

BEA (MPF) MASTER TRUST SCHEME

SIXTH ADDENDUM TO THE EXPLANATORY MEMORANDUM DATED JANUARY, 2012

This Sixth Addendum should be read in conjunction with and forms part of the Explanatory Memorandum for the BEA (MPF) Master Trust Scheme (the “**Master Trust**”) dated January, 2012, as amended by a First Addendum dated 3rd July, 2012, a Second Addendum dated 1st November, 2012, a Third Addendum dated 1st August, 2013, a Fourth Addendum dated 20th December, 2013 and a Fifth Addendum dated 27th July, 2015 (collectively referred to as the “**Explanatory Memorandum**”). All capitalised terms herein contained shall have the same meaning in this Sixth Addendum as in the Explanatory Memorandum, unless otherwise stated. The Sponsor accepts responsibility for the information contained in this Sixth Addendum as being accurate as at the date of publication.

I. Amendments taking effect from 1st August, 2015

Pursuant to the Mandatory Provident Fund Schemes (Amendment) Ordinance 2015, among other changes, a new ground “Terminal Illness” shall be granted for claim for payment on 1st August, 2015. In this respect, the Explanatory Memorandum shall be amended as follows with effect from 1st August, 2015:

1. Terminal Illness

- a) Page 28 – the first and second paragraphs under the sub-sections headed “**Entitlement to Benefits**” shall be deleted in its entirety and replaced with the following:-

“A Member will become entitled to benefits in respect of mandatory contributions to the Master Trust in the circumstances set out in the MPF Ordinance. Currently, these circumstances include where the Member (i) reaches the age of 65, (ii) permanently ceases employment or self-employment after reaching the age of 60 or ceases employment or self-employment as a result of total incapacity, (iii) has a terminal illness, (iv) permanently departs from Hong Kong, (v) dies or (vi) has the right to claim a small balance pursuant to the MPF Ordinance.

A Member will become entitled to benefits in respect of voluntary contributions to the Master Trust in the circumstances set out in the Trust Deed and the relevant Participation Agreement and/or Supplement to the Participation Agreement, subject to such vesting conditions as described above in the “Voluntary Contributions” section. Unless the Participation Agreement and/or Supplement to the Participation Agreement states otherwise, a Member will become entitled to benefits in respect of voluntary contributions in the same circumstances as those noted in the preceding paragraph in respect of mandatory contributions, subject to, in the case of a Member who is an employee of a participating employer, the cessation of employment of the relevant Member.”

- b) Page 43 – the first and second paragraphs under the sub-section headed “**For Employees**” shall be deleted in its entirety and replaced with the following:-

“Benefits on retirement or earlier in the case of incapacity, terminal illness or death are generally not subject to salaries tax in the hands of the employee. For tax purposes, “retirement” is defined as meaning:-

- retirement from the service of the employer at a specified age of not less than 45 years;
- retirement after a period of service with the employer of not less than 10 years; or
- attainment of a specified age of retirement or 60 years, whichever is later (whether or not the employee has in fact retired from his employment at such age).”

- c) Page 61 – the following new illustrative examples 10 and 11 shall be added immediately after illustrative example 9 in the section headed “**How the Guarantee works - Examples**” in Appendix 1:-

“Scenario 6: Terminal Illness Case – Member invested in the Underlying Fund (through the BEA (MPF) Long Term Guaranteed Fund) after 30th September, 2004. No redemption, switching or withdrawal has been made.
(Only the Employee’s Fund Account is shown for this scenario)

The following illustrative examples assume that at the beginning of each year HKD1,500 is contributed to the Employee’s Fund Account in respect of mandatory contributions (“Employee’s MC Fund Account”) and HKD1,000 is contributed to Employee’s Fund Account in respect of voluntary contributions (“Employee’s VC Fund Account”). Member first invested in the BEA (MPF) Long Term Guaranteed Fund on 1st January, 2013.

