

EUROPEAN ORGANISATION FOR THE SAFETY OF AIR NAVIGATION

EUROCONTROL

- Decisions of the Permanent Commission -

DECISION No. 102

Approving the setting-up of a "EUROCONTROL Pension Fund" and approving accordingly modifications to the Statute of the Agency (Annex 1 to the amended Convention)

THE PERMANENT COMMISSION FOR THE SAFETY OF AIR NAVIGATION:

Having regard to the EUROCONTROL International Convention relating to Co-operation for the Safety of Air Navigation, as amended by the Protocol signed on 12 February 1981, and in particular Article 32 thereof and Article 23 of its Annex 1 thereto, relating to the Statute of the Agency;

Considering the need to establish financing for its staff's Pension scheme which is balanced in the long term;

Considering that the setting-up of a "EUROCONTROL Pension Fund" can help to establish such balanced financing;

Considering that due to the importance of the matter for the Member States and the Agency's Staff the establishment and the rules of the Pension Fund should be included in the Statute of the Agency;

On a proposal from the Provisional Council,

ACTING ON A UNANIMOUS VOTE, HEREBY APPROVES THE FOLLOWING MODIFICATION TO THE STATUTE OF THE AGENCY:

Article 1

The following Article 17bis is added to the Statute of the Agency:

"A "EUROCONTROL Pension Fund" is established which constitutes a separate category of assets held by the Organisation. The Fund has no legal personality. It is managed as provided for under the Appendix of the present Statute."

Article 2

An Appendix entitled "Regulations of the EUROCONTROL Pension Fund" is added to the Statute of the Agency as follows:

"Section I GENERAL PROVISIONS

Article 1 Scope, legal status and purpose of the Fund

1. *These regulations shall govern the structure of the EUROCONTROL Pension Fund (hereinafter referred to as "the Fund") and its status within the European Organisation for the Safety of Air Navigation (hereinafter referred to as "the Organisation").*
2. *The Fund shall constitute a special class of assets held by the Organisation and shall not possess its own legal capacity. The assets of the Fund shall be held separately and be managed separately from the Organisation's other assets, in strict accordance with the present regulations. Within the Fund, separate accounts may exist for specific purposes.*
3. *The Fund's assets shall be used exclusively to pay pension scheme benefits to scheme members in accordance with the Staff Regulations and General Conditions of Employment governing servants at the Maastricht Centre (hereafter "the staff regulations"). Any use to cover other obligations of the Organisation, including the granting of loans by the Fund to the Organisation, shall be prohibited.*
4. *In the event that the Organisation or the Fund are wound up/dissolved/liquidated, the assets of the Fund will be applied to secure fully the value of benefits accrued to the date of wind up/dissolution/ liquidation. Any surplus or deficit of assets, after the final payment of the members' benefits, will be divided amongst Member States in accordance with the sharing keys in force at the time.*

Article 2 Financing

1. *The Fund shall receive:*
 - a) *all pension scheme contributions from officials/servants and the Agency (as their employer), as from 1 January 2005, in accordance with the staff regulations;¹*
 - b) *payments in respect of transfers of pensions rights, in accordance with Article 12 of Annex IV to the staff regulations;*
 - c) *any payments from Member States to finance or prefinance their projected benefit obligations in respect of the pension rights acquired before 1 January 2005;*
 - d) *income earned on the assets of the Fund;*
 - e) *such other amounts as the Organisation and the Supervisory Board may decide.*

¹ In accordance with Measure N°04/106 (approving the Agency's 2005 Budget), the implementation of Article 2.1.a of the Appendix, to the Statute of the Agency, entitled « Regulations of the EUROCONTROL Pension Fund » is foreseen for 1 July 2005.

