

INNO SECONDARY SCHOOL

OUTLINE OF THE FEE POLICY

1.1 This policy

- (a) This policy sets out:
 - (i) fees that are payable in connection with a student's admission to, and attendance at, ISS; and
 - (ii) the terms and conditions for the payment of those fees.
- (b) This policy forms part of the legally binding contract between the Operator and Parents.
- (c) Definitions applicable to this Fee Policy are set out in paragraph 1.
- (d) Any questions about this Fee Policy should be directed to the administration/finance department (finance@iss.edu.hk).

1.2 Outline of fees

Fees are payable in connection with:

- (a) the admission of a student to ISS, as set out in paragraph 2, 3 and 4;
- (b) a student's tuition at ISS, as set out in paragraph 5; and
- (c) a student's other activities related to ISS, as set out in paragraph 6.

General terms, applicable to all Fees, are set out in paragraph 7.

2 Admission to ISS

2.1 Admission Fee or Debenture required for admission to ISS

A student may not attend ISS unless, pursuant to this Fee Policy, either:

- (a) an Admission Fee is paid for that student; or
- (b) a Nomination Right pursuant to a Debenture applies for that student.

3 Debentures

3.1 Acquiring a Debenture

- (a) A person may not acquire a Debenture without first entering into a Subscription Deed between that person and the Operator.
- (b) A limited number of Debentures are available for purchase.
- (c) Whether the Operator agrees to issue a Debenture to any person is a decision within the sole discretion of the Operator.

3.2 Terms and conditions

- (a) All terms and conditions concerning the Debenture are governed by the relevant Subscription Deed, the Deed of Covenant and the relevant Certificate.
- (b) The Operator may, but is not obliged to, supply copies of the Subscription Deed and the Deed of Covenant upon request.

4 Admission Fee

4.1 Amount of the Admission Fee

- (a) Subject to paragraph 4.1(b), the Admission Fee is HKD 200,000 per student.
- (b) Where a Parent pays multiple Admission Fees (each for a Relative of that Parent), the Admission Fee is:
 - (i) HKD 200,000 for the first Admission Fee paid by that Parent;
 - (ii) HKD 180,000 for the second Admission Fee paid by that Parent; and
 - (iii) HKD 160,000 for the third and subsequent Admission Fees paid by that Parent.

4.2 Time for payment

Save as otherwise directed by the Operator, the Admission Fee must be paid within 30 calendar days after a student is admitted to or enrolled at ISS.

4.3 Nature of the Admission Fee

- (a) The Admission Fee is a fee for service (as a component of total school and tuition fees charged in connection with a student being admitted to and attending ISS) and is a security deposit for any unpaid amounts that may become due and payable to the Operator in connection with a student's attendance at ISS. The Admission Fee is not a loan of any kind (including a debenture) or a deposit. No interest accrues or is payable on any Admission Fee.
- (b) The Operator has no obligation to repay or refund any Admission Fee or part thereof.
- (c) An Admission Fee applies in respect of one student only. An Admission Fee is non-transferrable or assignable.

4.4 Rebates for Admission Fees

- (a) The Operator:
 - (i) may, at its election from time to time, pay a Rebate to a Parent who paid an Admission Fee; and
 - (ii) will, upon request from a Parent who paid an Admission Fee, pay a Rebate to that Parent provided that the relevant student has ceased to be enrolled at or attend ISS and such cessation took place within six years after that student was admitted to ISS.
- (b) The amount of a Rebate is the amount equal to the greater of zero and A, where:

A = $B - C - E - F$;

B = the amount of the relevant Admission Fee;

C = HKD 20,000 * $(D / 365)$;

D = the number of days that have elapsed since the relevant Admission Fee was paid;

E = the amount of any Outstanding Fee; and

F = any interest accrued and unpaid pursuant to paragraph 7.7, if applicable.
- (c) Following the payment or deemed payment of a Rebate by the Operator pursuant to this Fee Policy, the relevant student will be treated as if no Admission Fee had been paid for that student. If that student is to remain attending or enrolled at ISS, pursuant to paragraph 2.1 either:
 - (i) a new Admission Fee must be paid for that student; or
 - (ii) that student must be covered by a Nomination Right pursuant to a Debenture.
- (d) Subject to paragraph 4.4(e), the Operator may pay a Rebate in a lump sum or any number of instalments at any interval at the sole discretion of the Operator.

