

## APPENDIX C1

### AIA International Limited Macau Branch

#### Open Pension Fund

#### AIA Macau Retirement Fund Management Regulation

This Management Regulation is executed by AIA International Limited Macau Branch (hereinafter referred to as "AIA MACAU"/"Management Company"), which is situated at 1903, AIA Tower, Nos. 251A-301 Avenida Comercial de Macau, Macau, and whose registered office is located at 29 Richmond Road, Pembroke, Bermuda, HM08. The share capital of the above-mentioned Management Company is US\$3,600,000.

Whereas:

1. Upon the execution of the Management Regulation, AIA MACAU (hereinafter referred to as "AIA MACAU"/"Management Company") shall establish an open pension fund named "**AIA Macau Retirement Fund**", or other names as determined by the Management Company from time to time (hereinafter referred to as "the Fund") which is open to collective participation by Associates or individual participants.
2. Under the provisions of the relevant laws, the Management Company is qualified to carry out all the functions of administration, management and representation of the Fund.
3. The Management Company shall hold the Fund in accordance with this Management Regulation and any relevant participating agreement.

This Management Regulation is witnessed as follows:

#### Article 1 (Definitions)

- 1.1 In this Management Regulation, unless otherwise specified, the following terms and expressions shall have the following meanings:

"Application Form" means the application form specified by the Management Company from time to time to be completed and signed by Associates or individual participants (as the case may be), for the purpose of providing relevant information to the Management Company;

"Associates" means corporate entities whose pension plans are financed by this pension fund;

"Participant" means a natural person who is entitled to benefits stipulated in a retirement plan pursuant to such person's individual situation or occupation circumstances, regardless of whether or not such person has to make recurring contributions to such retirement plan;

"Beneficiary" means a natural person who is entitled to receive pecuniary payments provided for in the pension plans, regardless of whether or not such person has been a Participant;

"Business Day" means any business day (except Saturdays and Sundays), on which banks are open for business in Macau;

"Contributor" means a natural person or legal entity who contributes towards the financing of the pension plan;

"Custodian" means any person or legal entity appointed by the Management Company under this Management Regulation;

"Macau" means The People's Republic of China Macau Special Administrative Region;

"Management Company" means AIA MACAU;

"Management Regulation" means any regulations stipulated in this Management Regulation;

"Month" means calendar month;

"Net Asset Value" means the net asset value of the Fund, or as otherwise specified in Article 8.4;

"Participating Scheme" means a sub-scheme established under the name of the Fund pursuant to a Participating Agreement; or as otherwise stipulated in this Management Regulation;

"Participating Agreement" means an agreement in relation to a Participating Scheme (which substantial format is stipulated by the Management Company) which is entered into between the Management Company and Associates or Participants, in which it is agreed that a Participating Scheme be set up under this Management Regulation whereby both this Management Regulation and the Participating Agreement may be subject to amendment from time to time;

"Permanent loss of work capacity" shall mean the following circumstances:

- (a) Any recipient of allowance for incapacity from any social security schemes, namely the Social Security Fund or the Macau Pensions Fund;
- (b) Any recipient of compensation for permanent incapacity as a result of occupational accident or occupational disease, pursuant to the applicable legal definition of occupational accident or occupational disease;
- (c) Where a person, not coming within the scope of the preceding two subparagraphs, suffers permanent loss of work capacity as a result of the responsible acts of third parties which prevent that person from earning one-third or more of the remuneration corresponding to his/her normal professional activity;

"Redemption Price" means the redemption price per unit redeemed or to be redeemed from time to time

as calculated pursuant to Article 10;

"Registered Fund" means any pension fund registered under the relevant laws and regulations, or other meanings as ascribed by the authority concerned from time to time;

"Subscription Amount" means any contribution or accrued benefits transferred to the Fund from another registered fund, or any amount received by the Management Company in respect of the Fund;

"Unit" means any undivided shares, including any fractional shares, approved by this Management Regulation under the Participating Scheme.

- 1.2 References to "this Management Regulation" or "Management Regulation" shall mean these management regulations as amended by the Management Company from time to time.
- 1.3 Unless otherwise specified, all references to the articles, Participating Agreement, appendices and schedules shall refer to the same under this Management Regulation. Appendices and schedules (where applicable) shall be deemed as part of this Management Regulation.
- 1.4 Titles are for reference only and shall not affect the definitions of this Management Regulation.
- 1.5 Unless otherwise specified, singular words shall have plural meanings and vice versa; words of gender include both sexes; words of persons include companies.
- 1.6 References to any legislation shall be deemed to include its amended and re-enacted versions from time to time.

## **Article 2 (Objective of the Pension Fund)**

- 2.1 The objective of the Fund is to ensure the execution of the pension plans relating to early retirement, old age retirement, termination of employment and permanent loss of work capacity or death.

## **Article 3 (Appointment, Removal and Withdrawal of Custodians)**

- 3.1 Upon approval from the Monetary Authority of Macau, the Management Company is entitled to appoint or remove one or more than one Custodian(s).
- 3.2 The Custodian of the Fund is Citibank N.A. Its registered office is located at 399 Park Avenue, New York, NY 10043, United States of America.
- 3.3 The Custodian is qualified, under the provisions of the relevant law, to receive on deposit or record in a register of the relevant securities and documents pertaining to the Fund, to maintain a chronological record of all the transactions carried out and to prepare a detailed inventory of the assets of the Fund on a quarterly basis.

**Article 4**  
**(Type of Membership of the Fund)**

- 4.1 The participants of the Fund are categorised:
- (a) Individual participation – initial subscription of fund units by individual Contributors;
  - (b) Collective participation – initial subscription of fund units by Associates.

**Article 5**  
**(Establishment of Participating Agreement)**

- 5.1 The status of a Participant, irrespective of category, only comes into effect after the signing of the Participating Agreement which contains information required by the relevant laws and regulations.

**Article 6**  
**(Function, Rights and Responsibilities of the Management Company)**

- 6.1 The Management Company is responsible for the establishment, administration and management of the Fund, and is authorised to perform all necessary or appropriate actions and activities in the interest of managing the Fund properly, particularly the following:
- (a) Perform all rights resulting from relevant contributions on behalf of Associates, Participants, Contributors and Beneficiaries without being appointed;
  - (b) Select valuables as components of this Fund according to relevant investment policies;
  - (c) Receive expected contribution and pay Beneficiaries accordingly as stipulated in this Participating Agreement;
  - (d) Organise its own and the Fund's accounts; and
  - (e) Register real estate belonging to the Fund in the name of the Fund.
- 6.2 Subject to the relevant laws and regulations and this Management Regulation, the Management Company shall at any time be entitled to exercise all or part of the following functions and all power, whether directly or indirectly related to the Fund, and the Management Company's powers shall be as if the Management Company has absolute authority in all aspects to invest in, transfer and make changes to the Fund and possesses actual interest therein:
- (a) To invest the Fund according to this Management Regulation when the Fund is a Registered Fund;

- (b) Upon final decision made by the Management Company as it deems fit, the power to hold, without any change in the status quo thereof, any investments, securities or assets which form part of the Fund as the manager and legal agent of the Fund;
- (c) The ultimate authority of making decisions to approve the realisation, through the sales, recovery or conversion of non-cash investments, of securities and assets;
- (d) Any proceeds of the said sales, recovery or conversion and other capital amount constituting part of the Fund, or any income of the Fund and any contributions paid to the Management Company in accordance with the Participating Agreement, which is not required to be applied forthwith towards the payment as provided by this Management Regulation, the ultimate decision shall be made by the Management Company as it deems fit to invest or apply all or part of the amount in the following:
  - (i) the purchase of any funds, securities, bonds, debentures, stocks, shares and other investments or assets, including the underwriting, sub-underwriting or guarantee of the said funds, securities, bonds, debentures, stocks, shares or other investments, regardless of whether the Management Company has the possession or reversion of the same;
  - (ii) for the purpose of providing benefits for the Participating Agreement, the implementation and maintenance of any annuity contract, annuity policy or life insurance policy and other policies with any reputable insurance company or insurance office;
- (e) To make bank deposits in the name of the Fund.

6.3 Subject to the provisions of this Management Regulation, this Management Regulation does not contain any statement that will prevent the Management Company from conducting the following:

- (a) to act on behalf of other persons in other capacities;
- (b) to purchase, hold or deal in for its own account any investments or currencies, despite the fact that the Fund may hold any similar investments or currencies;
- (c) to make any purchase for investment of funds owned by the Management Company or for the Management Company's own account investment (as the case may be), forming part of the Fund provided that in any case the terms of purchase in relation to and by virtue of the Participating Scheme will not in any rate be less favourable than the terms of purchase in normal transactions on the same day.

The Management Company (or any of its associates) is not accountable to the Fund for any rewards, commissions, profits or any other benefits derived from any acts by the Management Company (or its associates) referred to above.

- 6.4 The Management Company's responsibilities include:
- (a) To act in accordance with this Management Regulation;
  - (b) To act in regard to the benefits of Associates and Participants instead of the benefits of the Management Company itself;
  - (c) To properly monitor and regulate the service provider appointed or employed for the Fund.
- 6.5 The Management Company does not bear any responsibilities that require it to disclose to any Associate or Participant any matter or event which come to its knowledge when it acts on behalf of other persons in other capacities.
- 6.6 The Management Company must abide by the regulations applicable to the Management Company as stipulated by the Decree Law 6/99/M.

**Article 7**  
**(Investment Policy)**

- 7.1 The Investment Policy of the Fund shall be formulated by AIA MACAU in compliance with the most applicable laws and regulations. The investment instruments shall be those permitted by the Monetary Authority of Macau, including but not limited to fixed interest instruments, securities, unit trusts, mutual funds and pooled investment funds.
- 7.2 The Fund's investment objective is to invest in a set of well-planned and balanced fixed-rate instruments and stock portfolios within an acceptable range of risks to achieve long-term and highly stable returns.

**Article 8**  
**(Valuation Day and Valuation Method for the Unit Value of the Fund)**

- 8.1 The Management Company shall calculate the unit value (rounded down to 2 decimal places subject to further amendments made by the Management Company from time to time) of the Fund on each valuation day on the basis of the total net assets of the Fund to be divided by the number of units in circulation. The valuation day shall be every Business Day. Besides, the Management Company is entitled to alter the date of valuation day from time to time.
- 8.2 On the date the Fund is established, the initial unit value shall be MOP100.00.
- 8.3 Subject to Article 8.1, the Management Company shall be entitled to suspend or delay the valuation based on exceptional conditions set out in Article 11.
- 8.4 According to the valuation made in accordance with the generally accepted accounting principles and the applicable laws, the aggregate net asset value of the Fund comprised of the assets represented by the unit(s) of the participation shall be equal to the fund assets deducted by the outstanding debts payable by the Fund. The debts of the Fund include its operation expenses and investment

management fees. The operation expenses include, but are not limited to, the custodian fees, transfer taxes or other expenses and taxes imposed by the relevant country, and other relevant charges.

- 8.5 The fees, charges and operation expenses in relation to Article 8.4 shall be set out in the Participating Agreement.

### **Article 9 (Subscription of Unit(s))**

- 9.1 The Subscription Amount from the Associates and the Contributors, after deducting a relevant subscription fee as stipulated in Article 12.1, will be converted into fund unit(s) (rounded to the nearest 4 decimal places subject to further amendments made by the Management Company from time to time) based on the unit value determined on the next valuation day.
- 9.2 Subject to Article 9.1, the subscription price of each unit under the Participating Scheme on the valuation day shall be the unit value calculated according to Article 8.1.
- 9.3 Where the calculation of the Net Asset Value related to the Participating Scheme is suspended by virtue of Article 11, subscription of the relevant unit shall be postponed until the first valuation day that is not restricted by Article 11.

