PRC TAXATION

Income tax and capital gains tax of holders of the H shares are subject to the laws and practices of the PRC and of jurisdictions in which holders of the H shares are resident or otherwise subject to tax. The following summary of certain relevant tax provisions is based on the current laws and practices and relevant interpretations, all of which are subject to change or adjustment and may have retrospective effect, and does not constitute any prediction of or any opinion or advice on changes or adjustments to relevant laws or policies. The discussion does not address all possible tax consequences related to an investment in H Shares and does not take into account the specific circumstances of any particular investor, some of which may be subject to special rules. Therefore, investors should consult their own tax advisers regarding the taxation of investments in H Shares.

This discussion does not address any aspects of PRC or Hong Kong taxation other than income tax, value-added tax (VAT), stamp duty and estate duty. Prospective investors are urged to consult their financial advisers regarding the PRC, Hong Kong and other tax consequences of owning and disposing of the H shares.

Tax on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法》) (the "**IIT Law**") amended on August 31, 2018 and effective on January 1, 2019, and the Implementation Rules of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》) amended on December 18, 2018 and effective on January 1, 2019, dividends paid by PRC companies are ordinarily subject to individual income tax at a uniform rate of 20%. In the case of foreign individuals who are non-residents of PRC, dividends received from PRC enterprises are generally subject to individual income tax at a rate of 20%, unless specifically exempted by the tax authorities of the State Council or reduced pursuant to applicable tax treaties.

Pursuant to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》) (the "**Arrangement**"), executed on August 21, 2006 and effective from December 8, 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company.

On June 28, 2011, the State Administration of Taxation promulgated the Notice on Issues Relating to the Administration of Individual Income Tax Collection after the Abolition of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《關於國税發[1993]045號文件廢止後有關個人所得税征管問題的通知》(國税函[2011]348號)). Pursuant thereto, dividends received by overseas resident individual shareholders from domestic non-foreign-investment enterprises issuing shares in Hong Kong shall be subject to individual income tax, which shall be withheld by the withholding agent under the category of interest, dividends and bonuses income. Overseas resident individual shareholders of domestic non-foreign-investment enterprises listing shares in Hong Kong are entitled to relevant tax benefits in accordance with the tax treaties entered into between their country of residence and China, and the provisions of the tax arrangements between Chinese Mainland and Hong Kong (Macau). When distributing dividends, domestic non-foreign-investment enterprises listing shares in Hong Kong shall generally withhold tax at a rate of 10% on individual shareholders without requiring any application. Where the dividend tax rate is not 10%, the following provisions shall apply: (1) where the individual receiving the dividends is a citizen of a country that has entered into a tax treaty with China providing for a tax rate lower than 10%, a tax refund may be applied for in accordance with the Announcement of the State Administration of Taxation on Issuing the Administrative Measures for Non-resident Taxpayers to Enjoy Treaty Benefits (Guo Shui Fa [2019]

No. 35) (《國家稅務總局關於發佈非居民納稅人享受協定待遇管理辦法的公告》(國稅發[2019]35號)); (2) where the individual receiving the dividends is a citizen of a country that has entered into a tax treaty with China providing for a tax rate higher than 10% but lower than 20%, the withholding agent shall, when distributing dividends, withhold individual income tax at the actual rate under the treaty without requiring approval; (3) where the individual receiving the dividends is a citizen of a country that has no tax treaty with China or in other circumstances, the withholding agent shall, when distributing dividends, withhold individual income tax at a rate of 20%.

Enterprise Investors

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the "**EIT Law**") promulgated by the NPC on March 16, 2007, and most recently amended by Standing Committee of the National People's Congress (the "**NPCSC**"), which became effective on the same date, and the Implementation Rules of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) (the "**Implementation Regulations of the EIT Law**") promulgated by the State Council on December 6, 2007, and most recently amended on December 6, 2024, which became effective on January 20, 2025, where a non-resident enterprise has no establishment or place in China, or it has an establishment or a place in China but the income derived is not effectively connected with the aforesaid establishment or place, it shall pay 10% enterprise income tax on the portion of its income sourced from inside China, including dividends received by a PRC resident enterprise. The aforesaid tax payable on the income derived by a non-resident enterprise shall be withheld at source, whereby the payer is obligated to withhold the applicable enterprise income tax from the amount payable or due and payable to the non-resident enterprise.

The Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)) promulgated by the State Administration of Taxation and effective on 6 November 2008 further provides that where a PRC resident enterprise pays dividends for the year of 2008 or any year thereafter to its H-share holders which are overseas non-resident enterprises, it shall withhold the enterprise income tax at a single rate of 10% at the source. Additionally, the Reply on the Collection of Enterprise Income Tax on Dividends Received by Non-resident Enterprises from Holding B Shares and Other Shares (Guo Shui Han [2008] No. 897) (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批複》(國稅函[2009]394號)) promulgated by the State Administration of Taxation and effective 24 July 2009 further provides that PRC resident enterprises listed on Chinese and overseas stock exchanges (including A shares, B shares and overseas shares), when distributing dividends to non-resident enterprise shareholders for the years 2008 and thereafter, shall withhold the enterprise income tax at a single rate of 10% at source. The aforementioned tax rate of 10% may be further adjusted subject to any more favourable provisions under applicable tax treaties or arrangements entered into and effective between China and the relevant tax jurisdictions.

According to the Arrangement, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company, such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》) became effective on December 6, 2019, which introduces eligibility criteria for treaty benefits. Notwithstanding the other provisions of the Arrangement, where after taking into account all relevant facts and circumstances, it is reasonable to conclude that obtaining any direct or indirect benefit under the Arrangement was one of the principal purposes of any arrangement or transaction, then no benefits under the Arrangement shall be granted in respect of the relevant income, unless it is determined that granting such benefits in such circumstances would be in accordance with the object and purpose of the relevant provisions of the Arrangement. The application of the dividend article under the tax treaty is subject to the requirements of tax laws and regulations of PRC, such as those set forth in the Notice of the State Administration of Taxation on Issues Relating to the Implementation of the Dividend Provisions of Tax Treaties (Guo Shui Han [2009] No. 81) (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》(國稅函[2009]81號)).

Tax Treaties

Investors who are non-PRC residents and reside in jurisdictions that have entered into double taxation avoidance treaties or arrangements with China are entitled to relief from the PRC enterprise income tax levied on dividends received from PRC companies. Currently, the PRC has entered into double taxation avoidance treaties/arrangements with various countries and regions, including Australia, Canada, France, Germany, Hong Kong Special Administrative Region, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom, the United States, and Macau Special Administrative Region. Non-PRC resident enterprises entitled to preferential tax rates under relevant income tax treaties or arrangements may apply to the PRC tax authorities for a refund of enterprise income tax paid in excess of the treaty rate, subject to approval from the PRC tax authorities upon application.

TAXATION ON EQUITY TRANSFERS

Income Tax

Individual Investors

Pursuant to the IIT Law, income derived from the transfer of individual assets is subject to individual income tax at a rate of 20%. However, according to the Notice on the Continuing Temporary Exemption of Individual Income Tax on Income from the Transfer of Stocks (財稅字[1998]61號) (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61) jointly issued by the Ministry of Finance and the State Administration of Taxation on March 30, 1998 and effective from the same date, individual income tax on income derived from the transfer of stocks listed on a stock exchange by individuals shall continue to be temporarily exempted since January 1, 1997.

However, pursuant to the Notice on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (Cai Shui [2009] No. 167) (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》), jointly issued by the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission (the "**CSRC**") on December 31, 2009 and effective from the same date, income derived by individuals from the transfer of shares publicly offered and listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempt from individual income tax, except for restricted shares as defined under the supplementary notice below. Such supplementary notice, namely the Notice on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (Cai Shui [2010] No. 70) (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》(財稅[2010]70號)), jointly issued by the aforementioned three authorities on November 10, 2010 and effective from the same date, clearly defines the scope of restricted shares subject to taxation.

截至本文件日期，尚無條文明確規定就非中國居民個人股東轉讓中國居民企業於海外證券交易所(如香港聯交所)上市的股份所得收益徵收個人所得稅。As of the date of this document, there is no provision expressly stipulating the levy of individual income tax on gains derived by non-PRC resident individual shareholders from the transfer of shares of PRC resident enterprises listed on overseas stock exchanges (such as The Stock Exchange of Hong Kong Limited).