Employee's MC Fund Account:						
End of Year	Actual Annualized Return of the Fund	End of Year NB	The Date on which the Member will attain 36 months of Qualifying Period	End of Year QB1	End of Year QB2	End of Year Total QB
2013	1.00%	\$1,515.00	31-Dec-15	\$0.00	\$1,515.00	\$1,515.00
2014	2.00%	\$3,075.30	31-Dec-15	\$0.00	\$3,045.15	\$3,045.15
2015	9.00%	\$4,987.08	31-Dec-15	\$0.00	\$4,590.60	\$4,590.60

Employee's VC Fund Account:						
End of Year	Actual Annualized Return of the Fund	End of Year NB	The Date on which the Member will attain 36 months of Qualifying Period	End of Year QB1	End of Year QB2	End of Year Total QB
2013	1.00%	\$1,010.00	31-Dec-15	\$0.00	\$1,010.00	\$1,010.00
2014	2.00%	\$2,050.20	31-Dec-15	\$0.00	\$2,030.10	\$2,030.10
2015	9.00%	\$3,324.72	31-Dec-15	\$0.00	\$3,060.40	\$3,060.40

Example 10 illustrates how the guarantee will be applied when the employee member makes a claim on the ground of terminal illness without employment termination, and how the claim will affect the QB, NB and the qualifying period of the employee member.

Illustrative Example 10:

End of year 2015 – The Member claims on the ground of terminal illness without employment termination. Since the Member is only entitled to benefits derived from mandatory contributions upon a claim of terminal illness while he remains employed under the current employment. Therefore \$4,987.08 is payable from the Employee's MC Fund Account. The NB, QB and qualifying period of the Employee's MC Fund Account are reset, while the NB, QB and qualifying period of the Employee's VC Fund Account will not be affected. After the claim, NB, QB and qualifying period of the Employee's MC Fund Account and the Employee's VC Fund Accounts are as follows:

Adjusted Employee's MC Fund Account:						
End of Year	Actual Annualized Return of the Fund	End of Year NB	The Date on which the Member will attain 36 months of Qualifying Period	End of Year QB1	End of Year QB2	End of Year Total QB
2015	9.00%	\$0.00	-	\$0.00	\$0.00	\$0.00

Employee's VC Fund Account:						
End of Year	Actual Annualized Return of the Fund	End of Year NB	The Date on which the Member will attain 36 months of Qualifying Period	End of Year QB1	End of Year QB2	End of Year Total QB
2015	9.00%	\$3,324.72	31-Dec-15	\$0.00	\$3,060.40	\$3,060.40

Example 11 illustrates how the guarantee will be applied when the employee member makes a claim on the ground of terminal illness with employment termination.

Illustrative Example 11:

End of year 2015 – Member claims for terminal illness with employment termination. Since terminal illness is a qualifying event, the greater of the QB and the NB for each account will be payable.

	Employee's MC Fund Account	Employee's VC Fund Account
QB =	\$4,590.60	\$3,060.40
NB =	\$4,987.08	\$3,324.72

Therefore, \$4,987.08 is payable from the Employee's MC Fund Account and \$3,324.72 is payable from the Employee's VC Fund Account. The total payment is \$8,311.80 from the Employee's Fund Account."

2. Payment of Benefits

Page 29 – the first paragraph under the sub-sections headed "**Payment of Benefits**" shall be deleted in its entirety and replaced with the following:-

"Subject as noted below, lump sum benefits (including amounts attributable to voluntary contributions) will be paid as soon as reasonably practicable and in any event not later than (i) 30 days after the date on which the claim is lodged or (ii) 30 days after the contribution day in respect of the last contribution period that ends before the claim is lodged, whichever is later. Payment may be delayed in certain circumstances pursuant to the MPF Ordinance, including where the Master Trust is being audited or investigated at the instigation of the Authority. Pending the payment of benefits, the Trustee will hold the realisation proceeds of Units in an interest bearing account with The Bank of East Asia, Limited. Interest earned will be credited to the Constituent Fund(s) in which such amounts were invested immediately prior to the realisation of Units."