### **Article 10 (Redemption of Unit(s))**

- 10.1 Participants and Associates may only redeem the unit(s) they subscribed in accordance with the articles stipulated in the Participating Agreement of the Fund.
- 10.2 The Redemption Price of each unit under the Participating Scheme on the valuation day shall be the unit value calculated according to Article 8.1.
- 10.3 The net redemption payment will be equal to the total value of the unit(s) redeemed ("gross redemption payment") after deducting a redemption fee as stipulated in Article 12.1.
- 10.4 When redemption of unit(s) is made pursuant to this Article 10, the Management Company shall make any necessary disposal to provide cash for the gross redemption payment. The Management Company shall then make net redemption payment to the Participant or other related parties in accordance with the relevant Participating Agreement, or apply the net redemption payment according to the provisions of this Management Regulation. The Management Company shall also deduct from the related contribution account the number of the unit(s) redeemed (and transfer the deductions to the appropriate individual account(s)).
- 10.5 Where the calculation of the related Net Asset Value under the Participating Scheme is suspended by virtue of Article 11, the redemption of relevant fund unit(s) thereof shall be delayed until the first valuation day that is not restricted by Article 11.

- 10.6 The Management Company has the final and conclusive right to restrict the total number of redeemable units under the Participating Scheme on any valuation day to 10% of the total units issued (excluding the number of units issued on that valuation day). Such restriction shall proportionally apply to all circumstances where unit redemption is required to be made on the same valuation day under the provision of the Management Regulation. (Subject to further application of this Article 10.6), any unit not redeemable due to the application of this Article 10.6 shall be redeemable on the immediately following valuation day.

**Article 11**  
**(Suspension of Valuation and Pricing)**

- 11.1 For the benefit of the Participant, the Management Company may declare suspension of valuation for the Participating Scheme and the calculation of the Net Asset Value thereof during any part or whole of the period in the event of the following:

- (a) The closure of, restriction on or suspension of trading of any stock market where a majority of investments under the Participating Scheme is carried out, or the breakdown of any system generally adopted by the Management Company for investment pricing;
- (b) Where, for certain reasons, the Management Company considers it impossible to reasonably determine the price of any investment that it held or assumed under the Participating Scheme; or
- (c) Emergency situations arising from certain circumstances that cause the Management Company to consider the realisation of any investment held or assumed under the Participating Scheme impracticable or detrimental to the benefits of the Participant; or
- (d) The delay to remittance and repatriation of fund(s) that involve or may involve the realisation or making payment of any investment under the Participating Scheme, the subscription or redemption of unit(s) under the Participating Scheme, or where the Management Company considers it impossible to make immediate remittance or fund repatriation at the normal exchange rate,

provided that the suspension shall not result in the breach of laws and regulations or this Management Regulation by the Management Company.

- 11.2 The suspension referred to in Article 11.1 shall become effective immediately upon the relevant declaration, thereafter no net asset valuation or calculation shall be made until revocation of suspension is declared by the Management Company after consultation with the Custodian (if any). However, the suspension shall be revoked on the day following the first Business Day when:

- (a) there exists no circumstances that cause the suspension; and
- (b) there exists no circumstances where suspension is required under this Management Regulation.



**Article 12**  
**(Remuneration for Management Company and Custodian)**

- 12.1 For the remuneration of management services, the Management Company shall be entitled to receive:
- (a) a subscription fee not exceeding 5% of the Subscription Amount; and
  - (b) a redemption fee not exceeding 5% of the total value of the redeemed units.
- 12.2 For the remuneration of custodian services, the Custodian shall be entitled to receive a custodian fee not exceeding 0.1% per annum of the Net Asset Value of the Fund. The current remuneration received by the Custodian shall be stated in the Participating Agreement, to which the Management Company is entitled to make amendments.
- 12.3 The Management Company and the Custodian have been authorised to debit the account of the Fund with the amounts specified in the preceding paragraphs.

**Article 13**  
**(Transfer of Fund Management and Custodian)**

- 13.1 Subject to prior approval from the Monetary Authority of Macau, the Management Company may transfer the management of the Fund to another management company. Any costs associated with the transfer will be borne by the Management Company.
- 13.2 If the event set out in the preceding paragraph should emerge, the Management Company shall notify the relevant Associates or Participants in writing at least 30 days prior to the date of the respective transfer.
- 13.3 Subject to prior approval from the Monetary Authority of Macau, the Management Company may transfer the custodian right of the assets of the Fund to one or more Custodians. Any costs associated with the transfer will be borne by the Management Company.

**Article 14**  
**(Amendment to Management Regulations)**

- 14.1 Subject to Article 14.2, the Management Company may at any time amend or extend any provisions in this Management Regulation.
- 14.2 This Management Regulation shall not be amended or extended unless:
- (a) the Monetary Authority of Macau has approved the amendment or extension; and
  - (b) the notification and other procedures (if any) required by the Monetary Authority of Macau have been complied with,

provided that advance notice of not less than one (1) Month (or any shorter period as agreed with the Monetary Authority of Macau) shall be given to the relevant Associates or Participants.

**Article 15**  
**(Winding up of the Fund)**

- 15.1 Subject to prior approval from the Monetary Authority of Macau, the Management Company may determine to wind up the Fund in the case of any of the following events stated in Article 15.2.
- 15.2 The events mentioned in Article 15.1 are as follows:
- (a) the Fund is deemed illegal by any newly passed law, or the continuation of the Fund is deemed impractical or inappropriate by the Management Company for any reason;
  - (b) the Fund is deemed incapable of performing its functions by the Management Company;
  - (c) the continuation of the Fund is deemed impossible by the Management Company due to circumstances at the time of decision; or
  - (d) the court orders or passes a resolution for the liquidation of the Management Company.
- 15.3 Prior to the winding up of the Fund, advance notice of not less than one (1) Month (or any shorter period as may be agreed with the Monetary Authority of Macau) shall be given to the relevant Associates or Participants.
- 15.4 In the case of winding up of the Fund, the assets and liabilities concerned shall be:
- (a) transferred to other pension fund(s), as indicated by each one of the relevant Associates or Participants as regards their respective fund units or amounts held by them or by the Fund;
  - (b) used to purchase a life insurance policy.
- 15.5 Under no circumstances may the Associates, Contributors or Participants demand the winding up or division of the Fund.

**Article 16**  
**(Procedures for Winding up of the Fund)**

- 16.1 The winding up of the Fund shall be carried out after obtaining prior approval from Monetary Authority of Macau, and such winding up shall be published in the Macau SAR Gazette.

**Article 17**

### **(Provision of Information)**

- 17.1 Subject to the relevant laws and regulations, if the Management Company or the Custodian are required by any departments under any government or qualified authority (regardless of whether such requirement is enforceable) to supply information concerning the Fund and/or the Participant and/or the investment and revenue of the Fund and/or the provisions under this Management Regulation and did comply with such requirement, the Management Company or the Custodian shall not be accountable for any legal responsibilities to the Participants or any other person by virtue of such compliance.

### **Article 18 (Arbitration)**

- 18.1 All disputes arising out of this Management Regulation, whether of a litigious nature in the strict sense, or of any other nature, namely those relating to interpretation, integration and execution of the respective provisions, including their amendments or revisions, shall be resolved through the Monetary Authority of Macau's Centre for Arbitration of Disputes in Insurance and Private Pension Funds.

### **Article 19 (Governing Law)**

- 19.1 This Management Regulation shall be governed by the Laws of the Macau Special Administrative Region.
- 19.2 The Court(s) of the Macau Special Administrative Region shall have jurisdiction on matters arising from this Management Regulation.

### **Article 20 (Non-Mandatory Central Provident Fund System)**

- 20.1 The Fund can be registered as an investment instrument of the central provident fund system under the Law 7/2017 'Non-Mandatory Central Provident Fund System'.
- 20.2 Under the central providence fund system, the Fund must operate in compliance with the Law 7/2017 'Non-Mandatory Central Provident Fund System', relevant supplementary regulations and operation guidelines.

[Effective date of the Management Regulation amendments: 1 January 2018]

## APPENDIX C2

### AIA International Limited Macau Branch

#### Open Pension Fund

#### AIA Macau Capital Stable Fund Management Regulation

This Management Regulation is executed by AIA International Limited Macau Branch (hereinafter referred to as "AIA MACAU"/"Management Company"), which is situated at 1903, AIA Tower, Nos. 251A-301 Avenida Comercial de Macau, Macau and whose registered office is located at 29 Richmond Road, Pembroke, Bermuda, HM08. The share capital of the above-mentioned Management Company is US\$3,600,000.

Whereas:

1. Upon the execution of the Management Regulation, AIA MACAU (hereinafter referred to as "AIA MACAU"/"Management Company") shall establish an open pension fund named "**AIA Macau Capital Stable Fund**", or other names as determined by the Management Company from time to time, (hereinafter referred to as "the Fund") which is open to collective participation by Associates or individual participants.
2. Under the provisions of the relevant laws, the Management Company is qualified to carry out all the functions of administration, management and representation of the Fund.
3. The Management Company shall hold the Fund in accordance with this Management Regulation and any relevant participating agreement.

This Management Regulation is witnessed as follows:

#### Article 1 (Definitions)

- 1.1 In this Management Regulation, unless otherwise specified, the following terms and expressions shall have the following meanings:

"Application Form" means the application form specified by the Management Company from time to time to be completed and signed by Associates or individual participants (as the case may be), for the purpose of providing relevant information to the Management Company;

"Associates" means corporate entities whose pension plans are financed by this pension fund;

"Participant" means a natural person who is entitled to benefits stipulated in a retirement plan pursuant to such person's individual situation or occupation circumstances, regardless of whether or not such

person has to make recurring contributions to such retirement plan;

"Beneficiary" means a natural person who is entitled to receive pecuniary payments provided for in the pension plans, regardless of whether or not such person has been a Participant;

"Business Day" means any business day (except Saturdays and Sundays), on which banks are open for business in Macau;

"Contributor" means a natural person or legal entity who contributes towards the financing of the pension plan;

"Custodian" means any person or legal entity appointed by the Management Company under this Management Regulation;

"Macau" means The People's Republic of China Macau Special Administrative Region;

"Management Company" means AIA MACAU;

"Management Regulation" means any regulations stipulated in this Management Regulation;

"Month" means calendar month;

"Net Asset Value" means the net asset value of the Fund, or as otherwise specified in Article 8.4;

"Participating Scheme" means a sub-scheme established under the name of the Fund pursuant to a Participating Agreement; or as otherwise stipulated in this Management Regulation;

"Participating Agreement" means an agreement in relation to a Participating Scheme (which substantial format is stipulated by the Management Company) which is entered into between the Management Company and Associates or Participants, in which it is agreed that a Participating Scheme be set up under this Management Regulation whereby both this Management Regulations and the Participating Agreement may be subject to amendment from time to time;

"Permanent loss of work capacity" shall mean the following circumstances:

- (a) Any recipient of allowance for incapacity from any social security schemes, namely the Social Security Fund or the Macau Pensions Fund;
- (b) Any recipient of compensation for permanent incapacity as a result of occupational accident or occupational disease, pursuant to the applicable legal definition of occupational accident or occupational disease;
- (c) Where a person, not coming within the scope of the preceding two subparagraphs, suffers permanent loss of work capacity as a result of the responsible acts of third parties which prevent that person from earning one-third or more of the remuneration corresponding to his/her normal professional activity;

"Redemption Price" means the redemption price per unit redeemed or to be redeemed from time to time as calculated pursuant to Article 10;

"Registered Fund" means any pension fund registered under the relevant laws and regulations, or other meanings as ascribed by the authority concerned from time to time;

"Subscription Amount" means any contribution or accrued benefits transferred to the Fund from another registered fund, or any amount received by the Management Company in respect of the Fund;

"Unit" means any undivided shares, including any fractional shares, approved by this Management Regulation under the Participating Scheme.

- 1.2 References to "this Management Regulation" or "Management Regulation" shall mean these management regulations as amended by the Management Company from time to time.
- 1.3 Unless otherwise specified, all references to the articles, Participating Agreement, appendices and schedules shall refer to the same under this Management Regulation. Appendices and schedules (where applicable) shall be deemed as part of this Management Regulation.
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- 1.5 Unless otherwise specified, singular words shall have plural meanings and vice versa; words of gender include both sexes; words of persons include companies.
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## **Article 2 (Objective of the Pension Fund)**

- 2.1 The objective of the Fund is to ensure the execution of the pension plans relating to early retirement, old age retirement, termination of employment and permanent loss of work capacity or death.