Enterprise Investors

Under the EIT Law and its implementation rules, where a non-resident enterprise has no establishment or place in China, or it has an establishment or a place in China but the income derived is not effectively connected with the aforesaid establishment or place, it shall pay 10% enterprise income tax on the portion of its income sourced from inside China, including gains derived from the transfer of equity interests in PRC resident enterprises. The aforesaid tax payable on the income derived by a non-resident enterprise shall be withheld at source, whereby the payer is obligated to withhold the applicable enterprise income tax from the amount payable or due and payable to the non-resident enterprise. The aforementioned tax rate of 10% may be further adjusted subject to any more favourable provisions under applicable tax treaties or arrangements entered into and effective between China and the relevant tax jurisdictions.

Value-Added Tax

Pursuant to the Value-Added Tax Law of the PRC (《中華人民共和國增值税法》) promulgated by the NPCSC on December 25, 2024 and effective from January 1, 2026, entities and individuals (including individually-owned businesses) that conduct taxable transactions (including the sale of financial products) within the territory of the PRC are taxpayers of VAT and shall pay VAT in accordance with the provisions of this Law. The sale of financial products refers to financial products being issued within the territory, or the seller being an entity or individual within the territory. Where entities or individuals transfer financial products without consideration, it shall be deemed as a taxable transaction and VAT shall be paid in accordance with the relevant provisions. Taxpayers selling financial products are subject to a VAT rate of 6%. For VAT payable calculated using the simplified method, the collection rate is 3%.

Pursuant to the Provisions on the Transitional Policies for the Pilot Programme of Replacing Business Tax with Value-Added Tax (Cai Shui [2016] No. 36, Appendix III) (Circular 36(《營業税改征增值税試點過渡政策的規定》(財税[2016]36號之附件三)) ("**36號文**")), which took effect from May 1, 2016 and was subsequently amended on July 1, 2017, January 1, 2018, December 1, 2024, November 1, 2025 and January 1, 2026, the transfer of financial products by individuals is exempt from VAT.

Stamp Duty

Pursuant to the Stamp Tax Law of the PRC (《中華人民共和國印花税法》) promulgated by the NPCSC on June 10, 2021 and effective from July 1, 2022, PRC stamp duty applies to entities and individuals that conclude taxable instruments or conduct securities transactions within the territory of the PRC, as well as entities and individuals that conclude taxable instruments outside the territory of the PRC for use within the territory. Accordingly, PRC stamp duty for the transfer of shares in PRC listed companies is not applicable to non-PRC investors purchasing or selling H Shares outside the PRC.

Estate Duty

As of the date of this document, under the laws of the PRC, no estate duty is levied in the PRC.

Tax Policies in relation to Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

On October 31, 2014 and November 5, 2016, the Ministry of Finance, the State Administration of Taxation and the China Securities Regulatory Commission jointly issued the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (Cai Shui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關税收政策的通知》(財税[2014]81號)) and the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關税收政策的通知》(財税[2016]127號)) (Cai Shui [2016] No. 127). Pursuant thereto, income derived by PRC enterprise investors from gains on transfer of, and dividends and bonuses from, shares listed on The Stock Exchange of Hong Kong

Limited through the Shanghai-Hong Kong Stock Connect or the Shenzhen-Hong Kong Stock Connect shall be included in their total income and subject to enterprise income tax in accordance with the law. Among these, where a PRC resident enterprise continuously holds H Shares for a full 12 months, the income derived from dividends and bonuses thereon shall be exempt from enterprise income tax in accordance with the law. H-share companies shall not withhold tax on dividends and bonuses payable to mainland enterprise investors, and the tax payable shall be declared and paid by such investors themselves.

In respect of dividends and bonuses derived by mainland individual investors from investments in H Shares listed on The Stock Exchange of Hong Kong Limited through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, the H-share company shall submit an application to China Securities Depository and Clearing Corporation Limited ("**CSDC**"), and CSDC shall provide the register of mainland individual investors to the H-share company. The H-share company shall withhold and pay individual income tax at the rate of 20%. For any withholding tax already paid by individual investors outside China, they may apply for tax credit to the competent tax authority of CSDC by presenting valid tax deduction vouchers. In respect of dividends and bonuses derived by mainland securities investment funds from investments in shares listed on The Stock Exchange of Hong Kong Limited through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, individual income tax shall be levied and calculated in accordance with the above provisions.