3. Notice of Participation

- a) Page 39 – the reference to "Membership Certificate" and "Notice of Acceptance" in the Fee Table headed "**(E) OTHER FEES AND CHARGES FOR PROVIDING ADDITIONAL SERVICES – Copying Services for Member**" shall be replaced by "Notice of Participation".
- b) Page 40 – the reference to "Notice of Acceptance" in the Fee Table headed "**(E) OTHER FEES AND CHARGES FOR PROVIDING ADDITIONAL SERVICES – Copying Services for Employers**" shall be replaced by "Notice of Participation".

II. Amendments taking effect from 1st February, 2016

Pursuant to the Mandatory Provident Fund Schemes (Amendment) Ordinance 2015, with effect from 1st February, 2016, members who become entitled to benefits in respect of mandatory contributions and, where applicable, voluntary contributions upon reaching the age of 65 or permanently ceasing employment or self-employment after reaching the age of 60, may elect to have their benefits paid in a lump sum or by instalments. In this respect, the Explanatory Memorandum shall be amended as follows with effect from 1st February, 2016:

Phased withdrawal

- a) Page 28 – The first sentence in the first paragraph under the sub-section headed "**Realisation of Units**" under the section headed "**Benefits**" shall be deleted and replaced with the following:

"Where a Member becomes entitled to benefits and a claim is submitted for such benefits, the Trustee will realise the Units credited to the account of the Member to meet such claim for benefits."

- b) Page 28 – The last sentence in the second paragraph under the sub-section headed “**Realisation of Units**” under the section headed “**Benefits**” shall be deleted and replaced with the following:

“In any event, in respect of a transfer of accrued benefits (i) from the Master Trust to another registered scheme; (ii) from an account within the Master Trust to another account within the Master Trust; (iii) in the same account within the Master Trust, from a Constituent Fund to another Constituent Fund, and in respect of payment of accrued benefits, to the extent required by the General Regulation, no bid spread shall be charged other than an amount representing the necessary transaction costs that are incurred, or reasonably likely to be incurred, in selling or purchasing investments in order to give effect to such transfer or payment.”

- c) Page 29 – the first and second paragraphs under the sub-sections headed “**Payment of Benefits**” shall be deleted in its entirety and replaced with the following:-

“Lump sum payment

Subject as noted below, lump sum benefits (including amounts attributable to voluntary contributions) will be paid as soon as reasonably practicable and in any event not later than (i) 30 days after the date on which the claim is lodged or (ii) 30 days after the contribution day in respect of the last contribution period that ends before the claim is lodged, whichever is later.

Withdrawal by instalments

A Member (“**Eligible Member**”) who becomes entitled to benefits in respect of mandatory contributions and, where applicable, voluntary contributions upon reaching the age of 65 or permanently ceasing employment or self-employment after reaching the age of 60, may elect to have his benefits derived from mandatory contributions and, where applicable, voluntary contributions (together “**Eligible Benefits**”) paid in a lump sum or by instalments (i.e. partial withdrawal). Such election is not available in other circumstances when a Member becomes entitled to benefits in respect of mandatory and/or voluntary contributions and the benefits will be paid in a lump sum only.

If an Eligible Member elects to have his Eligible Benefits paid by instalments, for each instalment, he is required to give instructions to the Trustee by submitting a separate claim form (available from the Trustee and the Sponsor) specifying the amount of withdrawal.

Such withdrawal instructions will apply to benefits both in respect of mandatory contributions and, where applicable, voluntary contributions, on a pro-rata basis. For example if an Eligible Member is entitled to accrued benefits of HK\$80,000 which are derived from mandatory contributions (“**Mandatory Benefits**”) and HK\$20,000 which are derived from voluntary contributions (“**Voluntary Benefits**”), and the Eligible Member wishes to withdraw HK\$5,000, then HK\$4,000 will be withdrawn from the Mandatory Benefits, and HK\$1,000 will be withdrawn from the Voluntary Benefits, in proportion to the benefits attributable to mandatory contributions and voluntary contributions, respectively.