## **Article 3 (Appointment, Removal and Withdrawal of Custodians)**

- 3.1 Upon approval from the Monetary Authority of Macau, the Management Company is entitled to appoint or remove one or more than one Custodian(s).
- 3.2 The Custodian of the Fund is Citibank N.A. Its registered office is located at 399 Park Avenue, New York, NY 10043, United States of America.
- 3.3 The Custodian is qualified, under the provisions of the relevant law, to receive on deposit or record in a register of the relevant securities and documents pertaining to the Fund, to maintain a chronological record of all the transactions carried out and to prepare a detailed inventory of the assets of the Fund on

a quarterly basis.

**Article 4**  
**(Type of Membership of the Fund)**

- 4.1 The participants of the Fund are categorised:
- (a) Individual participation – initial subscription of fund units by individual Contributors;
  - (b) Collective participation – initial subscription of fund units by Associates.

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**(Establishment of Participating Agreement)**

- 5.1 The status of a Participant, irrespective of category, only comes into effect after the signing of the Participating Agreement which contains information required by the relevant laws and regulations.

**Article 6**  
**(Function, Rights and Responsibilities of the Management Company)**

- 6.1 The Management Company is responsible for the establishment, administration and management of the Fund, and is authorised to perform all necessary or appropriate actions and activities in the interest of managing the Fund properly, particularly the following:
- (a) Perform all rights resulting from relevant contributions on behalf of Associates, Participants, Contributors and Beneficiaries without being appointed;
  - (b) Select valuables as components of this Fund according to relevant investment policies;
  - (c) Receive expected contribution and pay Beneficiaries accordingly as stipulated in this Participating Agreement;
  - (d) Organise its own and the Fund's accounts; and
  - (e) Register real estate belonging to the Fund in the name of the Fund.
- 6.2 Subject to the relevant laws and regulations and this Management Regulation, the Management Company shall at any time be entitled to exercise all or part of the following functions and all power, whether directly or indirectly related to the Fund, and the Management Company's powers shall be as if the Management Company has absolute authority in all aspects to invest in, transfer and make changes to the Fund and possesses actual interest therein:
- (a) To invest the Fund according to this Management Regulation when the Fund is a Registered

Fund;

- (b) Upon final decision made by the Management Company as it deems fit, the power to hold, without any change in the status quo thereof, any investments, securities or assets which form part of the Fund as the manager and legal agent of the Fund;
- (c) The ultimate authority of making decisions to approve the realisation, through the sales, recovery or conversion of non-cash investments, of securities and assets;
- (d) Any proceeds of the said sales, recovery or conversion and other capital amount constituting part of the Fund, or any income of the Fund and any contributions paid to the Management Company in accordance with the Participating Agreement, which is not required to be applied forthwith towards the payment as provided by this Management Regulation, the ultimate decision shall be made by the Management Company as it deems fit to invest or apply all or part of the amount in the following:
  - (i) the purchase of any funds, securities, bonds, debentures, stocks, shares and other investments or assets, including the underwriting, sub-underwriting or guarantee of the said funds, securities, bonds, debentures, stocks, shares or other investments, regardless of whether the Management Company has the possession or reversion of the same;
  - (ii) for the purpose of providing benefits for the Participating Agreement, the implementation and maintenance of any annuity contract, annuity policy or life insurance policy and other policies with any reputable insurance company or insurance office;
- (e) To make bank deposits in the name of the Fund.

6.3 Subject to the provisions of this Management Regulation, this Management Regulation does not contain any statement that will prevent the Management Company from conducting the following:

- (a) to act on behalf of other persons in other capacities;
- (b) to purchase, hold or deal in for its own account any investments or currencies, despite the fact that the Fund may hold any similar investments or currencies;
- (c) to make any purchase for investment of funds owned by the Management Company or for the Management Company's own account investment (as the case may be) forming part of the Fund provided that in any case the terms of purchase in relation to and by virtue of the Participating Scheme will not in any rate be less favourable than the terms of purchase in normal transactions on the same day.

The Management Company (or any of its associates) is not accountable to the Fund for any rewards, commissions, profits or any other benefits derived from any acts by the Management Company (or its associates) referred to above.



- 6.4 The Management Company's responsibilities include:
- (a) To act in accordance with this Management Regulation;
  - (b) To act in regard to the benefits of Associates and Participants instead of the benefits of the Management Company itself;
  - (c) To properly monitor and regulate the service provider appointed or employed for the Fund.
- 6.5 The Management Company does not bear any responsibilities that require it to disclose to any Associate or Participant any matter or event which come to its knowledge when it acts on behalf of other persons in other capacities.
- 6.6 The Management Company must abide by the regulations applicable to the Management Company as stipulated by the Decree Law 6/99/M.

**Article 7  
(Investment Policy)**

- 7.1 The Investment Policy of the Fund shall be formulated by AIA MACAU in compliance with the most applicable laws and regulations. The investment instruments shall be those permitted by the Monetary Authority of Macau, including but not limited to fixed interest instruments, securities, unit trusts, mutual funds and pooled investment funds.
- 7.2 The primary investment objective of the Fund is to minimise its short-term capital risk. The secondary objective is to enhance returns over the long term through limited exposure to global equities.

**Article 8  
(Valuation Day and Valuation Method for the Unit Value of the Fund)**

- 8.1 The Management Company shall calculate the unit value (rounded down to 2 decimal places subject to further amendments made by the Management Company from time to time) of the Fund on each valuation day on the basis of the total net assets of the Fund to be divided by the number of units in circulation. The valuation day shall be every Business Day. Besides, the Management Company is entitled to alter the date of valuation day from time to time.
- 8.2 On the date the Fund is established, the initial unit value shall be MOP100.00.
- 8.3 Subject to Article 8.1, the Management Company shall be entitled to suspend or delay the valuation based on exceptional conditions set out in Article 11.
- 8.4 According to the valuation made in accordance with the generally accepted accounting principles and the applicable laws, the aggregate net asset value of the Fund comprised of the assets represented by the unit(s) of the participation shall be equal to the fund assets deducted by the outstanding debts payable by the Fund. The debts of the Fund include its operation expenses and investment management fees. The operation expenses include, but are not limited to, the custodian fees, transfer

taxes or other expenses and taxes imposed by the relevant country, and other relevant charges.

- 8.5 The fees, charges and operation expenses in relation to Article 8.4 shall be set out in the Participating Agreement.

### **Article 9 (Subscription of Unit(s))**

- 9.1 The Subscription Amount from the Associates and the Contributors, after deducting a relevant subscription fee as stipulated in Article 12.1, will be converted into fund unit(s) (rounded to the nearest 4 decimal places subject to further amendments made by the Management Company from time to time) based on the unit value determined on the next valuation day.
- 9.2 Subject to Article 9.1, the subscription price of each unit under the Participating Scheme on the valuation day shall be the unit value calculated according to Article 8.1.
- 9.3 Where the calculation of the Net Asset Value related to the Participating Scheme is suspended by virtue of Article 11, subscription of the relevant unit shall be postponed until the first valuation day that is not restricted by Article 11.

### **Article 10 (Redemption of Unit(s))**

- 10.1 Participants and Associates may only redeem the unit(s) they subscribed in accordance with the articles stipulated in the Participating Agreement of the Fund.
- 10.2 The Redemption Price of each unit under the Participating Scheme on the valuation day shall be the unit value calculated according to Article 8.1.
- 10.3 The net redemption payment will be equal to the total value of the unit(s) redeemed (“gross redemption payment”) after deducting a redemption fee as stipulated in Article 12.1.
- 10.4 When redemption of unit(s) is made pursuant to this Article 10, the Management Company shall make any necessary disposal to provide cash for the gross redemption payment. The Management Company shall then make net redemption payment to the Participant or other related parties in accordance with the relevant Participating Agreement, or apply the net redemption payment according to the provisions of this Management Regulation. The Management Company shall also deduct from the related contribution account the number of the unit(s) redeemed (and transfer the deductions to the appropriate individual account(s)).
- 10.5 Where the calculation of the related Net Asset Value under the Participating Scheme is suspended by virtue of Article 11, the redemption of relevant fund unit(s) thereof shall be delayed until the first valuation day that is not restricted by Article 11.
- 10.6 The Management Company has the final and conclusive right to restrict the total number of

redeemable units under the Participating Scheme on any valuation day to 10% of the total units issued (excluding the number of units issued on that valuation day). Such restriction shall proportionally apply to all circumstances where unit redemption is required to be made on the same valuation day under the provision of the Management Regulation. (Subject to further application of this Article 10.6), any unit not redeemable due to the application of this Article 10.6 shall be redeemable on the immediately following valuation day.

## **Article 11 (Suspension of Valuation and Pricing)**

11.1 For the benefit of the Participant, the Management Company may declare suspension of valuation for the Participating Scheme and the calculation of the Net Asset Value thereof during any part or whole of the period in the event of the following:

- (a) The closure of, restriction on or suspension of trading of any stock market where a majority of investments under the Participating Scheme is carried out, or the breakdown of any system generally adopted by the Management Company for investment pricing;
- (b) Where for certain reasons the Management Company considers it impossible to reasonably determine the price of any investment that it held or assumed under the Participating Scheme; or
- (c) Emergency situations arising from certain circumstances that cause the Management Company to consider the realisation of any investment held or assumed under the Participating Scheme impracticable or detrimental to the benefits of the Participant; or
- (d) The delay to remittance and repatriation of fund(s) that involve or may involve the realisation or making payment of any investment under the Participating Scheme, the subscription or redemption of unit(s) under the Participating Scheme, or where the Management Company considers it impossible to make immediate remittance or fund repatriation at the normal exchange rate,

provided that the suspension shall not result in the breach of laws and regulations or this Management Regulation by the Management Company.

11.2 The suspension referred to in Article 11.1 shall become effective immediately upon the relevant declaration, thereafter no net asset valuation or calculation shall be made until revocation of suspension is declared by the Management Company after consultation with the Custodian (if any). However, the suspension shall be revoked on the day following the first Business Day when:

- (a) there exists no circumstances that cause the suspension; and
- (b) there exists no circumstances where suspension is required under this Management Regulation.

**Article 12**  
**(Remuneration for Management Company and Custodian)**

- 12.1 For the remuneration of management services, the Management Company shall be entitled to receive:
- (a) a subscription fee not exceeding 5% of the Subscription Amount; and
  - (b) a redemption fee not exceeding 5% of the total value of the redeemed units.
- 12.2 For the remuneration of custodian services, the Custodian shall be entitled to receive a custodian fee not exceeding 0.1% per annum of the Net Asset Value of the Fund. The current remuneration received by the Custodian shall be stated in the Participating Agreement, to which the Management Company is entitled to make amendments.
- 12.3 The Management Company and the Custodian have been authorised to debit the account of the Fund with the amounts specified in the preceding paragraphs.

**Article 13**  
**(Transfer of Fund Management and Custodian)**

- 13.1 Subject to prior approval from the Monetary Authority of Macau, the Management Company may transfer the management of the Fund to another management company. Any costs associated with the transfer will be borne by the Management Company.
- 13.2 If the event set out in the preceding paragraph should emerge, the Management Company shall notify the relevant Associates or Participants in writing at least 30 days prior to the date of the respective transfer.
- 13.3 Subject to prior approval from the Monetary Authority of Macau, the Management Company may transfer the custodian right of the assets of the Fund to one or more Custodians. Any costs associated with the transfer will be borne by the Management Company.

**Article 14**  
**(Amendment to Management Regulations)**

- 14.1 Subject to Article 14.2, the Management Company may at any time amend or extend any provisions in this Management Regulation.
- 14.2 This Management Regulation shall not be amended or extended unless:
- (a) the Monetary Authority of Macau has approved the amendment or extension; and
  - (b) the notification and other procedures (if any) required by the Monetary Authority of Macau have been complied with,

provided that advance notice of not less than one (1) Month (or any shorter period as agreed with the Monetary Authority of Macau) shall be given to the relevant Associates or Participants.

