

**CHINA LIFE MACAU BRANCH GUARANTEE OPEN FUND**  
**MANAGEMENT REGULATIONS(REVISED)**

**1. Definition and Interpretation**

The following words and expressions have the meanings hereby assigned to them. Reference to the singular shall where the context so requires to be deemed to include references to the plural and vice versa. Reference to the masculine shall include the feminine and vice versa.

“Fund”	means China Life Macau Branch Guarantee Open Fund established by the Management Company and approved by the Monetary Authority of Macau (the “Authority”) as an Open Fund defined under the law of Macau.
“Participation Agreement”	means the agreement, contract or application form formulated by the Management Company that is required to be signed when an Associate or a Participant joins the Fund through establishing a pension fund.
“Associate”	means a corporate entity who signs a Participation Agreement and agrees to invest all or part of the assets of its pension fund in the Fund. The Management Company will open an individual account for each Associate under the Fund in accordance with each Participation Agreement.
“Business Day”	means a day on which licensed banks in Macau generally are open for business, excluding Saturday.
“Contributor”	means an individual or a corporate entity who makes contributions toward the Fund in accordance with the rules of the Participation Agreement.
“Participant”	means: <ul style="list-style-type: none"> <li>(i) an individual who signs a Participation Agreement to join the Fund; or</li> <li>(ii) an individual in the service of the Associate who is a member of the pension fund of the Associate and participates in this Fund.</li> </ul> <p>The Management Company will open an individual account for each Participant under the Fund in accordance with each Participation Agreement.</p>
“Beneficiary”	means individual who is entitled to the pecuniary payments under the Fund regardless of whether he is Participant or not.
“Management Company”	means China Life Insurance (Overseas) Company Limited incorporated under the laws of the People’s Republic of China with registered capital of Hong Kong Dollar 6,762,435,000 as of 1 <sup>st</sup> August 2017, whose Macau Branch with registered office situates at Alameda Dr. Carlos D’Assumpcao, No. 263, 22 Andar A,B,K-P Edif China Civil Plaza Macau.
“Valuation Day”	means each Business Day and may be subject to change from time to time by the Management Company by giving one month notice in writing to Associates and Participants.
“Effective Date”	means 1 January 2021.
“Actual Balance”	means the net asset value of Unit balance of a Participant’s account.
“Guarantee Balance”	means a notional balance representing the sum of amounts set out under items (i) and (ii) below as increased by the guaranteed rate of return described in clause 9 (on a compound annual interest basis): <ul style="list-style-type: none"> <li>(i) the Unit Price of Units multiplied by the amount of Unit Balance of a Participant’s account as at the Valuation Day immediately preceding the Effective Date; and</li> <li>(ii) the amount calculated according to the subscription or redemption of Units under clause 5 by a Participant on or after the Effective Date.</li> </ul>
“Associate Qualifying Period”	means, in respect of each Associate, the period starting from the day on which the Participation Agreement signed by the Associate to participate

in the Fund takes effect and ending on the day on which the Associate ceases to participate in the Fund.

“Participant Qualifying Period” means, unless otherwise provided, in respect of each Participant, the period starting from the day on which the Participation Agreement signed by the Participant to participate in the Fund takes effect and ending on the day on which the relevant redemption is made.

## 2. Object of the Fund

The object of the Fund is the provision of benefits for Participants or their Beneficiaries in cases such as the retirement, permanent incapacity for work, or death of the Participants.

## 3. Powers, Obligations and Functions of the Management Company

- (a) The Management Company shall have and any time to time exercise in the performance of its duties in relation to the Fund all or any of the following powers:-
- (i) power to invest all or any part of assets of the Fund in any investment.
  - (ii) power to appoint and obtain the advice of solicitors, accountants and other advisers upon such terms as to duties and remuneration as it may think fit; and
  - (iii) power to appoint or replace investment managers and custodian at its own cost.
- (b) The Management Company have to ensure its competence in fund management to manage the Fund in the manner of fairness and prudence.
- (c) The Management Company shall ensure:-
- (i) to perform administration, management and legal representative function in accordance with the statutory requirements and the Management Regulations.
  - (ii) to receive the fixed contributions and to promise the payments of benefits due to beneficiaries;
  - (iii) that all records relating to the Fund are prepared and keep properly.
  - (iv) that the investment of the Fund must comply with the relevant laws of Macau Special Administration Region.