FOREIGN EXCHANGE

The legal currency of the People's Republic of China is Renminbi, which is currently subject to foreign exchange controls and is not freely convertible into foreign currencies. The State Administration of Foreign Exchange ("**SAFE**"), authorized by the People's Bank of China, is responsible for administering all foreign exchange-related matters, including the implementation of foreign exchange control regulations.

Pursuant to the Regulations of the People's Republic of China on Foreign Exchange Control (《中華人民共和國外匯管理條例》) promulgated by the State Council of the People's Republic of China on January 29, 1996, and amended on January 14, 1997 and August 5, 2008, and the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the People's Bank of China on June 20, 1996, and effective from July 1, 1996, Renminbi is generally freely convertible for current account items (including foreign exchange transactions relating to dividend distribution, trade and services), but is not freely convertible for capital account items (such as direct investment, loans, repatriation of investment and overseas securities investment), unless prior approval from the SAFE or its designated banks is obtained.

Pursuant to the Announcement of the People's Bank of China on Improving the Renminbi Exchange Rate Formation Mechanism (《中國人民銀行關於完善人民幣匯率形成機制改革的公告》) promulgated by the People's Bank of China on July 21, 2005 and effective from the same date, with effect from July 21, 2005, China implements a floating exchange rate system based on market supply and demand with reference to a basket of currencies. Accordingly, the Renminbi exchange rate is no longer pegged to the US dollar. The People's Bank of China publishes the closing price of Renminbi against the US dollar and other currencies in the inter-bank foreign exchange market after the market closes on each working day, which serves as the central parity for transactions between such currencies and Renminbi on the next working day.

On August 5, 2008, the State Council promulgated the amended Regulations of the People's Republic of China on Foreign Exchange Control (《中華人民共和國外匯管理條例》), introducing significant adjustments to China's foreign exchange regulatory system. First, it implements balanced management of foreign exchange inflows and outflows. Foreign exchange income obtained overseas may either be repatriated to China or deposited overseas; foreign exchange under the capital account and proceeds from foreign exchange settlement may be used for purposes approved by the competent authorities and foreign exchange regulatory authorities. Second, it improves the Renminbi exchange rate formation mechanism based on market supply and demand. Third, where the international balance of payments experiences or may experience severe imbalance, or the national economy experiences or may experience severe crisis, the State may adopt necessary safeguard and control measures over the international balance of payments. Fourth, it strengthens the supervision and management of foreign exchange transactions and grants extensive powers to the SAFE to enhance its regulatory capacity.

Pursuant to relevant PRC laws and regulations, when PRC enterprises (including foreign-invested enterprises) require foreign exchange for current account transactions, they may make payments through foreign exchange accounts opened with designated foreign exchange banks without obtaining approval from the foreign exchange regulatory authorities, provided that valid transaction receipts or vouchers are presented. Foreign-invested enterprises that need to distribute profits to shareholders in foreign currency, and PRC enterprises that need to pay dividends to shareholders in foreign currency, may make payments through foreign exchange accounts with designated foreign exchange banks, or make the exchange and payment through such banks in accordance with resolutions on profit distribution adopted by the Board of Directors or shareholders' general meeting.

Pursuant to the Decision of the State Council on Canceling and Adjusting a Group of Administrative Approval Items and Other Matters (Guo Fa [2014] No. 50) (《國務院關於取消和調整一批行政審批項目等事項的決定》(國發[2014]50號)) promulgated by the State Council on October 23, 2014 and effective from the same date, the approval of the SAFE and its branches on matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing has been canceled.