**Article 15**  
**(Winding up of the Fund)**

- 15.1 Subject to prior approval from the Monetary Authority of Macau, the Management Company may determine to wind up the Fund in the case of any of the following events stated in Article 15.2.
- 15.2 The events mentioned in Article 15.1 are as follows:
- (a) the Fund is deemed illegal by any newly passed law, or the continuation of the Fund is deemed impractical or inappropriate by the Management Company for any reason;
  - (b) the Fund is deemed incapable of performing its functions by the Management Company;
  - (c) the continuation of the Fund is deemed impossible by the Management Company due to circumstances at the time of decision; or
  - (d) the court orders or passes a resolution for the liquidation of the Management Company.
- 15.3 Prior to the winding up of the Fund, advance notice of not less than one (1) Month (or any shorter period as may be agreed with the Monetary Authority of Macau) shall be given to the relevant Associates or Participants.
- 15.4 In the case of winding up of the Fund, the assets and liabilities concerned shall be:
- (a) transferred to other pension fund(s), as indicated by each one of the relevant Associates or Participants as regards their respective fund units or amounts held by them or by the Fund;
  - (b) used to purchase a life insurance policy.
- 15.5 Under no circumstances may the Associates, Contributors or Participants demand the winding up or division of the Fund.

**Article 16**  
**(Procedures for Winding up of the Fund)**

- 16.1 The winding up of the Fund shall be carried out after obtaining prior approval from Monetary Authority of Macau, and such winding up shall be published in the Macau SAR Gazette.

**Article 17**  
**(Provision of Information)**

- 17.1 Subject to the relevant laws and regulations, if the Management Company or the Custodian are required by any departments under any government or qualified authority (regardless of whether such requirement is enforceable) to supply information concerning the Fund and/or the Participant and/or the investment and revenue of the Fund and/or the provisions under this Management Regulation and did comply with such requirement, the Management Company or the Custodian shall not be accountable for any legal responsibilities to the Participants or any other person by virtue of such compliance.

**Article 18**  
**(Arbitration)**

- 18.1 All disputes arising out of this Management Regulation, whether of a litigious nature in the strict sense, or of any other nature, namely those relating to interpretation, integration and execution of the respective provisions, including their amendments or revisions, shall be resolved through the Monetary Authority of Macau's Centre for Arbitration of Disputes in Insurance and Private Pension Funds.

**Article 19**  
**(Governing Law)**

- 19.1 This Management Regulation shall be governed by the Laws of the Macau Special Administrative Region.
- 19.2 The Court(s) of the Macau Special Administrative Region shall have jurisdiction on matters arising from this Management Regulation.

**Article 20**  
**(Non-Mandatory Central Provident Fund System)**

- 20.1 The Fund can be registered as an investment instrument of the central provident fund system under the Law 7/2017 'Non-Mandatory Central Provident Fund System'.
- 20.2 Under the central providence fund system, the Fund must operate in compliance with the Law 7/2017 'Non-Mandatory Central Provident Fund System', relevant supplementary regulations and operation guidelines.

[Effective date of the Management Regulation amendments: 1 January 2018]

## APPENDIX C3

### AIA International Limited Macau Branch

#### Open Pension Fund

#### **AIA Macau Balanced Fund Management Regulation**

This Management Regulation is executed by AIA International Limited Macau Branch (hereinafter referred to as "AIA MACAU"/"Management Company"), which is situated at 1903, AIA Tower, Nos. 251A-301 Avenida Comercial de Macau, Macau and whose registered office is located at 29 Richmond Road, Pembroke, Bermuda, HM08. The share capital of the above-mentioned Management Company is US\$3,600,000.

Whereas:

1. Upon the execution of the Management Regulation, AIA MACAU (hereinafter referred to as "AIA MACAU"/"Management Company") shall establish an open pension fund named "**AIA Macau Balanced Fund**", or other names as determined by the Management Company from time to time, (hereinafter referred to as "the Fund") which is open to collective participation by Associates or individual participants.
2. Under the provisions of the relevant laws, the Management Company is qualified to carry out all the functions of administration, management and representation of the Fund.
3. The Management Company shall hold the Fund in accordance with this Management Regulation and any relevant participating agreement.

This Management Regulation is witnessed as follows:

#### **Article 1 (Definitions)**

- 1.1 In this Management Regulation, unless otherwise specified, the following terms and expressions shall have the following meanings:

"Application Form" means the application form specified by the Management Company from time to time to be completed and signed by Associates or individual participants, (as the case may be) for the purpose of providing relevant information to the Management Company;

"Associates" means corporate entities whose pension plans are financed by this pension fund;

"Participant" means a natural person who is entitled to benefits stipulated in a retirement plan pursuant to such person's individual situation or occupation circumstances, regardless of whether or not such person has to make recurring contributions to such retirement plan;

"Beneficiary" means a natural person who is entitled to receive pecuniary payments provided for in the pension plans, regardless of whether or not such person has been a Participant;

"Business Day" means any business day (except Saturdays and Sundays), on which banks are open for business in Macau;

"Contributor" means a natural person or legal entity who contributes towards the financing of the pension plan;

"Custodian" means any person or legal entity appointed by the Management Company under this Management Regulation;

"Macau" means The People's Republic of China Macau Special Administrative Region;

"Management Company" means AIA MACAU;

"Management Regulation" means any regulations stipulated in this Management Regulation;

"Month" means calendar month;

"Net Asset Value" means the net asset value of the Fund, or as otherwise specified in Article 8.4;

"Participating Scheme" means a sub-scheme established under the name of the Fund pursuant to a Participating Agreement; or as otherwise stipulated in this Management Regulation;

"Participating Agreement" means an agreement in relation to a Participating Scheme (which substantial format is stipulated by the Management Company) which is entered into between the Management Company and Associates or Participants, in which it is agreed that a Participating Scheme be set up under this Management Regulation whereby both this Management Regulation and the Participating Agreement may be subject to amendment from time to time;

"Permanent loss of work capacity" shall mean the following circumstances:

- (a) Any recipient of allowance for incapacity from any social security schemes, namely the Social Security Fund or the Macau Pensions Fund;
- (b) Any recipient of compensation for permanent incapacity as a result of occupational accident or occupational disease, pursuant to the applicable legal definition of occupational accident or occupational disease;
- (c) Where a person, not coming within the scope of the preceding two subparagraphs, suffers permanent loss of work capacity as a result of the responsible acts of third parties which prevent that person from earning one-third or more of the remuneration corresponding to his/her normal professional activity;

"Redemption Price" means the redemption price per unit redeemed or to be redeemed from time to time



as calculated pursuant to Article 10;

"Registered Fund" means any pension fund registered under the relevant laws and regulations, or other meanings as ascribed by the authority concerned from time to time;

"Subscription Amount" means any contribution or accrued benefits transferred to the Fund from another registered fund, or any amount received by the Management Company in respect of the Fund;

"Unit" means any undivided shares, including any fractional shares, approved by this Management Regulation under the Participating Scheme.

- 1.2 References to "this Management Regulation" or "Management Regulation" shall mean these management regulations as amended by the Management Company from time to time.
- 1.3 Unless otherwise specified, all references to the articles, Participating Agreement, appendices and schedules shall refer to the same under this Management Regulation. Appendices and schedules (where applicable) shall be deemed as part of this Management Regulation.
- 1.4 Titles are for reference only and shall not affect the definitions of this Management Regulation.
- 1.5 Unless otherwise specified, singular words shall have plural meanings and vice versa; words of gender include both sexes; words of persons include companies.
- 1.6 References to any legislation shall be deemed to include its amended and re-enacted versions from time to time.

## **Article 2 (Objective of the Pension Fund)**

- 2.1 The objective of the Fund is to ensure the execution of the pension plans relating to early retirement, old age retirement, termination of employment and permanent loss of work capacity or death.

## **Article 3 (Appointment, Removal and Withdrawal of Custodians)**

- 3.1 Upon approval from the Monetary Authority of Macau, the Management Company is entitled to appoint or remove one or more than one Custodian(s).
- 3.2 The Custodian of the Fund is Citibank N.A. Its registered office is located at 399 Park Avenue, New York, NY 10043, United States of America.
- 3.3 The Custodian is qualified, under the provisions of the relevant law, to receive on deposit or record in a register of the relevant securities and documents pertaining to the Fund, to maintain a chronological record of all the transactions carried out and to prepare a detailed inventory of the assets of the Fund on a quarterly basis.

**Article 4**  
**(Type of Membership of the Fund)**

- 4.1 The participants of the Fund are categorised:
- (a) Individual participation – initial subscription of fund units by individual Contributors;
  - (b) Collective participation – initial subscription of fund units by Associates.

**Article 5**  
**(Establishment of Participating Agreement)**

- 5.1 The status of a Participant, irrespective of category, only comes into effect after the signing of the Participating Agreement which contains information required by the relevant laws and regulations.

**Article 6**  
**(Function, Rights and Responsibilities of the Management Company)**

- 6.1 The Management Company is responsible for the establishment, administration and management of the Fund, and is authorised to perform all necessary or appropriate actions and activities in the interest of managing the Fund properly, particularly the following:
- (a) Perform all rights resulting from relevant contributions on behalf of Associates, Participants, Contributors and Beneficiaries without being appointed;
  - (b) Select valuables as components of this Fund according to relevant investment policies;
  - (c) Receive expected contribution and pay Beneficiaries accordingly as stipulated in this Participating Agreement;
  - (d) Organise its own and the Fund's accounts; and
  - (e) Register real estate belonging to the Fund in the name of the Fund.
- 6.2 Subject to the relevant laws and regulations and this Management Regulation, the Management Company shall at any time be entitled to exercise all or part of the following functions and all power, whether directly or indirectly related to the Fund, and the Management Company's powers shall be as if the Management Company has absolute authority in all aspects to invest in, transfer and make changes to the Fund and possesses actual interest therein:
- (a) To invest the Fund according to this Management Regulation when the Fund is a Registered Fund;

- (b) Upon final decision made by the Management Company as it deems fit, the power to hold, without any change in the status quo thereof, any investments, securities or assets which form part of the Fund as the manager and legal agent of the Fund;
- (c) The ultimate authority of making decisions to approve the realization, through the sales, recovery or conversion of non-cash investments, of securities and assets;
- (d) Any proceeds of the said sales, recovery or conversion and other capital amount constituting part of the Fund, or any income of the Fund and any contributions paid to the Management Company in accordance with the Participating Agreement, which is not required to be applied forthwith towards the payment as provided by this Management Regulation, the ultimate decision shall be made by the Management Company as it deems fit to invest or apply all or part of the amount in the following:
  - (i) the purchase of any funds, securities, bonds, debentures, stocks, shares and other investments or assets, including the underwriting, sub-underwriting or guarantee of the said funds, securities, bonds, debentures, stocks, shares or other investments, regardless of whether the Management Company has the possession or reversion of the same;
  - (ii) for the purpose of providing benefits for the Participating Agreement, the implementation and maintenance of any annuity contract, annuity policy or life insurance policy and other policies with any reputable insurance company or insurance office;
- (e) To make bank deposits in the name of the Fund.

6.3 Subject to the provisions of this Management Regulation, this Management Regulation does not contain any statement that will prevent the Management Company from conducting the following:

- (a) to act on behalf of other persons in other capacities;
- (b) to purchase, hold or deal in for its own account any investments or currencies, despite the fact that the Fund may hold any similar investments or currencies;
- (c) to make any purchase for investment of funds owned by the Management Company or for the Management Company's own account investment (as the case may be) forming part of the Fund provided that in any case the terms of purchase in relation to and by virtue of the Participating Scheme will not in any rate be less favourable than the terms of purchase in normal transactions on the same day.

The Management Company (or any of its associates) is not accountable to the Fund for any rewards, commissions, profits or any other benefits derived from any acts by the Management Company (or its associates) referred to above.

- 6.4 The Management Company's responsibilities include:
- (a) To act in accordance with this Management Regulation;
  - (b) To act in regard to the benefits of Associates and Participants instead of the benefits of the Management Company itself;
  - (c) To properly monitor and regulate the service provider appointed or employed for the Fund.
- 6.5 The Management Company does not bear any responsibilities that require it to disclose to any Associate or Participant any matter or event which come to its knowledge when it acts on behalf of other persons in other capacities.
- 6.6 The Management Company must abide by the regulations applicable to the Management Company as stipulated by the Decree Law 6/99/M.

**Article 7**  
**(Investment Policy)**

- 7.1 The Investment Policy of the Fund shall be formulated by AIA MACAU in compliance with the most applicable laws and regulations. The investment instruments shall be those permitted by the Monetary Authority of Macau, including but not limited to fixed interest instruments, securities, unit trusts, mutual funds and pooled investment funds.
- 7.2 The investment objective of the Fund is to maximise its long-term capital appreciation. The Fund seeks to achieve the investment objective through investing in a balanced portfolio of global equities and fixed income securities.