- (e) Where a Rebate is zero, the Operator is deemed to have paid the Rebate by giving written notice accordingly to the relevant Parent.
- (f) A Rebate represents the unused portion of an Admission Fee. No interest accrues or is payable by the Operator on any Rebate.
- (g) The obligation of the Operator to pay a Rebate pursuant to this Fee Policy is unsecured and unguaranteed.

4.5 Admission Fee donations

- (a) Following the conclusion of a student's education at ISS, a Parent who paid an Admission Fee will be invited (but not obliged) by the Operator to irrevocably and unconditionally waive their right to demand payment of a Rebate.
- (b) If a Parent waives their right to demand payment of a Rebate pursuant to paragraph 4.4(a), the Operator is deemed to have paid a Rebate by giving written notice accordingly to that Parent.

5 Tuition fees

- (a) All tuition fees set out in the Fees Certificate must be paid at the times set out in paragraph 5(c).
- (b) For reference, the tuition fees set out in the Fees Certificate and the number of instalments are as below:

Course / Class	Tuition fee per instalment	Number of instalments	Total tuition fee per course
Grade 7	HK\$18,800	10	HK\$188,000
Grade 8	HK\$18,800	10	HK\$188,000
Grade 9	HK\$18,800	10	HK\$188,000
Grade 10	HK\$18,800	10	HK\$188,000
Grade 11	HK\$18,800	10	HK\$188,000
Grade 12	HK\$18,800	10	HK\$188,000
Grade 13	HK\$18,800	10	HK\$188,000

- (c) Unless otherwise provided in the Fees Certificate:
 - (i) the first instalment of the tuition fee set out in the Fees Certificate must be paid prior to a student attending ISS; and

(ii) subject to paragraph **Error! Reference source not found.**, instalments for the fees set out in the Fees Certificate are due and payable in full on or prior to the first day of each month from September to June each year.

6 Other fees

6.1 Fees Certificate

All fees (other than the tuition fee) set out in the Fee Certificate must be paid:

- (a) on or before the time for payment of that fee as set out in the Fees Certificate; or
- (b) if the Fees Certificate does not provide a time for payment of a fee, pursuant to paragraph 7.5.

6.2 Exam fee

- (a) The Operator will issue invoices in respect of the fees for any exam to be undertaken by a student (the **Exam Fee**).
- (b) The Exam Fee must be paid promptly upon invoice and in any event prior to the relevant student sitting the relevant exam.

6.3 Sundry charges

- (a) If the School reasonably determines that any student has caused wilful loss or damage to School property, then the Operator may invoice the Parents of such student to cover the loss.
- (b) Should the School and/or the Operator suffer any bank costs or charges arising from any default in payment by the Parents, then the School and/or the Operator reserve the right to invoice the Parents for such additional costs or charges.

6.4 Other fees

- (a) Certain extra-curricular activities (including without limitation private lessons, private tutoring, learning support, excursions, trips, competitions, educational visits, etc.) (**Activities**) may attract additional fees as determined by the Operator in its sole discretion from time to time (**Extra Activities Fees**).
- (b) The Operator may from time to time procure services and products (including without limitation catering, uniforms, textbooks and other educational materials) ("External Services and Products") from third parties for the benefit of the Student, subject to the Parent's consent and agreement to accept the External Services and Products and the terms and conditions thereof. The Operator will issue invoices in relation to any fees, expenses and charges for the External Services and Products ("External Costs") that the Parent agrees to order through ISS.
- (c) Where a Parent agrees in advance to the relevant student participating in Activities or accepting any External Services and Products, all Extra Activities Fees and External Costs must be paid pursuant to this Fee Policy.

7 General terms

7.1 Payee

All Fees must be paid to the Operator.

