

Schedule 4

Financial Contribution

1. Unless the context otherwise requires, the definition of terms as set out in Schedule 1 of the MoU shall also apply in this Schedule.
2. OFCA agrees to make financial contribution to CAHK in consideration of the operation of the CCSS by CCSS Agent to the satisfaction of OFCA.
3. Subject to actual cost incurred by the CCSS Agent, OFCA shall provide financial contribution in the amount not exceeding HK\$1,500,000 per annum to CAHK for the operation of CCSS Agent. OFCA shall review the funding level triennially based on the operational requirement of CCSS Agent.
4. CAHK shall provide, to the satisfaction of OFCA, a complete operations plan, including but not limited to:
 - (a) the organizational chart of CCSS Agent including the Governing Committee and the Operating Team;
 - (b) the resource plan to implement the operations plan, including a duty roster of Mediators;
 - (c) the plan and procedure for handling of complaints against CAHK and/or CCSS Agent;
 - (d) the process for compiling and reporting the statistics to OFCA as stated in paragraph 8 of the Institutional Arrangements for CCSS Agent in Schedule 2 of the MoU;
 - (e) the process and timeframe for ongoing review and strategy setting sessions between CAHK and OFCA; and
 - (f) a detailed list of the cost items that require sponsorship by OFCA.
5. For the purpose of paragraphs 2 and 3 of this Schedule, the annual

contribution will be paid to CAHK by way of two (2) installments. Each installment will be made at the beginning of each half year subject to the projected funding requirement in the annual budget provided by CAHK, except in the second half year for which 15% of the installment will be retained. The retained part will be paid upon the submission of the audited annual report by CAHK to OFCA as stated in paragraphs 5 to 7 of the Institutional Arrangements for CCSS Agent in Schedule 2 of the MoU.

6. OFCA and CAHK shall regularly review the financing arrangement and the number of cases which need to be handled under the CCSS with a view to maintaining effective operation of the CCSS.
7. CAHK shall return the surplus of the contribution, if any, to OFCA within two months after the termination of the MoU.