## 4. Custodian

Industrial and Commercial Bank of China (Macau) Limited is appointed as the Custodian of the Fund whose registered office situates at 18/F, ICBC Tower, Macau Landmark, 555 Avenida da Amizade in the Special Administrative Region of Macau.

## 5. Subscription of Units, Redemption of Units and Qualifying Conditions

- (a) Each Contributor are obliged to pay to the Management Company of contribution in respect of himself/herself or its relevant Participants as specified in the Participation Agreement.
- (b) Each contribution paid by the Contributor after deduction of Initial Charge as described in clause 7 shall be applied on the Valuation Day following its receipt by the Management Company as soon as practicable and notwithstanding any other circumstances whether or not within the reasonable contemplation of the Administrator, in any event not later than 7 Business Days after receipt of the contribution. Each contribution after the deduction of the Initial Charge shall be credited to the Participant’s account and applied by the Management Company on the appropriate Valuation Day in the securing of units under the Fund (“Units”) at the Unit Price on that date.
- (c) In the event of a redemption of Units in respect of a Participant, the Management Company will in the manner set out in the relevant Participation Agreement pay a sum calculated as follows:
- (i) in the case of a redemption of Units by a Participant for the purpose of receiving benefits or transferring assets over to other management companies:
    - (A) where none of the qualifying conditions set out in clause 5(d) are satisfied, the

- redemption amount shall equal the Actual Balance of the number of Units to be redeemed as at the relevant day of redemption; or
- (B) where any one of the qualifying conditions set out in clause 5(d) is satisfied (subject to the Management Company's discretion to waive any such requirement), the redemption amount should then be calculated using the higher of:
    - I. the Actual Balance of the number of Units to be redeemed as at the relevant day of redemption; and
    - II. the Guarantee Balance of the number of Units to be redeemed as at the relevant day of redemption.
  - (C) If the Guarantee Balance determined in clause 5(c)(i)(B)(II) is greater than the Actual Balance determined in clause 5(c)(i)(B)(I), such shortfall shall be made up by the guarantor.
- (ii) In the case of a redemption of Units in respect of a Participant for the purpose of switching some or all of the Units of the Fund to another fund of the Management Company:
- (A) The redemption amount will not be subject to guarantee entitlement and will equal the Actual Balance of the number of Units to be redeemed as at the relevant day of redemption; and
  - (B) The Guarantee Balance shall at the same time be deducted in accordance with the percentage of the number of Units redeemed.
- (d) The qualifying conditions to be satisfied for the Guarantee Balance, particularly in the circumstances described in clause 5(c) include:
- (i) the conditions for receiving payment of money under any one of the grounds set out in the Participation Agreement; or
  - (ii) a redemption in circumstances falling outside the ones set out in clause 5(d)(i) where:
    - (A) in respect of a redemption initiated by the Associate, the Associate Qualifying Period in respect of that Associate equals a continuous period of thirty-six (36) completed calendar months or more; or
    - (B) in respect of a redemption initiated by the Participant, the Participant Qualifying Period in respect of that Participant equals a continuous period of thirty-six (36) completed calendar months or more.
  - (e) Any Participant or his/her Beneficiary wishing to redeem all or any of his Units shall give a written notice to the Management Company. A notice of redemption will take effect on the Valuation Day following its receipt by the Management Company as soon as practicable and notwithstanding any other circumstances whether or not within the reasonable contemplation of the Administrator, in any event not later than 7 Business Days after receipt of the redemption request.
  - (f) No charges will be imposed on redemption of Units under the Fund.
- 6. Fund Price, Valuation and Calculation of Net Asset Value**
- (a) The Unit Price of the Fund on the establishment of the Fund shall be MOP10.00.
  - (b) The Unit Price of a Unit of the Fund shall be the net asset value divided by the total number of Units in issue on the Valuation Day.
  - (c) The net asset value of the Fund means the value of the assets which comprises the Fund, particularly including receivables and deducting liabilities that are due but not yet paid, as valued in accordance with generally accepted accounting principles and applicable law. The liabilities of the Fund include the Management Fee, Custodian fee, and fees related to investments. Fees related to investments include without limitation stamp duty, or other fees or taxes charged by the country of domicile, and other relevant charges.

**7. Remuneration****(a) Custodian Fee and Management Fee**

- (i) The Custodian can charge a maximum Custodian Fee of 0.5% per annum of the net asset value of the Fund. The Management Company reserve the right to make any revision to the Custodian Fee. The Custodian Fee will be settled from the Management Fee.
- (ii) The Management Company can charge a maximum Management Fee of 2% per annum of the net asset value of the Fund. The Management Fee shall be inclusive of the expense charged by the Custodian of the Fund.
- (iii) The Management Fee shall be calculated on each Valuation Day on a pro-rata basis. The aggregate sum of such fees shall be paid out of the asset of the Fund on the last Valuation Day of each calendar month.