**Article 8**  
**(Valuation Day and Valuation Method for the Unit Value of the Fund)**

- 8.1 The Management Company shall calculate the unit value (rounded down to 2 decimal places subject to further amendments made by the Management Company from time to time) of the Fund on each valuation day on the basis of the total net assets of the Fund to be divided by the number of units in circulation. The valuation day shall be every Business Day. Besides, the Management Company is entitled to alter the date of valuation day from time to time.
- 8.2 On the date the Fund is established, the initial unit value shall be MOP100.00.
- 8.3 Subject to Article 8.1, the Management Company shall be entitled to suspend or delay the valuation based on exceptional conditions set out in Article 11.
- 8.4 According to the valuation made in accordance with the generally accepted accounting principles and the applicable laws, the aggregate net asset value of the Fund comprised of the assets represented by the unit(s) of the participation shall be equal to the fund assets deducted by the outstanding debts

payable by the Fund. The debts of the Fund include its operation expenses and investment management fees. The operation expenses include, but are not limited to, the custodian fees, transfer taxes or other expenses and taxes imposed by the relevant country, and other relevant charges.

- 8.5 The fees, charges and operation expenses in relation to Article 8.4 shall be set out in the Participating Agreement.

### **Article 9 (Subscription of Unit(s))**

- 9.1 The Subscription Amount from the Associates and the Contributors, after deducting a relevant subscription fee as stipulated in Article 12.1, will be converted into fund unit(s) (rounded to the nearest 4 decimal places subject to further amendments made by the Management Company from time to time) based on the unit value determined on the next valuation day.
- 9.2 Subject to Article 9.1, the subscription price of each unit under the Participating Scheme on the valuation day shall be the unit value calculated according to Article 8.1.
- 9.3 Where the calculation of the Net Asset Value related to the Participating Scheme is suspended by virtue of Article 11, subscription of the relevant unit shall be postponed until the first valuation day that is not restricted by Article 11.

### **Article 10 (Redemption of Unit(s))**

- 10.1 Participants and Associates may only redeem the unit(s) they subscribed in accordance with the articles stipulated in the Participating Agreement of the Fund.
- 10.2 The Redemption Price of each unit under the Participating Scheme on the valuation day shall be the unit value calculated according to Article 8.1.
- 10.3 The net redemption payment will be equal to the total value of the unit(s) redeemed (“gross redemption payment”) after deducting a redemption fee as stipulated in Article 12.1.
- 10.4 When redemption of unit(s) is made pursuant to this Article 10, the Management Company shall make any necessary disposal to provide cash for the gross redemption payment. The Management Company shall then make net redemption payment to the Participant or other related parties in accordance with the relevant Participating Agreement, or apply the net redemption payment according to the provisions of this Management Regulation. The Management Company shall also deduct from the related contribution account the number of the unit(s) redeemed (and transfer the deductions to the appropriate individual account(s)).
- 10.5 Where the calculation of the related Net Asset Value under the Participating Scheme is suspended by virtue of Article 11, the redemption of relevant fund unit(s) thereof shall be delayed until the first valuation day that is not restricted by Article 11.

- 10.6 The Management Company has the final and conclusive right to restrict the total number of redeemable units under the Participating Scheme on any valuation day to 10% of the total units issued (excluding the number of units issued on that valuation day). Such restriction shall proportionally apply to all circumstances where unit redemption is required to be made on the same valuation day under the provision of the Management Regulation. (Subject to further application of this Article 10.6), any unit not redeemable due to the application of this Article 10.6 shall be redeemable on the immediately following valuation day.

**Article 11**  
**(Suspension of Valuation and Pricing)**

- 11.1 For the benefit of the Participant, the Management Company may declare suspension of valuation for the Participating Scheme and the calculation of the Net Asset Value thereof during any part or whole of the period in the event of the following:

- (a) The closure of, restriction on or suspension of trading of any stock market where a majority of investments under the Participating Scheme is carried out, or the breakdown of any system generally adopted by the Management Company for investment pricing;
- (b) Where for certain reasons the Management Company considers it impossible to reasonably determine the price of any investment that it held or assumed under the Participating Scheme; or
- (c) Emergency situations arising from certain circumstances that cause the Management Company to consider the realisation of any investment held or assumed under the Participating Scheme impracticable or detrimental to the benefits of the Participant; or
- (d) The delay to remittance and repatriation of fund(s) that involves or may involve the realisation or making payment of any investment under the Participating Scheme, the subscription or redemption of unit(s) under the Participating Scheme, or where the Management Company considers it impossible to make immediate remittance or fund repatriation at the normal exchange rate,

provided that the suspension shall not result in the breach of laws and regulations or this Management Regulation by the Management Company.

- 11.2 The suspension referred to in Article 11.1 shall become effective immediately upon the relevant declaration, thereafter no net asset valuation or calculation shall be made until revocation of suspension is declared by the Management Company after consultation with the Custodian (if any). However, the suspension shall be revoked on the day following the first Business Day when:
- (a) there exists no circumstances that cause the suspension; and
  - (b) there exists no circumstances where suspension is required under this Management Regulation.

**Article 12**  
**(Remuneration for Management Company and Custodian)**

- 12.1 For the remuneration of management services, the Management Company shall be entitled to receive:
- (a) a subscription fee not exceeding 5% of the Subscription Amount; and
  - (b) a redemption fee not exceeding 5% of the total value of the redeemed units.
- 12.2 For the remuneration of custodian services, the Custodian shall be entitled to receive a custodian fee not exceeding 0.1% per annum of the Net Asset Value of the Fund. The current remuneration received by the Custodian shall be stated in the Participating Agreement, to which the Management Company is entitled to make amendments.
- 12.3 The Management Company and the Custodian have been authorised to debit the account of the Fund with the amounts specified in the preceding paragraphs.

**Article 13**  
**(Transfer of Fund Management and Custodian)**

- 13.1 Subject to prior approval from the Monetary Authority of Macau, the Management Company may transfer the management of the Fund to another management company. Any costs associated with the transfer will be borne by the Management Company.
- 13.2 If the event set out in the preceding paragraph should emerge, the Management Company shall notify the relevant Associates or Participants in writing at least 30 days prior to the date of the respective transfer.
- 13.3 Subject to prior approval from the Monetary Authority of Macau, the Management Company may transfer the custodian right of the assets of the Fund to one or more Custodians. Any costs associated with the transfer will be borne by the Management Company.

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- 14.1 Subject to Article 14.2, the Management Company may at any time amend or extend any provisions in this Management Regulation.
- 14.2 This Management Regulation shall not be amended or extended unless:
- (a) the Monetary Authority of Macau has approved the amendment or extension; and
  - (b) the notification and other procedures (if any) required by the Monetary Authority of Macau

have been complied with,

provided that advance notice of not less than one (1) Month (or any shorter period as agreed with the Monetary Authority of Macau) shall be given to the relevant Associates or Participants.

#### **Article 15 (Winding up of the Fund)**

- 15.1 Subject to prior approval from the Monetary Authority of Macau, the Management Company may determine to wind up the Fund in the case of any of the following events stated in Article 15.2.
- 15.2 The events mentioned in Article 15.1 are as follows:
- (a) the Fund is deemed illegal by any newly passed law, or the continuation of the Fund is deemed impractical or inappropriate by the Management Company for any reason;
  - (b) the Fund is deemed incapable of performing its functions by the Management Company;
  - (c) the continuation of the Fund is deemed impossible by the Management Company due to circumstances at the time of decision; or
  - (d) the court orders or passes a resolution for the liquidation of the Management Company.
- 15.3 Prior to the winding up of the Fund, advance notice of not less than one (1) Month (or any shorter period as may be agreed with the Monetary Authority of Macau) shall be given to the relevant Associates or Participants.
- 15.4 In the case of winding up of the Fund, the assets and liabilities concerned shall be:
- (a) transferred to other pension fund(s), as indicated by each one of the relevant Associates or Participants as regards their respective fund units or amounts held by them or by the Fund;
  - (b) used to purchase a life insurance policy.
- 15.5 Under no circumstances may the Associates, Contributors or Participants demand the winding up or division of the Fund.

#### **Article 16 (Procedures for Winding up of the Fund)**

- 16.1 The winding up of the Fund shall be carried out after obtaining prior approval from Monetary Authority of Macau, and such winding up shall be published in the Macau SAR Gazette.



**Article 17**  
**(Provision of Information)**

- 17.1 Subject to the relevant laws and regulations, if the Management Company or the Custodian are required by any departments under any government or qualified authority (regardless of whether such requirement is enforceable) to supply information concerning the Fund and/or the Participant and/or the investment and revenue of the Fund and/or the provisions under this Management Regulation and did comply with such requirement, the Management Company or the Custodian shall not be accountable for any legal responsibilities to the Participants or any other person by virtue of such compliance.

**Article 18**  
**(Arbitration)**

- 18.1 All disputes arising out of this Management Regulation, whether of a litigious nature in the strict sense, or of any other nature, namely those relating to interpretation, integration and execution of the respective provisions, including their amendments or revisions, shall be resolved through the Monetary Authority of Macau's Centre for Arbitration of Disputes in Insurance and Private Pension Funds.

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- 19.1 This Management Regulation shall be governed by the Laws of the Macau Special Administrative Region.
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- 20.1 The Fund can be registered as an investment instrument of the central provident fund system under the Law 7/2017 'Non-Mandatory Central Provident Fund System'.
- 20.2 Under the central providence fund system, the Fund must operate in compliance with the Law 7/2017 'Non-Mandatory Central Provident Fund System', relevant supplementary regulations and operation guidelines.

[Effective date of the Management Regulation amendments: 1 January 2018]

## APPENDIX C4

### AIA International Limited Macau Branch

#### Open Pension Fund

### AIA Macau Growth Fund Management Regulation

This Management Regulation is executed by AIA International Limited Macau Branch (hereinafter referred to as "AIA MACAU"), which is situated at 1903, AIA Tower, Nos. 251A-301 Avenida Comercial de Macau, Macau and whose registered office is located at 29 Richmond Road, Pembroke, Bermuda, HM08. The share capital of the above-mentioned Management Company is US\$3,600,000.

Whereas:

1. Upon the execution of the Management Regulation, AIA MACAU (hereinafter referred to as "AIA MACAU"/"Management Company") shall establish an open pension fund named "**AIA Macau Growth Fund**", or other names as determined by the Management Company from time to time (hereinafter referred to as "the Fund") which is open to collective participation by Associates or individual participants.
2. Under the provisions of the relevant laws, the Management Company is qualified to carry out all the functions of administration, management and representation of the Fund.
3. The Management Company shall hold the Fund in accordance with this Management Regulation and any relevant participating agreement.

This Management Regulation is witnessed as follows:

#### Article 1 (Definitions)

- 1.1 In this Management Regulation, unless otherwise specified, the following terms and expressions shall have the following meanings:

"Application Form" means the application form specified by the Management Company from time to time to be completed and signed by Associates or individual participants, (as the case may be) for the purpose of providing relevant information to the Management Company;

"Associates" means corporate entities whose pension plans are financed by this pension fund;

"Participant" means a natural person who is entitled to benefits stipulated in a retirement plan pursuant to such person's individual situation or occupation circumstances, regardless of whether or not such

person has to make recurring contributions to such retirement plan;

"Beneficiary" means a natural person who is entitled to receive pecuniary payments provided for in the pension plans, regardless of whether or not such person has been a Participant;

"Business Day" means any business day (except Saturdays and Sundays), on which banks are open for business in Macau;

"Contributor" means a natural person or legal entity who contributes towards the financing of the pension plan;

"Custodian" means any person or legal entity appointed by the Management Company under this Management Regulation;

"Macau" means The People's Republic of China Macau Special Administrative Region;

"Management Company" means AIA MACAU;

"Management Regulation" means any regulations stipulated in this Management Regulation;

"Month" means calendar month;

"Net Asset Value" means the net asset value of the Fund, or as otherwise specified in Article 8.4;

"Participating Scheme" means a sub-scheme established under the name of the Fund pursuant to a Participating Agreement; or as otherwise stipulated in this Management Regulation;

"Participating Agreement" means an agreement in relation to a Participating Scheme (which substantial format is stipulated by the Management Company) which is entered into between the Management Company and Associates or Participants, in which it is agreed that a Participating Scheme be set up under this Management Regulation whereby both this Management Regulations and the Participating Agreement may be subject to amendment from time to time;

"Permanent loss of work capacity" shall mean the following circumstances:

- (a) Any recipient of allowance for incapacity from any social security schemes, namely the Social Security Fund or the Macau Pensions Fund;
- (b) Any recipient of compensation for permanent incapacity as a result of occupational accident or occupational disease, pursuant to the applicable legal definition of occupational accident or occupational disease;
- (c) Where a person, not coming within the scope of the preceding two subparagraphs, suffers permanent loss of work capacity as a result of the responsible acts of third parties which prevent that person from earning one-third or more of the remuneration corresponding to his/her normal professional activity;

"Redemption Price" means the redemption price per unit redeemed or to be redeemed from time to time as calculated pursuant to Article 10;

"Registered Fund" means any pension fund registered under the relevant laws and regulations, or other meanings as ascribed by the authority concerned from time to time;

"Subscription Amount" means any contribution or accrued benefits transferred to the Fund from another registered fund, or any amount received by the Management Company in respect of the Fund;

"Unit" means any undivided shares, including any fractional shares, approved by this Management Regulation under the Participating Scheme.