Pursuant to the Notice of the State Administration of Foreign Exchange on Issues concerning the Foreign Exchange Administration of Overseas Listing (Hui Fa [2014] No. 54) (《國家外匯管理局關於境外上市外匯管理有關問題的通知》(匯發[2014]54號)) promulgated by the SAFE on December 26, 2014 and effective from the same date, domestic companies shall, within 15 working days from the date of completion of the overseas listing, apply to the local branch of the SAFE for registration of the overseas listing. Funds raised by domestic companies from overseas listings may be repatriated to China or deposited overseas, and the use of such funds shall be consistent with the relevant contents set out in this document and other disclosure documents. Pursuant to the Notice of the Management of Funds Raised by Overseas Listings of Domestic Enterprises (《中國人民銀行國家外匯管理局關於境內企業境外上市資金管理有關問題的通知》) issued by the People's Bank of China and the SAFE on December 24, 2025 and effective from April 1, 2026, funds raised by domestic enterprises through overseas listings shall, in principle, be repatriated to China in a timely manner. If an enterprise intends to retain funds overseas to engage in activities such as overseas direct investment, overseas securities investment, or overseas lending, it must obtain approval or filing documents from the competent authority prior to the completion of the overseas listing or the completion of the over-allotment, and must comply with relevant cross-border capital management regulations. On the date of formal implementation of the Notice, the Notice of the State Administration of Foreign Exchange on Issues concerning the Foreign Exchange Administration of Overseas Listing will be abolished.

Pursuant to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (Hui Fa [2015] No. 13) (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》(匯發[2015]13號)) promulgated by the SAFE on February 13, 2015, effective from June 1, 2015, and amended on December 30, 2019, two administrative approval items, namely foreign exchange registration for domestic direct investment and foreign exchange registration for overseas direct investment, have been abolished, and banks are authorized to directly review and approve them. The SAFE and its branches implement indirect supervision over direct investment foreign exchange registration through banks.

Pursuant to the Notice of the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionise and Regulate Capital Account Settlement Management Policies (Hui Fa [2016] No. 16) (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》(匯發[2016]16號)) promulgated by the SAFE on June 9, 2016, effective from the same date, and amended on December 4, 2023, with effect from June 9, 2016 and as amended on December 4, 2023, foreign exchange receipts under the capital account (including but not limited to foreign exchange capital, foreign debts and repatriated proceeds from overseas listings) may be converted into Renminbi at the discretion of the relevant entities. The voluntary conversion ratio for foreign exchange receipts under the domestic capital account is provisionally set at 100%. The SAFE may adjust the aforesaid ratio in a timely manner in light of the international balance of payments situation.

Pursuant to the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (Hui Fa [2017] No. 3) (《國家外匯管理局關於進一步推進外匯管理改革完善真實合規性審核的通知》(匯發[2017]3號)) promulgated by the SAFE on January 26, 2017 and effective from the same date, the scope of foreign exchange loan settlement has been further expanded. The settlement of domestic foreign exchange loans with the background of export trade in goods is allowed. Funds under overseas loans secured by domestic guarantees are permitted to be repatriated and used domestically. Foreign exchange account settlement for overseas institutions within pilot free trade zones is allowed. Full-coverage RMB and foreign currency overseas lending management is implemented; where a domestic institution engages in overseas lending, the sum of its outstanding overseas lending in RMB and foreign currencies shall not exceed 30% of its owner's equity in the audited financial statements of the preceding year.

Pursuant to the Notice of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-Border Trade and Investment (Hui Fa [2019] No. 28) (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》(匯發[2019]28號)) promulgated by the SAFE on October 23, 2019 and effective from the same date, the restrictions on non-investment foreign-invested enterprises using capital funds for domestic equity investments have been removed. In addition, restrictions on the settlement of funds from domestic asset realisation accounts of overseas investors and the settlement of margin deposits have also been removed. Enterprises in eligible pilot areas are permitted to use proceeds under capital account items such as capital funds, foreign debts, and overseas listings for domestic payments without the need to provide documentary evidence to banks in advance, provided that the use of such funds is genuine and complies with the current provisions on the use of capital account proceeds.

Pursuant to the Notice of the State Administration of Foreign Exchange on Further Deepening Reforms to Facilitate Cross-Border Trade and Investment (Hui Fa [2023] No. 28) (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》(匯發[2023]28號)) promulgated by the SAFE on December 4, 2023 and effective from the same date, since June 3, 2024, the equity transfer consideration funds in foreign currency received by a domestic equity transferor (including institutions and individuals) from domestic entities, as well as the foreign exchange funds raised by domestic enterprises through overseas listing, may be directly remitted to the settlement account of capital accounts. Funds in the settlement account of capital accounts may be settled and used at discretion.