**(b) Initial Charge**

The Management Company can charge an Initial Charge at a maximum of 5% (and a minimum of 0%) of contributions made to the Fund. Initial Charge will be deducted before the contributions are invested in the Fund for investment purposes.

**8. Investment Policy of the Funds**

The investment objective of the Fund is to provide a return that is above the guarantee rate of return to Participants. It will invest in a diversified international portfolio comprising bank deposits, investment grade commercial papers, short-term notes, global bonds, global equities, authorized unit trusts and/or authorized mutual funds. Notwithstanding anything herein, the investment policy of the Fund must comply with the regulations of the Authority.

**9. Guaranteed Rate of Return**

- (a) The guaranteed rate of return of the Fund is equivalent to one point three five (1.35%) per cent per annum.
- (b) The guarantor of the Fund is China Life Insurance (Overseas) Company Limited.
- (c) Notwithstanding anything to the contrary in this Management Regulations, subject to the prior approval of the Monetary Authority of Macao, the rate of 1.35% as described in sub-clause (a) of this clause may be varied and replaced by a new rate at anytime by the Management Company at its sole discretion by giving 3 months prior notice in writing to the Associates and Participants.

**10. Transfer of Fund Management and of Custodian**

- (a) Subject to obtaining the prior approval from the Authority, the Management Company may transfer the management of the Funds to another management company by giving one month's prior notice in writing to the Associates and Participants.
- (b) Subject to compliance with regulations under the law, the Management Company may transfer the custody of assets of Funds to another custodian by giving one month's prior notice in writing to the Associates and Participants.
- (c) All expenses arising from the transfer as described in paragraph (a) or (b) shall be borne exclusively by the Management Company.

**11. Variation**

Subject to obtaining the prior approval from the Authority, the Management Company may at any time and from time to time amend, delete from and add to these Management Regulations, including this clause by giving not less than one month's prior notice in writing to the Associates and Participants. The new management regulations shall be published in the Macau (SAR) Official Bulletin before its effective date.

**12. Winding up of the Fund**

- (a) The Fund shall be wound up under below conditions:-

- (i) If for any reason the Management Company is of the opinion that the Fund is unable to fulfill its functions;
  - (ii) Has completed all the obligations of the Fund
  - (iii) The existence of the Fund violates the laws of Macau; or
  - (iv) Approved by the Authority for other conditions.
- (b) Procedures for winding up of the Fund:
- (i) Obtain prior approval from the Authority.
  - (ii) By giving not less than one month's prior notice (or shorted period subject to the approval of the Authority) in writing to the Associates and Participants.
  - (iii) Publication in the Macau (SAR) Official Bulletin.
  - (iv) Pursuant to the Management Regulations, withdraw or transfer the proceeds of all accrued Units of the Associates and Participants to other retirement fund in according to the instruction made by the Associates and Participants.

### **13. Arbitration**

Other than the situation where the relevant disputes are required to be submitted to the exclusive jurisdiction of the courts of the Macao Special Administrative Region, all disputes arising out of the Management Regulations, whether they are, strictly speaking, of a litigable nature or otherwise, and including without limitation any disputes relating to the interpretation, generality and execution of the relevant clauses, or any amendments or revisions of the same, shall be settled by arbitration administered by an arbitration institution established in the Macao Special Administrative Region.

### **14. Currency and Law**

Any Payment in respect of the Funds shall be made in currency of Macau Pataca at the Office of Management Company or such other office as the Management Company shall direct and the Management Regulations shall be construed according to and be governed by the laws of Macau Special Administration Region. The courts of the Macao Special Administrative Region shall have jurisdiction to hear and determine disputes arising from the Management Regulations.

### **15. Non-Mandatory Central Provident Fund System**

- (a) The Fund can be registered as an investment vehicle for the provident fund scheme pursuant to the Decree-Law 7/2017 (Non-Mandatory Central Provident Fund System).
- (b) The operation of the Fund for the Provident Plan shall comply with the requirement of the Decree-Law 7/2017 (Non-Mandatory Central Provident Fund System), and its Supplementary Regulations and Operation Guidelines.

**Effective date of revision of Management Regulations: 1 January 2021**