7.2 Parents

In this Fee Policy:

- (a) **Parent** means each person who signed an Acceptance Form;
- (b) **Parents** means those persons collectively who signed the same Acceptance Form; and
- (c) where relevant, all references to Parent shall be a reference to Parents.

7.3 Payor

Where an Acceptance Form was signed by:

- (a) one Parent, that Parent is liable for payment of all Fees;
- (b) two Parents, both Parents are jointly and severally liable for payment of all Fees.

7.4 Payment methods

- (a) Fees shall be paid in Hong Kong Dollars by wire transfer or cheque made payable to the bank account designated by the Operator;
- (b) Payment of the Fees shall be made from bank accounts in the name of a Parent, failing which the Operator is entitled to reject the payment and the Fees shall be deemed as unpaid and remain outstanding.

7.5 Time for payment

Other than where specifically set out in this Fee Policy, a Fees Certificate, or an invoice, each Fee is payable in full within 30 calendar days after an invoice for that Fee is issued to the payor.

7.6 Failure to pay Fees

If any Fee is not paid on or before the due date for such payment, the Operator at its sole discretion has the right to, without prejudice to any of its other rights:

- (a) prohibit the student from attending ISS (or certain activities at ISS, including taking public exams);
- (b) cancel the student's enrolment at ISS;
- (c) withhold the release of any records (including transcripts) or references concerning the student;
- (d) notify other educational institutions about the non-payment; and

- (e) charge interest pursuant to paragraph 7.7.

7.7 Interest

The Operator may charge interest on any Fees which are unpaid for more than 30 days after they became due. Interest will accrue daily from the due date for payment until payment of the unpaid amount. Parents are liable for any costs incurred by the Operator in connection with recovering unpaid or overdue Fees.

7.8 Fees are non-refundable and non-transferrable

- (a) All Fees (including the Admission Fee) are non-refundable and non-transferrable.
- (b) Fees will not be reduced or refunded as a result of a student's absence from school (due to illness or otherwise), or due to students being required to study from home for any reason.

7.9 EDB review

Certain Fees are subject to annual review and approval by the EDB.

7.10 Withdrawal

- (a) Where a student is withdrawn from ISS:
 - (i) if the date of withdrawal of such Student falls on a date other than a date of payment of the tuition fee as set forth in paragraph 5(c)(ii)(the "Tuition Payment Date"), the tuition fee payable on the last Tuition Payment Date immediately preceding the date of withdrawal shall be in proportion to the number of days between such last Tuition Payment Date and the date of withdrawal of such Student; and
 - (ii) all other Outstanding Fees must be paid in full prior to the withdrawal of the Student.
- (b) For the avoidance of doubt, any tuition fee that has been paid in respect of the Student prior to his/her withdrawal from ISS shall be non-refundable.

7.11 Modification

The Operator or ISS may amend this Fee Policy from time to time without notice at their sole discretion, and such amended Fee Policy takes effect and is binding on Parents from the time that amended Fee Policy is available on the Website.

7.12 Representations and warranties

- (a) Each Parent represents and warrants to the Operator that each of the statements in Schedule 1 is true, correct and complete on the date of each payment of any Fee.
- (b) Each representation and warranty set out in Schedule 1 is to be treated as a separate representation and warranty. The interpretation of any statement made may not be restricted by reference to or inference from any other statement.

1 Definitions

These meanings apply unless the contrary intention appears.

Acceptance Form means the relevant acceptance form for the offer of admission to ISS.

Activities has the meaning given to it in paragraph 6.4(a).

Certificate means a certificate representing a Debenture.

Debenture means one of a series of debentures constituted by the Deed of Covenant.

Deed of Covenant means the deed of covenant (and its schedules) entitled “Deed of Covenant – Inno Secondary School debentures” entered into or to be entered into by the Operator.

EDB means the Education Bureau of Hong Kong.

Extra Fees has the meaning given to it in paragraph 6.4(a).

Fee means any fee, cost or charge described in this Fee Policy (other than the Debenture) and **Fees** has a corresponding meaning.