Unless otherwise agreed between the Trustee and the Eligible Member, and subject as noted below, the Trustee will pay each withdrawal to such Eligible Member no later than 30 days after the date on which the Eligible Member instructs the Trustee to pay that withdrawal.

In respect of withdrawal by instalments, the first 4 instalments (or such further number of instalments as determined by the Trustee) in any calendar year (the period from 1st January to 31st December in a year) will be paid free of charge (other than any necessary transaction costs permitted under the General Regulation). Thereafter, each additional withdrawal by instalment in the same calendar year is subject to a fee of HK\$100, which shall be paid to a bank account designated by the Trustee as specified in the claim form. Please note that bank charges may apply to Members' banking accounts if Members choose to be paid the withdrawal amount directly to their bank account.

To meet each withdrawal request, the Eligible Benefits in all of the Constituent Funds (including the BEA (MPF) Long Term Guaranteed Fund) held by the Eligible Member will be realised, so far as practicable, on a pro-rata basis.

Eligible Members should note that if he wishes to withdraw part, but not all of his Eligible Benefits in the BEA (MPF) Long Term Guaranteed Fund (except in the case of qualifying event (g) as mentioned under the definition of "Valid Claim" in the sub-section headed "Meaning of "Valid Claim"" in this Explanatory Memorandum) he will lose his entitlement to the guarantee of capital and guaranteed rate of return in respect of such amount withdrawn.

Subject to as described in the succeeding paragraph, if an Eligible Member wishes to withdraw part, but not all of his Eligible Benefits under the BEA (MPF) Long Term Guaranteed Fund, he should first file a Valid Claim for his Eligible Benefits (i.e. a claim for all accrued benefits and not a partial claim, as described in the sub-section headed "Meaning of "Valid Claim" in Appendix 1 to this Explanatory Memorandum). With such a Valid Claim, the Eligible Benefits held by the Eligible Member in the BEA (MPF) Long Term Guaranteed Fund will be transferred to the personal account with the application of the guarantee to enjoy the full benefit of the guarantee of capital and guaranteed rate of return up to the date of the transfer. After the transfer, any withdrawal by instalment of the balances in the personal account will be regarded as a "redemption or switching out" from the BEA (MPF) Long Term Guaranteed Fund other than an occurrence of a qualifying event and will lose the guarantee entitlement in respect of such amount withdrawn. If, however, after the transfer, the Eligible Member subsequently files a Valid Claim in respect of all the remaining balance from the personal account upon occurrence of a qualifying event, the Eligible Member will still be entitled to the guarantee under the new applicable rate (as described in the "Guarantee Mechanism" section in Appendix 1 to this Explanatory Memorandum) in respect of the remaining balance in the personal account, from the date of the transfer to the personal account up to the date of the withdrawal.

If an Eligible Member who is an employee Member and who continues employment after reaching the age of 65 files a claim to withdraw part, but not all of his Eligible Benefits under the BEA (MPF) Long Term Guaranteed Fund, there will not be any transfer of the Eligible Benefits to the personal account nor the application of guarantee in the manner as described in the preceding paragraph. Such Eligible Member would generally only be entitled to claim accrued benefits derived from mandatory contributions in his contribution account. Any withdrawal by instalment of

the balances in the contribution account will be regarded as a “redemption or switching out” from the BEA (MPF) Long Term Guaranteed Fund other than an occurrence of a qualifying event and the Eligible Member will lose the guarantee entitlement in respect of such amount withdrawn.

