A Member who dies in service with the University shall be paid a lump sum equal to the greater of:
- (a) an amount equal to M times Final Salary, where M is 36 for a Terms A staff or Terms B staff, and M is 24 for a Terms C staff, and M is zero for an Opted-Out Member,
 - (b) the benefit determined as if the Member is at Normal Retirement Age under Rule 1.1 of this Appendix.
- 2.2. A Member who ceases to be in service with the University due to Total Permanent Disability shall be paid, upon the Trustees being directed by the University so to do and upon being satisfied with the permanence of the Member's physical or mental ill-health or incapacity, a lump sum equal to the amount to which the Member would be entitled if the Member had died at the date of cessation of service.

3. **TERMINATION OF SERVICE BENEFIT**

If a Member ceases service with the University for any reason and a benefit is not payable pursuant to Rule 1 or 2 of this Appendix then the Member shall be paid a lump sum benefit equal to the sum of:

- (a) his or her Member Account Balance (if any); and
- (b) the greater of:
 - (i) a percentage of his or her Employer Account Balance determined according to the following table:

Completed Years of Superannuable Service	Terms A Staff or former Terms A Staff Member	Terms B Staff or former Terms B Staff Member but never Terms A Staff Member	Terms C Staff and never Terms A Staff Member or Terms B Staff Member
Less than 2	0%	0%	0%
2	80%	0%	0%
3	80%	0%	0%
4	80%	80%	0%
5	80%	80%	0%
6 to 9	80%	80%	33%
10 to 14	100%	100%	50%
15 to 19	100%	100%	67%
20 to 24	100%	100%	83%
25 or more	100%	100%	100%

- (ii) his or her Employer's Minimum Contribution, such amount not to exceed the Employer Account Balance.

APPENDIX C

BENEFITS FOR NEW MEMBERS and OPTED-OUT MEMBERS WHO WERE NEW MEMBERS

1. RETIREMENT BENEFITS

1.1. A Member who retires from service with the University at Normal Retirement Age shall be paid, subject to Rule 4 of this Appendix, a lump sum equal to:

- (a) his or her Member Account Balance (if any); and
- (b) the greater of:
 - (i) a percentage of his or her Employer Account Balance determined according to the following table:

Completed Years of Superannuable Service	Terms A Staff or former Terms A Staff Member	Terms B Staff or former Terms B Staff Member but never Terms A Staff Member	Terms C Staff and never Terms A Staff Member or Terms B Staff Member
Less than 2	0%	0%	67%
2 to 3	80%	0%	67%
4 to 9	80%	80%	67%
10 or more	100%	100%	100%

- (ii) his or her Employer's Minimum Contribution, such amount not to exceed the Employer Account Balance.
- 1.2. With the consent of the University, a Member whose employment with the University is extended beyond the Normal Retirement Age may continue membership of the Scheme beyond Normal Retirement Age. Upon late retirement the Member will be paid the benefit determined under Rule 1.1 of this Appendix but based on the Superannuable Service of the Member as at the date of late retirement.
- 1.3. In the event of a Member:
 - (a) retiring within 5 years prior to Normal Retirement Age as approved by the University or as called for by the University for good cause; or
 - (b) retiring on the grounds of ill-health and such ill-health is certified and substantiated in a manner to the satisfaction of the University Council (whose decision in the matter shall be final),

upon such retirement the Member will be paid, subject to Rule 4 of this Appendix, the benefit determined under Rule 1.1 of this Appendix but based on the Superannuable Service of the Member as at the date of early retirement or ill-health retirement.