Fees Certificate means the fees certificate (收費證明書) concerning ISS issued by the EDB from time to time.

HKD means Hong Kong Dollars, the lawful currency of Hong Kong.

ISS means Inno Secondary School.

Nomination Right has the meaning given to it in the Deed of Covenant.

Operator means Innovative Education Group Limited, the operator of ISS.

Outstanding Fee means any Fee (or part thereof) which is outstanding:

- (a) from any person, concerning the relevant student; or
- (b) from the Parent or Parents entitled to payment of a Rebate, concerning any student enrolled or attending, or seeking enrolment or attendance at, ISS.

Parent and **Parents** have the meaning given to it in paragraph 7.2.

Relative, in relation to a person (the **First Person**) means a person:

- (a) that is a lineal or legally-adopted child of the First Person; or
- (b) for whom the First Person is their legal guardian.

Subscription Agreement means a subscription deed for Debentures in a form determined by the Operator.

Website means ISS's website at www.iss.edu.hk.

Schedule 1 – Warranties

1 Warranties

1.1 Source of funds and anti-money laundering

- (a) Parent acts on its own behalf and for its own account and its own purpose only in paying Fees, and not on behalf of anyone else.
- (b) All payments by Parent to the Operator:
 - (i) are made from an account in the name of Parent opened with a reputable and licenced Hong Kong bank, and
 - (ii) are paid by Parent personally, and not by any agent, attorney or third parties.
- (c) Parent is fully aware of the source of funds used in connection with the payment of Fees, and does not know or have any reason to suspect that the monies used to fund the Parent's payment of Fees have been or will be derived from or related to any Illegal Activities.
- (d) Parent is in compliance with all applicable foreign exchange requirements, including the SAFE Regulations, and fully completes its reporting, filing and registration obligations thereunder for the purpose of or in connection with its payment of Fees.
- (e) Parent is in compliance with all applicable anti-money laundering laws and regulations, including but not limited to the anti-money laundering laws and regulations of Hong Kong.

1.2 Sanctions and terrorism

Parent:

- (a) is not currently subject to, threatened or expected to be subject to any Sanctions;
- (b) is not located in or engaging in any business, transactions, or activity with or involving a country or territory that is, from time to time, the subject of Sanctions or territory-wide embargo save where such presence or activity is not in breach of the laws and regulations which form part of the Sanctions;
- (c) is not, has not previously, will not, is not likely or expected to engage in, conduct or pursue any transaction or dealings with any person named under, target of or subject to Sanctions, listed on OFAC's list of Specially Designated Nationals and Blocked Persons or any other Sanctions-related list maintained by OFAC or any other government agency in any jurisdiction, any affiliate thereof or any individual or entity owned or controlled by or acting on behalf of or at the direction of any of those named or listed or any affiliate thereof, or otherwise engage in any transaction or dealing that would or is reasonably likely to violate or breach any Sanctions; and

(d) is not a person identified as a terrorist organisation on any relevant lists maintained by any government agency.

1.3 Definitions

For the purposes of this Schedule 1, the following terms have the meanings given:

Illegal Activities includes money laundering activities and any activity deemed illegal under applicable laws, regulations or Sanctions or otherwise prohibited under any international convention or deed.

SAFE Regulations means all guidelines, implementing rules, and other reporting, regulations and registration requirements issued by the State Administration of Foreign Exchange of the PRC, its local branches and the competent banks designated and authorized by it, and any PRC laws in connection with foreign exchange.

Sanction means any of the sanctions, prohibitions or restrictions administered, enacted or enforced by OFAC, the U.S. Department of State, the U.S. President or any other agency or instrumentality of the United States (including those sanctions, prohibitions or restrictions under the Hong Kong Autonomy Act of the United States and Executive Order 13936 issued concurrent thereto), the United Nations, Hong Kong, the PRC, the United Kingdom, the European Union, a European Union member state or any of the respective government institutions and agencies of the foregoing including the United Nations Security Council and Her Majesty's Treasury, or any other government agency.