

CAPCL Foundation Limited

INDIVIDUAL CAPITAL NOTE (TRANSFERABLE)

TERMS & CONDITIONS – subject to EDB approval

1. An Individual Capital Note (“ICN”) shall be issued and held by an individual who is a resident in Hong Kong.
2. a. Subject to Clause 2(c) below, a holder of an ICN (“ICN Holder”) is entitled to designate a child to be covered by the ICN (“ICN Covered Child”). The ICN Covered Child shall only be a natural, adopted or step son or daughter of the ICN Holder, or a person under the guardianship of the ICN Holder. A copy of the birth certificate, other official birth record or documentary evidence of adoption, relationship or guardianship of the ICN Covered Child (as the case may be) must be provided to Christian Alliance P.C. Lau Memorial International School (“School”). The original of the supplied document shall be produced to the School upon request.

b. Once the designation has been accepted, an ICN Holder is not entitled to designate another child to be covered by the same ICN.

c. An ICN Holder shall designate a child as the ICN Covered Child either within 10 days of the said child accepting the School’s offer of enrolment or before the child begins attending classes, whichever is earlier.
3. An ICN is non-interest bearing, non-refundable and unsecured.
4. An ICN Holder shall not transfer, negotiate, assign or otherwise dispose this ICN unless specifically authorized by the provisions provided herein.
5. a. When the ICN Covered Child ceases to be enrolled at the School for whatever reason, the ICN Holder shall in writing request a transfer of the ICN with payment of an administrative fee of 1% of the ICN face value (or an amount that the School may determine from time to time). If the child for whom this Certificate is issued withdraws from the School in any circumstances within twelve months from the date of this Certificate, a handling fee of 15% of the ICN Face Value, or the prevailing effective Annual Capital Levy amount, whichever is lower, will be charged on the application for transfer.

b. Any transfer of the ICN must be conducted through CAPCL Foundation Ltd. Neither the School nor CAPCL Foundation Ltd. will recognize any transfer through any person other than CAPCL Foundation Ltd.

c. Transfer requests will be processed twice a year. Upon the completion of transfer, CAPCL Foundation Ltd. will send the former ICN Holder a cheque in the sum being the face value of the relevant ICN less all applicable fees, including without limitation the administrative fee and special handling fee (if applicable), and outstanding School charges.

d. An ICN Holder should confirm that the source of funds for payment of the ICN is legitimate and are not illegal proceeds.
6. An ICN Holder shall have no right to demand or otherwise seek payment of this ICN except in accordance with the provision in Clause 5.
7. a. CAPCL Foundation Ltd. may redeem an ICN at its face value on behalf of the School for any ICN with an ICN Covered Child studying at the School if it is instructed to do so by the School.[For the avoidance of doubt, the former ICN Covered Child whose ICN has been redeemed in this manner shall be subject to the annual capital levy payable to the School as long as the said child is enrolled at the School.

b. If an ICN Holder fails to submit a transfer request as stipulated in Clause 5(a) within 5 years after the ICN Covered Child ceases to be enrolled at the School, CAPCL Foundation Ltd. is entitled to give notice to the ICN Holder of its intention to redeem the ICN on behalf of the School at the redemption price of 50% of the face value of the relevant ICN, and after 30 days of giving such notice shall have the right to carry out such redemption if so instructed by the School. CAPCL Foundation Ltd. may deduct from the redemption price all applicable fees, including without limitation the administrative fee and special handling fee (if applicable), and outstanding School charges.

c. If CAPCL Foundation Ltd. does not exercise its right in Clause 7(b) to redeem the ICN on behalf of the School and the ICN Holder fails to submit a transfer request within 10 years after the ICN Covered Child ceases to be enrolled at the School, the relevant ICN shall be subject to a mandatory redemption at a nominal value to be determined by the School.
8. An ICN Covered Child is not subject to annual capital levy.

9. An ICN Covered Child shall in every respect be subject to the same discipline and regulations as any other student at the School and all such normal school fees and charges payable in respect of any student attending the School shall be paid, with the exception of the annual capital levy.
10. CAPCL Foundation Ltd. shall keep a register containing details of the ICN Holders and the ICNs issued (the "Register") on behalf of the School.
11. The holder in whose name an ICN is registered in the Register shall be recognized and regarded as the person being entitled to the rights and benefits conferred by the ICN. No notice of any trust shall be recognized or entered in the Register against the title of such holder and the School and CAPCL Foundation Ltd. shall not be affected by notice of any right, title or claim of any person to the ICN other than the holder in whose name the relevant ICN is so registered.
12. CAPCL Foundation Ltd. may amend the Register and the ICN certificate to reflect a change of personal particulars, including but not limited to the name and address of the ICN Holder. In accordance with the Personal Data (Privacy) Ordinance (Cap.486 of the Laws of Hong Kong), the ICN Holder must provide CAPCL Foundation Ltd. With documentary evidence to the satisfaction of CAPCL Foundation Ltd. For the change of name. Such ICN Holder shall pay CAPCL Foundation Ltd. an administrative fee to be determined by CAPCL Foundation Ltd. from time to time for amending the Register and the relevant certificate.
13. If an ICN certificate is defaced, damaged, lost or destroyed, an ICN Holder is entitled to be issued with a replacement certificate. An ICN Holder exercising the right to be issued with a replacement certificate must return the certificate that is to be replaced to CAPCL Foundation Ltd. if it is defaced or damaged and must comply with the conditions as to evidence, indemnity and the payment of a reasonable fee that CAPCL Foundation Ltd. decides from time to time.
14. Any notice to be given hereunder may be given by delivering the same in writing or by posting the same by prepaid postage to CAPCL Foundation Ltd. at its registered office or, as the case may be, to the ICN Holder at its address as shown in the Register and in the case of service by prepaid postage, service shall be deemed to have been effected two business days after the time of posting.
15. In case of any dispute as to the construction of the Capital Note Program ("Program") or any of the terms hereof, such dispute shall be referred to the School who shall decide the issue and whose decision shall be final and conclusive.
16. Subject to Clause 17 below, the School shall have the right to amend any of the terms and conditions applicable to the Program (including, without limitation, any of the terms and conditions relating to the issuance of the ICN and the amount payable in respect thereof) from time to time but any such amendments will not affect the rights and obligations of the ICN Holder existing prior to such amendments.
17. The School shall remain wholly liable to the ICN Holder and be responsible for all acts and omissions of CAPCL Foundation Ltd as if they were its own.
18. The School and the Foundation will provide additional information, including reports and breakdowns on the use of the proceeds of ICNs and their repayment (if any) to the ICN Holder on an annual basis.
19. If any of the terms herein shall in whole or in part be held to any extent to be illegal or unenforceable under any enactment or rule of law, that term or part shall to that extent be deemed not to form part of this document and the enforceability of the remaining terms shall not be affected.
20. These Terms and Conditions shall be governed by and construed in accordance with the laws of Hong Kong Special Administrative Region of the People's Republic of China and dispute arising out or in connection herewith shall be referred to the courts of the Hong Kong Special Administrative Region.
21. Except as otherwise expressly stated in these Terms and Conditions, no one other than a party to these Terms and Conditions (namely, the School, the Foundation and the ICN Holder) may enforce any of its terms under the Contracts (Rights of Third Parties) Ordinance, Cap. 623 of the Laws of Hong Kong. Where any clause of these Terms and Conditions entitles any third party to enforce any term of these Terms and Conditions under the Contracts (Rights of Third Parties) Ordinance, the parties reserve the right to vary that term or any other term of these Terms and Conditions without the consent of that third party.