If an Eligible Member (i.e. a Member who meets qualifying event (a)) holds benefits in a personal account or a Special Voluntary Contribution Account of the Master Trust and wishes to withdraw part, but not all of his accrued benefits under the BEA (MPF) Long Term Guaranteed Fund, he will also lose the guarantee entitlement in respect of such withdrawal by instalment of the balance in his personal account or special voluntary contribution account as such withdrawal by instalment fails to meet the requirement of a Valid Claim which requires a claim for all accrued benefits. If, however, the Eligible Member subsequently files a Valid Claim in respect of all the remaining balance from the personal account or special voluntary contribution account upon occurrence of a qualifying event, the Member will still be entitled to the guarantee in respect of the remaining balance in the personal account or special voluntary contribution account, as the case may be.

If you are currently investing in BEA (MPF) Long Term Guaranteed Fund, a withdrawal of the Eligible Benefits by instalments may affect your entitlement to the guarantee and you may lose your guarantee. The guarantee charge will continue to apply to investments that remain in the BEA (MPF) Long Term Guaranteed Fund. For further details relating to how the guarantee works, please refer to Appendix 1, including the illustrations under “How the Guarantee works – Examples”, or contact our BEA (MPF) Hotline on 2211 1777 before making any such withdrawal.

Members should note that in the case of withdrawal of benefits by instalments, any balance remaining in a Member’s account will continue to be invested in the relevant Constituent Fund(s) and therefore subject to investment risks.

Other points to note

Benefits will be paid in HK dollars to the relevant recipient at the recipient’s risk by cheque unless otherwise agreed between the Trustee and the relevant recipient.

Save as disclosed above, no fees or financial penalties shall be charged or imposed for payment of benefits (in a lump sum or by instalments for the first 4 instalments in a calendar year) other than an amount representing the necessary transaction costs that are incurred, or reasonably likely to be incurred, by the Trustee in selling or purchasing investments in order to give effect to the payment and are payable to a party other than the Trustee. Such necessary transaction costs would include, but are not limited to, items such as brokerage commissions, fiscal charges and levies, government charges, bank charges, exchange fees, costs and commissions, registration fees and charges, collection fees and expenses, etc. Any amount of such fees and charges imposed and received must be used to reimburse the relevant Constituent Fund.

Payment may be delayed in certain circumstances pursuant to the MPF Ordinance, including where the Master Trust is being audited or investigated at the instigation of the Authority. Pending the payment of benefits, the Trustee will hold the realisation

proceeds of Units in an interest bearing account with The Bank of East Asia, Limited. Interest earned will be credited to the Constituent Fund(s) in which such amounts were invested immediately prior to the realisation of Units.”

- d) Page 40 – the term “Final Benefit Statement” in the Fee Table headed “**(E) OTHER FEES AND CHARGES FOR PROVIDING ADDITIONAL SERVICES – Copying Services for Member**” shall be deleted and replaced with “Benefit Payment Statement”.
- e) Page 40 – a new item shall be added to the Fee Table headed “**(E) OTHER FEES AND CHARGES FOR PROVIDING ADDITIONAL SERVICES**”:-

Payment of benefits from mandatory or voluntary contributions (as the case may be) by withdrawal by instalments, if applicable	Charges (HKD)	Payable By	Receivable By
First 4 instalments (or such further number of instalments as determined by the Trustee) in any calendar year (the period from 1 st January to 31 st December in a year)	Free of charge (other than any necessary transaction costs payable to a party other than the Trustee as permitted under the General Regulation)	Member	Trustee
Each additional instalment after the first 4 instalments (or such further number of free instalments as determined by the Trustee) in the same calendar year (the period from 1 st January to 31 st December in a year)	\$100 per instalment (in addition to any necessary transaction costs payable to a party other than the Trustee as permitted under the General Regulation)		

- f) Page 41 – the sub-section headed “**Definitions**” under the section headed “**Charges and Expenses**” shall be amended as follows:
- i) the definition of “Offer spread” shall be replaced with the following:
- “4. “**Offer spread**” is charged by the trustee/sponsor upon subscription of units of a constituent fund by a scheme member. Offer spread does not apply to the BEA (MPF) Conservative Fund. Offer spread for a transfer of benefits can only include

necessary transaction costs incurred or reasonably likely to be incurred in selling or purchasing investments in order to give effect to the transfer and are payable to a party other than the trustee.”