- 1.2 References to "this Management Regulation" or "Management Regulation" shall mean these management regulations as amended by the Management Company from time to time.
- 1.3 Unless otherwise specified, all references to the articles, Participating Agreement, appendices and schedules shall refer to the same under this Management Regulation. Appendices and schedules (where applicable) shall be deemed as part of this Management Regulation.
- 1.4 Titles are for reference only and shall not affect the definitions of this Management Regulation.
- 1.5 Unless otherwise specified, singular words shall have plural meanings and vice versa; words of gender include both sexes; words of persons include companies.
- 1.6 References to any legislation shall be deemed to include its amended and re-enacted versions from time to time.

## **Article 2 (Objective of the Pension Fund)**

- 2.1 The objective of the Fund is to ensure the execution of the pension plans relating to early retirement, old age retirement, termination of employment and permanent loss of work capacity or death.

## **Article 3 (Appointment, Removal and Withdrawal of Custodians)**

- 3.1 Upon approval from the Monetary Authority of Macau, the Management Company is entitled to appoint or remove one or more than one Custodian(s).
- 3.2 The Custodian of the Fund is Citibank N.A. Its registered office is located at 399 Park Avenue, New York, NY 10043, United States of America.
- 3.3 The Custodian is qualified, under the provisions of the relevant law, to receive on deposit or record in a register of the relevant securities and documents pertaining to the Fund, to maintain a chronological record of all the transactions carried out and to prepare a detailed inventory of the assets of the Fund on a quarterly basis.

**Article 4**  
**(Type of Membership of the Fund)**

- 4.1 The participants of the Fund are categorised:
- (a) Individual participation – initial subscription of fund units by individual Contributors;
  - (b) Collective participation – initial subscription of fund units by Associates.

**Article 5**  
**(Establishment of Participating Agreement)**

- 5.1 The status of a Participant, irrespective of category, only comes into effect after the signing of the Participating Agreement which contains information required by the relevant laws and regulations.

**Article 6**  
**(Function, Rights and Responsibilities of the Management Company)**

- 6.1 The Management Company is responsible for the establishment, administration and management of the Fund, and is authorised to perform all necessary or appropriate actions and activities in the interest of managing the Fund properly, particularly the following:
- (a) Perform all rights resulting from relevant contributions on behalf of Associates, Participants, Contributors and Beneficiaries without being appointed;
  - (b) Select valuables as components of this Fund according to relevant investment policies;
  - (c) Receive expected contribution and pay Beneficiaries accordingly as stipulated in this Participating Agreement;
  - (d) Organise its own and the Fund's accounts; and
  - (e) Register real estate belonging to the Fund in the name of the Fund.
- 6.2 Subject to the relevant laws and regulations and this Management Regulation, the Management Company shall at any time be entitled to exercise all or part of the following functions and all power, whether directly or indirectly related to the Fund, and the Management Company's powers shall be as if the Management Company has absolute authority in all aspects to invest in, transfer and make changes to the Fund and possesses actual interest therein:
- (a) To invest the Fund according to this Management Regulation when the Fund is a Registered Fund;

- (b) Upon final decision made by the Management Company as it deems fit, the power to hold, without any change in the status quo thereof, any investments, securities or assets which form part of the Fund as the manager and legal agent of the Fund;
- (c) The ultimate authority of making decisions to approve the realisation through the sales, recovery or conversion of non-cash investments, securities and assets;
- (d) Any proceeds of the said sales, recovery or conversion and other capital amount constituting part of the Fund, or any income of the Fund and any contributions paid to the Management Company in accordance with the Participating Agreement, which is not required to be applied forthwith towards the payment as provided by this Management Regulation, the ultimate decision shall be made by the Management Company as it deems fit to invest or apply all or part of the amount in the following:
  - (i) the purchase of any funds, securities, bonds, debentures, stocks, shares and other investments or assets, including the underwriting, sub-underwriting or guarantee of the said funds, securities, bonds, debentures, stocks, shares or other investments, regardless of whether the Management Company has the possession or reversion of the same;
  - (ii) for the purpose of providing benefits for the Participating Agreement, the implementation and maintenance of any annuity contract, annuity policy or life insurance policy and other policies with any reputable insurance company or insurance office;
- (e) To make bank deposits in the name of the Fund.

6.3 Subject to the provisions of this Management Regulation, this Management Regulation does not contain any statement that will prevent the Management Company from conducting the following:

- (a) to act on behalf of other persons in other capacities;
- (b) to purchase, hold or deal in for its own account any investments or currencies, despite the fact that the Fund may hold any similar investments or currencies;
- (c) to make any purchase for investment of funds owned by the Management Company or for the Management Company's own account investment (as the case may be) forming part of the Fund provided that in any case the terms of purchase in relation to and by virtue of the Participating Scheme will not in any rate be less favourable than the terms of purchase in normal transactions on the same day.

The Management Company (or any of its associates) is not accountable to the Fund for any rewards, commissions, profits or any other benefits derived from any acts by the Management Company (or its associates) referred to above.

- 6.4 The Management Company's responsibilities include:
- (a) To act in accordance with this Management Regulation;
  - (b) To act in regard to the benefits of Associates and Participants instead of the benefits of the Management Company itself;
  - (c) To properly monitor and regulate the service provider appointed or employed for the Fund.
- 6.5 The Management Company does not bear any responsibilities that require it to disclose to any Associate or Participant any matter or event which come to its knowledge when it acts on behalf of other persons in other capacities.
- 6.6 The Management Company must abide by the regulations applicable to the Management Company as stipulated by the Decree Law 6/99/M.

**Article 7**  
**(Investment Policy)**

- 7.1 The Investment Policy of the Fund shall be formulated by AIA MACAU in compliance with the most applicable laws and regulations. The investment instruments shall be those permitted by the Monetary Authority of Macau, including but not limited to fixed interest instruments, securities, unit trusts, mutual funds and pooled investment funds.
- 7.2 The investment objective of the Fund is to maximise its long-term capital appreciation. The Fund seeks to achieve the investment objective through investing in an internationally diversified portfolio of securities mainly in equities with balance in bonds and cash.

**Article 8**  
**(Valuation Day and Valuation Method for the Unit Value of the Fund)**

- 8.1 The Management Company shall calculate the unit value (rounded down to 2 decimal places subject to further amendments made by the Management Company from time to time) of the Fund on each valuation day on the basis of the total net assets of the Fund to be divided by the number of units in circulation. The valuation day shall be every Business Day. Besides, the Management Company is entitled to alter the date of valuation day from time to time.
- 8.2 On the date the Fund is established, the initial unit value shall be MOP100.00.
- 8.3 Subject to Article 8.1, the Management Company shall be entitled to suspend or delay the valuation based on exceptional conditions set out in Article 11.
- 8.4 According to the valuation made in accordance with the generally accepted accounting principles and the applicable laws, the aggregate net asset value of the Fund comprised of the assets represented by the unit(s) of the participation shall be equal to the fund assets deducted by the outstanding debts

payable by the Fund. The debts of the Fund include its operation expenses and investment management fees. The operation expenses include, but are not limited to, the custodian fees, transfer taxes or other expenses and taxes imposed by the relevant country, and other relevant charges.

- 8.5 The fees, charges and operation expenses in relation to Article 8.4 shall be set out in the Participating Agreement.

### **Article 9 (Subscription of Unit(s))**

- 9.1 The Subscription Amount from the Associates and the Contributors, after deducting a relevant subscription fee as stipulated in Article 12.1, will be converted into fund unit(s) (rounded to the nearest 4 decimal places subject to further amendments made by the Management Company from time to time) based on the unit value determined on the next valuation day.
- 9.2 Subject to Article 9.1, the subscription price of each unit under the Participating Scheme on the valuation day shall be the unit value calculated according to Article 8.1.
- 9.3 Where the calculation of the Net Asset Value related to the Participating Scheme is suspended by virtue of Article 11, subscription of the relevant unit shall be postponed until the first valuation day that is not restricted by Article 11.

### **Article 10 (Redemption of Unit(s))**

- 10.1 Participants and Associates may only redeem the unit(s) they subscribed in accordance with the articles stipulated in the Participating Agreement of the Fund.
- 10.2 The Redemption Price of each unit under the Participating Scheme on the valuation day shall be the unit value calculated according to Article 8.1.
- 10.3 The net redemption payment will be equal to the total value of the unit(s) redeemed (“gross redemption payment”) after deducting a redemption fee as stipulated in Article 12.1.
- 10.4 When redemption of unit(s) is made pursuant to this Article 10, the Management Company shall make any necessary disposal to provide cash for the gross redemption payment. The Management Company shall then make net redemption payment to the Participant or other related parties in accordance with the relevant Participating Agreement, or apply the net redemption payment according to the provisions of this Management Regulation. The Management Company shall also deduct from the related contribution account the number of the unit(s) redeemed (and transfer the deductions to the appropriate individual account(s)).
- 10.5 Where the calculation of the related Net Asset Value under the Participating Scheme is suspended by virtue of Article 11, the redemption of relevant fund unit(s) thereof shall be delayed until the first valuation day that is not restricted by Article 11.



- 10.6 The Management Company has the final and conclusive right to restrict the total number of redeemable units under the Participating Scheme on any valuation day to 10% of the total units issued (excluding the number of units issued on that valuation day). Such restriction shall proportionally apply to all circumstances where unit redemption is required to be made on the same valuation day under the provision of the Management Regulation. (Subject to further application of this Article 10.6), any unit not redeemable due to the application of this Article 10.6 shall be redeemable on the immediately following valuation day.

**Article 11**  
**(Suspension of Valuation and Pricing)**

- 11.1 For the benefit of the Participant, the Management Company may declare suspension of valuation for the Participating Scheme and the calculation of the Net Asset Value thereof during any part or whole of the period in the event of the following:

- (a) The closure of, restriction on or suspension of trading of any stock market where a majority of investments under the Participating Scheme is carried out, or the breakdown of any system generally adopted by the Management Company for investment pricing;
- (b) Where for certain reasons the Management Company considers it impossible to reasonably determine the price of any investment that it held or assumed under the Participating Scheme; or
- (c) Emergency situations arising from certain circumstances that cause the Management Company to consider the realisation of any investment held or assumed under the Participating Scheme impracticable or detrimental to the benefits of the Participant; or
- (d) The delay to remittance and repatriation of fund(s) that involve or may involve the realisation or making payment of any investment under the Participating Scheme, the subscription or redemption of unit(s) under the Participating Scheme, or where the Management Company considers it impossible to make immediate remittance or fund repatriation at the normal exchange rate,

provided that the suspension shall not result in the breach of laws and regulations or this Management Regulation by the Management Company.

- 11.2 The suspension referred to in Article 11.1 shall become effective immediately upon the relevant declaration, thereafter no net asset valuation or calculation shall be made until revocation of suspension is declared by the Management Company after consultation with the Custodian (if any). However, the suspension shall be revoked on the day following the first Business Day when:
- (a) there exists no circumstances that cause the suspension; and
  - (b) there exists no circumstances where suspension is required under this Management Regulation.