2. **DEATH AND DISABILITY BENEFITS**

- 2.1. A Member who dies in service with the University shall be paid a lump sum equal to the greater of:
- (a) an amount equal to M times Final Salary, where M is 36 for a Terms A Staff or Terms B Staff, M is 24 for a Terms C Staff and M is zero for a Post-MPF Limited Member and an Opted-Out Member;
 - (b) the benefit determined as if the Member is at Normal Retirement Age under Rule 1.1 of this Appendix.
- 2.2. A Member who ceases to be in service with the University due to Total Permanent Disability shall be paid, subject to Rule 4 of this Appendix, upon the Trustees being directed by the University to do so and upon being satisfied with the permanence of the Member's physical or mental ill-health or incapacity, a lump sum equal to the amount to which the Member would be entitled if the Member had died at the date of cessation of service.

3. **TERMINATION OF SERVICE BENEFIT**

- 3.1. If a Member ceases service with the University for any reason and a benefit is not payable pursuant to Rule 1 or 2 of this Appendix then the Member shall be paid, subject to Rule 4 of this Appendix, a lump sum benefit equal to the sum of:
- (a) his or her Member Account Balance (if any); and
 - (b) the greater of:
 - (i) a percentage of his or her Employer Account Balance determined according to the following table:

Completed Years of Superannuable Service	Terms A Staff or former Terms A Staff Member	Terms B Staff or former Terms B Staff Member but never Terms A Staff Member	Terms C Staff and never Terms A Staff Member or Terms B Staff Member
Less than 2	0%	0%	0%
2	80%	0%	0%
3	80%	0%	0%
4	80%	80%	0%
5	80%	80%	0%
6 to 9	80%	80%	33%
10 to 14	100%	100%	50%
15 to 19	100%	100%	67%
20 to 24	100%	100%	83%
25 or more	100%	100%	100%

- (ii) his or her Employer's Minimum Contribution, such amount not to exceed the Employer Account Balance.

4. PRESERVATION

- 4.1. That part of an amount payable to a Member under Rule 1, 2 or 3 of this Appendix that represents the Minimum MPF Benefit of a Member (if any) shall only be paid to the Member if he or she has:
- (a) attained the age of sixty-five years;
 - (b) attained the age of sixty years and provided to the Trustees the information and documents required under the applicable requirements of the MPF legislation;
 - (c) departed, or is about to depart, from Hong Kong permanently and:
 - (i) provided to the Trustees the information and documents required under the applicable requirements of the MPF legislation; and
 - (ii) has not previously received a benefit from another scheme in the same circumstances; or
 - (d) suffered total incapacity and provided to the Trustees the information and documents required under the applicable requirements of the MPF legislation.
- 4.2. Subject to Rule 4.1 of this Appendix, where a Member is entitled to receive benefits (whether immediately or prospectively) under the Scheme, the Member's Minimum MPF Benefit (if any) shall, as soon as reasonably practicable, be transferred out of the Scheme to another scheme in accordance with the MPF legislation.
- 4.3. Where a New Member first became a Member on 1 December 2000 then:-
- (a) the Trustees shall calculate an amount equal to the minimum MPF benefits of such Member (as defined in Schedule 2 of the Mandatory Provident Fund Schemes (Exemption) Regulation) as if the Member had joined the Fund on 2 December 2000 (the “**Notional MMB Amount**”); and
 - (b) upon such New Member becoming entitled to benefits under this Appendix, the New Member shall be given the opportunity either:-
 - (i) to take the Notional MMB Amount in cash immediately, or
 - (ii) to transfer such Notional MMB Amount to a MPF scheme on such terms as the University, the Trustees and the New Member may agree, or
 - (iii) to roll-over such Notional MMB Amount to the New Member's personal investment account on such terms as the University, the Trustees and the New Member may agree.

APPENDIX D

BENEFITS FOR INACTIVE MEMBERS AND PRE-MPF LIMITED MEMBERS

1. DEATH BENEFITS

A Member who dies in service with the University shall have paid to his legal personal representative a lump sum equal to the aggregate of his or her Member Account Balance and his or her Employer Account Balance (if any).

2. TERMINATION OF SERVICE BENEFITS

A Member who ceases service with the University for any reason shall be paid a lump sum equal to the aggregate of his or her Member Account Balance and his or her Employer Account Balance (if any).

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