ii) the definition of “Bid spread” shall be replaced with the following:

“5. **“Bid spread”** is charged by the trustee/sponsor upon redemption of units of a constituent fund by a scheme member. Bid spread does not apply to the BEA (MPF) Conservative Fund. Bid spread for a transfer of benefits, or withdrawal of benefits in a lump sum, or the first 4 instalments (or such other number of instalments as may be prescribed by the General Regulation) of withdrawal of benefits in a calendar year can only include necessary transaction costs incurred or reasonably likely to be incurred in selling or purchasing investments in order to give effect to the transfer or withdrawal and are payable to a party other than the trustee.”

iii) the definition of “Withdrawal charge” shall be replaced with the following:

“6. **“Withdrawal charge”** means the fee charged by the trustee/sponsor of a scheme upon withdrawal of accrued benefits from the scheme. This fee is usually charged as a percentage of the withdrawal amount and will be deducted from the withdrawal amount. This charge does not apply to the BEA (MPF) Conservative Fund. A withdrawal charge for withdrawal of benefits in a lump sum, or the first 4 instalments (or such other number of instalments as may be prescribed by the General Regulation) of withdrawal of benefits in a calendar year can only include necessary transaction costs incurred or reasonably likely to be incurred in selling or purchasing investments in order to give effect to the transfer or withdrawal and are payable to a party other than the trustee.”

g) Page 46 –sub-paragraph (a) under the sub-section headed **“Guarantee on occurrence of a “qualifying event”**” shall be deleted in its entirety and replaced with the following:-:

“(a) Attainment of the normal retirement age or retirement at or after the early retirement age but before the normal retirement age*”

The following note shall be added immediately after sub-paragraph (g) under the sub-section headed **“Guarantee on occurrence of a “qualifying event”**”:

“ Note: In respect of condition (a), any withdrawal by instalment of the balances from the BEA (MPF) Long Term Guaranteed Fund will be regarded as a “redemption or switching out” and no guarantee entitlement will apply in respect of such amount withdrawn. Please refer to the section “Benefits” – “Payment of Benefits” above for details.”*

h) Page 47 – the paragraph under the sub-section headed “Meaning of “valid claim”” shall be deleted in their entirety and replaced with the following:-

“Meaning of “Valid Claim”

For this purpose, a **“Valid Claim”** means a claim of all the accrued benefits in the Master Trust (except for event (g) where the employee member is still under employment, the employee member would only be entitled to claim accrued benefits that have been paid as Mandatory Contribution and such claim would be considered as a Valid Claim) submitted by the Member (or his personal representative) pursuant to, and with all the necessary supporting documentation as prescribed by the

applicable regulations and the Trust Deed. Such claim must be received by the Guarantor through the Trustee. Any claim to withdraw benefits by instalment by Eligible Members (as described under the section “Benefits” – “Payment of Benefits” above) will be a claim of only part (and not all) of the accrued benefits, and accordingly would not be a “Valid Claim” within the above meaning. For the avoidance of doubt, where a Member invests in the Underlying Fund (through the BEA (MPF) Long Term Guaranteed Fund) in his capacity of an employee of more than one employment, a “Valid Claim” made by the Member in respect of one employment shall mean a claim submitted by him of his accrued benefits in the Master Trust under that (but not any other) employment.”

- i) Page 61 – the following new illustrative examples 12-14 shall be added immediately after illustrative example 11 in the section headed “**How the Guarantee works - Examples**” in Appendix 1:-

“Scenario 7: Employee member would like to cease the employment and to effect a withdrawal by instalment upon early retirement after reaching age 60
(Only the Employee’s Fund Account is shown for this scenario)

The following illustrative examples assume that at the beginning of each year HKD2,500 is contributed to the Employee’s Fund Account.