**Article 12**  
**(Remuneration for Management Company and Custodian)**

- 12.1 For the remuneration of management services, the Management Company shall be entitled to receive:
- (a) a subscription fee not exceeding 5% of the Subscription Amount; and
  - (b) a redemption fee not exceeding 5% of the total value of the redeemed units.
- 12.2 For the remuneration of custodian services, the Custodian shall be entitled to receive a custodian fee not exceeding 0.1% per annum of the Net Asset Value of the Fund. The current remuneration received by the Custodian shall be stated in the Participating Agreement, to which the Management Company is entitled to make amendments.
- 12.3 The Management Company and the Custodian have been authorised to debit the account of the Fund with the amounts specified in the preceding paragraphs.

**Article 13**  
**(Transfer of Fund Management and Custodian)**

- 13.1 Subject to prior approval from the Monetary Authority of Macau, the Management Company may transfer the management of the Fund to another management company. Any costs associated with the transfer will be borne by the Management Company.
- 13.2 If the event set out in the preceding paragraph should emerge, the Management Company shall notify the relevant Associates or Participants in writing at least 30 days prior to the date of the respective transfer.
- 13.3 Subject to prior approval from the Monetary Authority of Macau, the Management Company may transfer the custodian right of the assets of the Fund to one or more Custodians. Any costs associated with the transfer will be borne by the Management Company.

**Article 14**  
**(Amendment to Management Regulations)**

- 14.1 Subject to Article 14.2, the Management Company may at any time amend or extend any provisions in this Management Regulation.
- 14.2 This Management Regulation shall not be amended or extended unless:
- (a) the Monetary Authority of Macau has approved the amendment or extension; and
  - (b) the notification and other procedures (if any) required by the Monetary Authority of Macau

have been complied with,

provided that advance notice of not less than one (1) Month (or any shorter period as agreed with the Monetary Authority of Macau) shall be given to the relevant Associates or Participants.

#### **Article 15 (Winding up of the Fund)**

- 15.1 Subject to prior approval from the Monetary Authority of Macau, the Management Company may determine to wind up the Fund in the case of any of the following events stated in Article 15.2.
- 15.2 The events mentioned in Article 15.1 are as follows:
- (a) the Fund is deemed illegal by any newly passed law, or the continuation of the Fund is deemed impractical or inappropriate by the Management Company for any reason;
  - (b) the Fund is deemed incapable of performing its functions by the Management Company;
  - (c) the continuation of the Fund is deemed impossible by the Management Company due to circumstances at the time of decision; or
  - (d) the court orders or passes a resolution for the liquidation of the Management Company.
- 15.3 Prior to the winding up of the Fund, advance notice of not less than one (1) Month (or any shorter period as may be agreed with the Monetary Authority of Macau) shall be given to the relevant Associates or Participants.
- 15.4 In the case of winding up of the Fund, the assets and liabilities concerned shall be:
- (a) transferred to other pension fund(s), as indicated by each one of the relevant Associates or Participants as regards their respective fund units or amounts held by them or by the Fund;
  - (b) used to purchase a life insurance policy.
- 15.5 Under no circumstances may the Associates, Contributors or Participants demand the winding up or division of the Fund.

#### **Article 16 (Procedures for Winding up of the Fund)**

- 16.1 The winding up of the Fund shall be carried out after obtaining prior approval from Monetary Authority of Macau, and such winding up shall be published in the Macau SAR Gazette.

**Article 17**  
**(Provision of Information)**

- 17.1 Subject to the relevant laws and regulations, if the Management Company or the Custodian are required by any departments under any government or qualified authority (regardless of whether such requirement is enforceable) to supply information concerning the Fund and/or the Participant and/or the investment and revenue of the Fund and/or the provisions under this Management Regulation and did comply with such requirement, the Management Company or the Custodian shall not be accountable for any legal responsibilities to the Participants or any other person by virtue of such compliance.

**Article 18**  
**(Arbitration)**

- 18.1 All disputes arising out of this Management Regulation, whether of a litigious nature in the strict sense, or of any other nature, namely those relating to interpretation, integration and execution of the respective provisions, including their amendments or revisions, shall be resolved through the Monetary Authority of Macau's Centre for Arbitration of Disputes in Insurance and Private Pension Funds.

**Article 19**  
**(Governing Law)**

- 19.1 This Management Regulation shall be governed by the Laws of the Macau Special Administrative Region.
- 19.2 The Court(s) of the Macau Special Administrative Region shall have jurisdiction on matters arising from this Management Regulation.

**Article 20**  
**(Non-Mandatory Central Provident Fund System)**

- 20.1 The Fund can be registered as an investment instrument of the central provident fund system under the Law 7/2017 'Non-Mandatory Central Provident Fund System'.
- 20.2 Under the central providence fund system, the Fund must operate in compliance with the Law 7/2017 'Non-Mandatory Central Provident Fund System', relevant supplementary regulations and operation guidelines.

[Effective date of the Management Regulation amendments: 1 January 2018]

## APPENDIX C5

### AIA International Limited Macau Branch

#### Open Pension Fund

#### **AIA Macau Manager's Choice Fund** **Management Regulation**

This Management Regulation is executed by AIA International Limited Macau Branch (hereinafter referred to as "AIA Macau"/"Management Company"), which is situated at 1903 AIA Tower, Nos. 251A-301 Avenida Comercial de Macau, Macau and whose registered office is located at 29 Richmond Road, Pembroke, Bermuda, HM08. The share capital of the above-mentioned Management Company is US\$3,600,000.

Whereas:

1. Upon the execution of the Management Regulation, AIA Macau (hereinafter referred to as "AIA MACAU"/"Management Company") shall establish an open pension fund named "**AIA Macau Manager's Choice Fund**", or other names as determined by the Management Company from time to time (hereinafter referred to as "the Fund") which is open to collective participation by Associates or individual participants.
2. Under the provisions of the relevant laws, the Management Company is qualified to carry out all the functions of administration, management and representation of the Fund.
3. The Management Company shall hold the Fund in accordance with this Management Regulation and any relevant participating agreement.

This Management Regulation is witnessed as follows:

#### **Article 1** **(Definitions)**

- 1.1 In this Management Regulation, unless otherwise specified, the following terms and expressions shall have the following meanings:

"Application Form" means the application form specified by the Management Company from time to time to be completed and signed by Associates or individual participants (as the case may be), for the purpose of providing relevant information to the Management Company;

"Associates" means corporate entities whose pension plans are financed by this pension fund;

"Participant" means a natural person who is entitled to benefits stipulated in a retirement plan pursuant to such person's individual situation or occupation circumstances, regardless of whether or not such person has to make recurring contributions to such retirement plan;

"Beneficiary" means a natural person who is entitled to receive pecuniary payments provided for in the pension plans, regardless of whether or not such person has been a Participant;

"Business Day" means any business day (except Saturdays and Sundays), on which banks are open for business in Macau;

"Contributor" means a natural person or legal entity who contributes towards the financing of the pension plan;

"Custodian" means any person or legal entity appointed by the Management Company under this Management Regulation;

"Macau" means The People's Republic of China Macau Special Administrative Region;

"Management Company" means AIA MACAU;

"Management Regulation" means any regulations stipulated in this Management Regulation;

"Month" means calendar month;

"Net Asset Value" means the net asset value of the Fund, or as otherwise specified in Article 8.4;

"Participating Scheme" means a sub-scheme established under the name of the Fund pursuant to a Participating Agreement; or as otherwise stipulated in this Management Regulation;

"Participating Agreement" means an agreement in relation to a Participating Scheme (which substantial format is stipulated by the Management Company) which is entered into between the Management Company and Associates or Participants, in which it is agreed that a Participating Scheme be set up under this Management Regulation whereby both this Management Regulation and the Participating Agreement may be subject to amendment from time to time;

"Permanent loss of work capacity" shall mean the following circumstances:

- (a) Any recipient of allowance for incapacity from any social security schemes, namely the Social Security Fund or the Macau Pensions Fund;
- (b) Any recipient of compensation for permanent incapacity as a result of occupational accident or occupational disease, pursuant to the applicable legal definition of occupational accident or occupational disease;
- (c) Where a person, not coming within the scope of the preceding two subparagraphs, suffers permanent loss of work capacity as a result of the responsible acts of third parties which prevent that person from earning one-third or more of the remuneration corresponding to

his/her normal professional activity;

"Redemption Price" means the redemption price per unit redeemed or to be redeemed from time to time as calculated pursuant to Article 10;

"Registered Fund" means any pension fund registered under the relevant laws and regulations, or other meanings as ascribed by the authority concerned from time to time;

"Subscription Amount" means any contribution or accrued benefits transferred to the Fund from another registered fund, or any amount received by the Management Company in respect of the Fund;

"Unit" means any undivided shares, including any fractional shares, approved by this Management Regulation under the Participating Scheme.

- 1.2 References to "this Management Regulation" or "Management Regulation" shall mean these management regulations as amended by the Management Company from time to time.
- 1.3 Unless otherwise specified, all references to the articles, Participating Agreement, appendices and schedules shall refer to the same under this Management Regulation. Appendices and schedules (where applicable) shall be deemed as part of this Management Regulation.
- 1.4 Titles are for reference only and shall not affect the definitions of this Management Regulation.
- 1.5 Unless otherwise specified, singular words shall have plural meanings and vice versa; words of gender include both sexes; words of persons include companies.
- 1.6 References to any legislation shall be deemed to include its amended and re-enacted versions from time to time.

## **Article 2** **(Objective of the Pension Fund)**

- 2.1 The objective of the Fund is to ensure the execution of the pension plans relating to early retirement, old age retirement, termination of employment and permanent loss of work capacity or death.

## **Article 3** **(Appointment, Removal and Withdrawal of Custodians)**

- 3.1 Upon approval from the Monetary Authority of Macau, the Management Company is entitled to appoint or remove one or more than one Custodian(s).
- 3.2 The Custodian of the Fund is Citibank N.A. Its registered office is located at 399 Park Avenue, New York, NY 10043, United States of America.
- 3.3 The Custodian is qualified, under the provisions of the relevant law, to receive on deposit or record in a

register of the relevant securities and documents pertaining to the Fund, to maintain a chronological record of all the transactions carried out and to prepare a detailed inventory of the assets of the Fund on a quarterly basis.

**Article 4**  
**(Type of Membership of the Fund)**

- 4.1 The participants of the Fund are categorised:
- (a) Individual participation – initial subscription of fund units by individual Contributors;
  - (b) Collective participation – initial subscription of fund units by Associates.

**Article 5**  
**(Establishment of Participating Agreement)**

- 5.1 The status of a Participant, irrespective of category, only comes into effect after the signing of the Participating Agreement which contains information required by the relevant laws and regulations.

**Article 6**  
**(Function, Rights and Responsibilities of the Management Company)**

- 6.1 The Management Company is responsible for the establishment, administration and management of the Fund, and is authorised to perform all necessary or appropriate actions and activities in the interest of managing the Fund properly, particularly the following:
- (a) Perform all rights resulting from relevant contributions on behalf of Associates, Participants, Contributors and Beneficiaries without being appointed;
  - (b) Select valuables as components of this Fund according to relevant investment policies;
  - (c) Receive expected contribution and pay Beneficiaries accordingly as stipulated in this Participating Agreement;
  - (d) Organise its own and the Fund's accounts; and
  - (e) Register real estate belonging to the Fund in the name of the Fund.
- 6.2 Subject to the relevant laws and regulations and this Management Regulation, the Management Company shall at any time be entitled to exercise all or part of the following functions and all power, whether directly or indirectly related to the Fund, and the Management Company's powers shall be as if the Management Company has absolute authority in all aspects to invest in, transfer and make changes to the Fund and possesses actual interest therein:



- (a) To invest the Fund according to this Management Regulation when the Fund is a Registered Fund;
- (b) Upon final decision made by the Management Company as it deems fit, the power to hold, without any change in the status quo thereof, any investments, securities or assets which form part of the Fund as the manager and legal agent of the Fund;
- (c) The ultimate authority of making decision to approve the realisation through the sales, recovery or conversion of non-cash investments, securities and assets;
- (d) Any proceeds of the said sales, recovery or conversion and other capital amount constituting part of the Fund, or any income of the Fund and any contributions paid to the Management Company in accordance with the Participating Agreement, which is not required to be applied forthwith towards the payment as provided by this Management Regulation, the ultimate decision shall be made by the Management Company as it deems fit to invest or apply all or part of the amount in the following:
  - i) the purchase of any funds, securities, bonds, debentures, stocks, shares and other investments or assets, including the underwriting, sub-underwriting or guarantee of the said funds, securities, bonds, debentures, stocks, shares or other investments, regardless of whether the Management Company has the possession or reversion of the same;
  - (ii) for the purpose of providing benefits for the Participating Agreement, the implementation and maintenance of any annuity contract, annuity policy or life insurance policy and other policies with any reputable insurance company or insurance office;
- (e) To make bank deposits in the name of the Fund.