Employee's Fund Account:						
End of Year	Actual Annualized Return of the Fund	End of Year NB	The Date on which the Member will attain 36 months of Qualifying Period	End of Year QB1	End of Year QB2	End of Year Total QB
2014	1.00%	\$2,525.00	31-Dec-16	\$0.00	\$2,525.00	\$2,525.00
2015	-6.00%	\$4,723.50	31-Dec-16	\$0.00	\$5,075.25	\$5,075.25
2016	4.00%	\$7,512.44	31-Dec-16	\$0.00	\$7,651.00	\$7,651.00

Member first invested in the BEA (MPF) Long Term Guaranteed Fund on 1st January, 2014 and 1% applies to his contributions invested. No redemption, switching or withdrawal has been made.

Example 12 illustrates how an employee Member can first file a Valid Claim upon early retirement after reaching age 60 to transfer all accrued benefits to a personal account before making any withdrawal by instalment.

Illustrative Example 12:

End of year 2016 – The Member claims on the ground of early retirement after reaching age 60 and ceases employment. Since retirement is a qualifying event and withdrawal by way of transfer of all accrued benefits to a personal account meets the requirement of Valid Claim, guarantee entitlement applies to the accrued benefits up to the date of the transfer, which would be the greater of the NB and the QB. Therefore \$7,651.00 is transferred from Employee’s Fund Account to personal

account. After the transfer to the personal account, NB, QB and qualifying period of accrued benefits in the personal account are as follow. No other new contribution is made to the personal account thereafter.

Member's Personal Account:						
End of Year	Actual Annualized Return of the Fund	End of Year NB	The Date on which the Member will attain 36 months of Qualifying Period	End of Year QB1	End of Year QB2	End of Year Total QB
2016	4.00%	7,651.00	-	\$0.00	\$7,651.00	\$7,651.00
2017	2.00%	7,804.02	-	\$0.00	\$7,727.51	\$7,727.51

Please note that if however the Member has failed to file a Valid Claim upon early retirement after reaching age 60 in the manner as described in the section "Benefits" – "Payment of Benefits" – "Withdrawal by instalments" above before making any withdrawal by instalment, he will lose his guarantee entitlement the amount withdrawn.

Example 13 illustrates how the guarantee will be affected when Member makes phased withdrawal under the Personal Account.

Illustrative Example 13:

End of year 2017 – The Member decides to effect a withdrawal by instalment and withdraws \$2,000 from the personal account. Since not all accrual benefits is withdrawn, the requirement of a Valid Claim is not satisfied. The remaining NB and QB will be adjusted as follows.

NB before withdrawal was \$7,804.02.

NB after withdrawal was \$5,804.02.

(i.e. \$7,804.02 - \$2,000)

QB before withdrawal was \$7,727.51.

QB after withdrawal was \$5,727.51.

(i.e. (the lesser of \$7,804.02 and \$7,727.51) - \$2,000)

After the withdrawal, NB, QB and qualifying period of the personal account are as follows. No other new contribution is made to the personal account thereafter.

Member's Personal Account:						
End of Year	Actual Annualized Return of the Fund	End of Year NB	The Date on which the Member will attain 36 months of Qualifying Period	End of Year QB1	End of Year QB2	End of Year Total QB
2017	2.00%	\$5,804.02	-	\$0.00	\$5,727.51	\$5,727.51
2018	-1.00%	\$5,745.98	-	\$0.00	\$5,784.79	\$5,784.79

Example 14 illustrates how the guarantee will continue to apply after a phased withdrawal.

Illustrative Example 14:

End of year 2018 – The Member decides to fully withdraw the remaining benefits for the reason of retirement. Since retirement is a qualifying event and withdrawing all accrued benefits meets the requirement of Valid Claim, the Member is entitled to the greater of the NB and the QB.

	Personal Account
QB =	\$5,784.79
NB =	\$5,745.98

Therefore, \$5,784.79 will be paid from the Member's personal account."

The Bank of East Asia, Limited

10th December, 2015