6.3 Subject to the provisions of this Management Regulation, this Management Regulation does not contain any statement that will prevent the Management Company from conducting the following:

- (a) to act on behalf of other persons in other capacities;
- (b) to purchase, hold or deal in for its own account any investments or currencies, despite the fact that the Fund may hold any similar investments or currencies;
- (c) to make any purchase for investment of funds owned by the Management Company or for the Management Company's own account investment (as the case may be) forming part of the Fund provided that in any case the terms of purchase in relation to and by virtue of the Participating Scheme will not in any rate be less favourable than the terms of purchase in normal transactions on the same day.

The Management Company (or any of its associates) is not accountable to the Fund for any rewards, commissions, profits or any other benefits derived from any acts by the Management Company (or its associates) referred to above.

- 6.4 The Management Company's responsibilities include:
- (a) To act in accordance with this Management Regulation;
  - (b) To act in regard to the benefits of Associates and Participants instead of the benefits of the Management Company itself;
  - (c) To properly monitor and regulate the service provider appointed or employed for the Fund.
- 6.5 The Management Company does not bear any responsibilities that require it to disclose to any Associate or Participant any matter or event which come to its knowledge when it acts on behalf of other persons in other capacities.
- 6.6 The Management Company must abide by the regulations applicable to the Management Company as stipulated by the Decree Law 6/99/M.

#### **Article 7 (Investment Policy)**

- 7.1 The Investment Policy of the Fund shall be formulated by AIA Macau in compliance with the most applicable laws and regulations. The investment instruments shall be those permitted by the Monetary Authority of Macau, including but not limited to fixed interest instruments, securities, unit trusts, mutual funds and pooled investment funds.
- 7.2 The investment objective of the Fund is to maximise long-term capital appreciation by performing dynamic asset allocation in an internationally diversified portfolio of securities.

#### **Article 8 (Valuation Day and Valuation Method for the Unit Value of the Fund)**

- 8.1 The Management Company shall calculate the unit value (rounded down to 2 decimal places subject to further amendments made by the Management Company from time to time) of the Fund on each valuation day on the basis of the total net assets of the Fund to be divided by the number of units in circulation. The valuation day shall be every Business Day. Besides, the Management Company is entitled to alter the date of valuation day from time to time.
- 8.2 On the date the Fund is established, the initial unit value shall be MOP100.00.
- 8.3 Subject to Article 8.1, the Management Company shall be entitled to suspend or delay the valuation based on exceptional conditions set out in Article 11.
- 8.4 According to the valuation made in accordance with the generally accepted accounting principles and the applicable laws, the aggregate net asset value of the Fund comprised of the assets represented by the unit(s) of the participation shall be equal to the fund assets deducted by the outstanding debts

payable by the Fund. The debts of the Fund include its operation expenses and investment management fees. The operation expenses include, but are not limited to, the custodian fees, transfer taxes or other expenses and taxes imposed by the relevant country, and other relevant charges.

- 8.5 The fees, charges and operation expenses in relation to Article 8.4 shall be set out in the Participating Agreement.

### **Article 9 (Subscription of Unit(s))**

- 9.1 The Subscription Amount from the Associates and the Contributors, after deducting a relevant subscription fee as stipulated in Article 12.1, will be converted into fund unit(s) (rounded to the nearest 4 decimal places subject to further amendments made by the Management Company from time to time) based on the unit value determined on the next valuation day.
- 9.2 Subject to Article 9.1, the subscription price of each unit under the Participating Scheme on the valuation day shall be the unit value calculated according to Article 8.1.
- 9.3 Where the calculation of the Net Asset Value related to the Participating Scheme is suspended by virtue of Article 11, subscription of the relevant unit shall be postponed until the first valuation day that is not restricted by Article 11.

### **Article 10 (Redemption of Unit(s))**

- 10.1 Participants and Associates may only redeem the unit(s) they subscribed in accordance with the articles stipulated in the Participating Agreement of the Fund.
- 10.2 The Redemption Price of each unit under the Participating Scheme on the valuation day shall be the unit value calculated according to Article 8.1.
- 10.3 The net redemption payment will be equal to the total value of the unit(s) redeemed (“gross redemption payment”) after deducting a redemption fee as stipulated in Article 12.1.
- 10.4 When redemption of unit(s) is made pursuant to this Article 10, the Management Company shall make any necessary disposal to provide cash for the gross redemption payment. The Management Company shall then make net redemption payment to the Participant or other related parties in accordance with the relevant Participating Agreement, or apply the net redemption payment according to the provisions of this Management Regulation. The Management Company shall also deduct from the related contribution account the number of the unit(s) redeemed (and transfer the deductions to the appropriate individual account(s)).
- 10.5 Where the calculation of the related Net Asset Value under the Participating Scheme is suspended by virtue of Article 11, the redemption of relevant fund unit(s) thereof shall be delayed until the first valuation day that is not restricted by Article 11.

- 10.6 The Management Company has the final and conclusive right to restrict the total number of redeemable units under the Participating Scheme on any valuation day to 10% of the total units issued (excluding the number of units issued on that valuation day). Such restriction shall proportionally apply to all circumstances where unit redemption is required to be made on the same valuation day under the provision of the Management Regulation. (Subject to further application of this Article 10.6), any unit not redeemable due to the application of this Article 10.6 shall be redeemable on the immediately following valuation day.

**Article 11**  
**(Suspension of Valuation and Pricing)**

- 11.1 For the benefit of the Participant, the Management Company may declare suspension of valuation for the Participating Scheme and the calculation of the Net Asset Value thereof during any part or whole of the period in the event of the following:

- (a) The closure of, restriction on or suspension of trading of any stock market where a majority of investments under the Participating Scheme is carried out, or the breakdown of any system generally adopted by the Management Company for investment pricing;
- (b) Where for certain reasons the Management Company considers it impossible to reasonably determine the price of any investment that it held or assumed under the Participating Scheme; or
- (c) Emergency situations arising from certain circumstances that cause the Management Company to consider the realisation of any investment held or assumed under the Participating Scheme impracticable or detrimental to the benefits of the Participant; or
- (d) The delay to remittance and repatriation of fund(s) that involve or may involve the realisation or making payment of any investment under the Participating Scheme, the subscription or redemption of unit(s) under the Participating Scheme, or where the Management Company considers it impossible to make immediate remittance or fund repatriation at the normal exchange rate,

provided that the suspension shall not result in the breach of laws and regulations or this Management Regulation by the Management Company.

- 11.2 The suspension referred to in Article 11.1 shall become effective immediately upon the relevant declaration, thereafter no net asset valuation or calculation shall be made until revocation of suspension is declared by the Management Company after consultation with the Custodian (if any). However, the suspension shall be revoked on the day following the first Business Day when:

- (a) there exists no circumstances that cause the suspension; and
- (b) there exists no circumstances where suspension is required under this Management Regulation.

**Article 12**  
**(Remuneration for Management Company and Custodian)**

- 12.1 For the remuneration of management services, the Management Company shall be entitled to receive:
- (a) a subscription fee not exceeding 5% of the Subscription Amount; and
  - (b) a redemption fee not exceeding 5% of the total value of the redeemed units.
- 12.2 For the remuneration of custodian services, the Custodian shall be entitled to receive a custodian fee not exceeding 0.1% per annum of the Net Asset Value of the Fund. The current remuneration received by the Custodian shall be stated in the Participating Agreement, to which the Management Company is entitled to make amendments.
- 12.3 The Management Company and the Custodian have been authorised to debit the account of the Fund with the amounts specified in the preceding paragraphs.

**Article 13**  
**(Transfer of Fund Management and Custodian)**

- 13.1 Subject to prior approval from the Monetary Authority of Macau, the Management Company may transfer the management of the Fund to another management company. Any costs associated with the transfer will be borne by the Management Company.
- 13.2 If the event set out in the preceding paragraph should emerge, the Management Company shall notify the relevant Associates or Participants in writing at least 30 days prior to the date of the respective transfer.
- 13.3 Subject to prior approval from the Monetary Authority of Macau, the Management Company may transfer the custodian right of the assets of the Fund to one or more Custodians. Any costs associated with the transfer will be borne by the Management Company.

**Article 14**  
**(Amendment to Management Regulations)**

- 14.1 Subject to Article 14.2, the Management Company may at any time amend or extend any provisions in this Management Regulation.
- 14.2 This Management Regulation shall not be amended or extended unless:
- (a) the Monetary Authority of Macau has approved the amendment or extension; and
  - (b) the notification and other procedures (if any) required by the Monetary Authority of Macau

have been complied with,

provided that advance notice of not less than one (1) Month (or any shorter period as agreed with the Monetary Authority of Macau) shall be given to the relevant Associates or Participants.

#### **Article 15 (Winding up of the Fund)**

- 15.1 Subject to prior approval from the Monetary Authority of Macau, the Management Company may determine to wind up the Fund in the case of any of the following events stated in Article 15.2.
- 15.2 The events mentioned in Article 15.1 are as follows:
- (a) the Fund is deemed illegal by any newly passed law, or the continuation of the Fund is deemed impractical or inappropriate by the Management Company for any reason;
  - (b) the Fund is deemed incapable of performing its functions by the Management Company;
  - (c) the continuation of the Fund is deemed impossible by the Management Company due to circumstances at the time of decision; or
  - (d) the court orders or passes a resolution for the liquidation of the Management Company.
- 15.3 Prior to the winding up of the Fund, advance notice of not less than one (1) Month (or any shorter period as may be agreed with the Monetary Authority of Macau) shall be given to the relevant Associates or Participants.
- 15.4 In the case of winding up of the Fund, the assets and liabilities concerned shall be:
- (a) transferred to other pension fund(s), as indicated by each one of the relevant Associates or Participants as regards their respective fund units or amounts held by them or by the Fund;
  - (b) used to purchase a life insurance policy.
- 15.5 Under no circumstances may the Associates, Contributors or Participants demand the winding up or division of the Fund.

#### **Article 16 (Procedures for Winding up of the Fund)**

- 16.1 The winding up of the Fund shall be carried out after obtaining prior approval from Monetary Authority of Macau, and such winding up shall be published in the Macau SAR Gazette.

**Article 17**  
**(Provision of Information)**

- 17.1 Subject to the relevant laws and regulations, if the Management Company or the Custodian are required by any departments under any government or qualified authority (regardless of whether such requirement is enforceable) to supply information concerning the Fund and/or the Participant and/or the investment and revenue of the Fund and/or the provisions under this Management Regulation and did comply with such requirement, the Management Company or the Custodian shall not be accountable for any legal responsibilities to the Participants or any other person by virtue of such compliance.

**Article 18**  
**(Arbitration)**

- 18.1 All disputes arising out of this Management Regulation, whether of a litigious nature in the strict sense, or of any other nature, namely those relating to interpretation, integration and execution of the respective provisions, including their amendments or revisions, shall be resolved through the Monetary Authority of Macau's Centre for Arbitration of Disputes in Insurance and Private Pension Funds.

**Article 19**  
**(Governing Law)**

- 19.1 This Management Regulation shall be governed by the Laws of the Macau Special Administrative Region.
- 19.2 The Court(s) of the Macau Special Administrative Region shall have jurisdiction on matters arising from this Management Regulation.

**Article 20**  
**(Non-Mandatory Central Provident Fund System)**

- 20.1 The Fund can be registered as an investment instrument of the central provident fund system under the Law 7/2017 'Non-Mandatory Central Provident Fund System'.
- 20.2 Under the central providence fund system, the Fund must operate in compliance with the Law 7/2017 'Non-Mandatory Central Provident Fund System', relevant supplementary regulations and operation guidelines.

[Effective date of the Management Regulation amendments: 1 January 2018]