2. *The Organisation shall release the amounts from the Fund required for immediate payment of covered pension benefit obligations.*

Article 3
Investment Policy

1. *The long-term aim of the management of the Fund's assets shall be to maintain the stability of the pension scheme by ensuring that the real value of the assets is preserved*
2. *Particular attention shall be paid to the diversification, safety and liquidity of the investments. Investment in works of art or commodity futures, and selling short shall not be permitted.*
3. *For the purpose of these Regulations, assets shall be treated as belonging to the Fund but shall at all times be held in the name of the Organisation.*

Section II
STRUCTURE OF THE FUND

Article 4
Bodies responsible for the Fund

The bodies responsible for the Fund shall be the Supervisory Board assisted by the Fund Executive Officer.

Article 5
Composition of the Supervisory Board

1. *The Supervisory Board shall comprise 7 members appointed by the Permanent Commission:*
 - a) *3 Members representing the Member States and proposed by the Provisional Council,*
 - b) *3 Members representing staff,*
 - c) *1 Member representing the Director General without voting right.*

The appointments shall be for a renewable period of 3 years. The Chairman shall be designated by the Permanent Commission from the members of the Supervisory Board.

2. *Each Member shall have an Alternate appointed by the same procedure as for the Member.*
3. *A representative of the pensioners may be invited to attend Supervisory Board meetings as an observer.*
4. *The Fund Executive Officer shall participate in Supervisory Board meetings.*
5. *The Supervisory Board may call upon experts or advisers either on a permanent basis or as circumstances require, in accordance with the Agency Contract and Financial Regulations.*

Article 6 Meetings

1. *Meetings of the Supervisory Board shall be convened by the Chairman.*
2. *Members of the Supervisory Board representing Member States and staff of the Agency shall have a vote. The Chairman shall have the casting vote. When dealing with the Projected Benefits Obligations separate account, only members representing the Member States shall take part in the voting.*
3. *The Supervisory Board shall hold ordinary meetings at least twice a year. An extraordinary meeting may be called by the Chairman or by one third of the Board Members. The proceedings of the Supervisory Board shall be valid only if four full members or, in their absence, their alternates are present*
4. *Internal rules of procedure shall be established by the Supervisory Board.*

Article 7

Responsibilities of the Supervisory Board

1. *The Supervisory Board shall:*
 - a) *supervise the management of the Fund;*
 - b) *after considering the Provisional Council's views, set the Fund's investment guidelines and define investment target strategy;*
 - c) *approve the annual report of the Fund, including the annual statement of net assets of the Fund to be forwarded to the Provisional Council;*
 - d) *report at least annually to the Provisional Council on its review of the Fund. On a regular basis, but at least once every five years, the Supervisory Board shall carry out a thorough review of the Fund's investment policies, goals, guidelines, performance, actuarial assumptions, rates of contribution and capitalisation target, and shall report its findings, decisions and recommendations to the Provisional Council.*
2. *The Supervisory Board may entrust certain tasks to sub-groups.*

Article 8 The Fund Executive Officer

1. *The Fund Executive Officer shall be assigned to his duties by the Director General in agreement with the Supervisory Board. He shall be an official of the Agency.*
2. *The Fund Executive Officer shall act in accordance with the Agency Contract and Financial Regulations in the administrative management of the services required for running the Fund.*

Article 9
Responsibilities of the Fund Executive Officer

The Fund Executive Officer shall:

- 1. make initial preparations for the investment strategy and submit these to the Supervisory Board for their consideration;*
- 2. draw up the annual report and the annual statement of net assets of the Fund and submit these to the Supervisory Board;*
- 3. prepare regular financial statements of the Fund, including its balance sheet, statement of revenues and expenses, detailed administrative expenses and investment performance, and submit these to the Supervisory Board;*
- 4. be responsible for the execution of contracts to be concluded with financial institutions or external Fund Managers, subject to the approval of the Supervisory Board;*
- 5. check that the investment activities of financial institutions or external Fund Managers is in compliance with all the regulations applying to the Fund;*
- 6. act as an interface between financial institutions or external Fund Managers and all the relevant services of the Agency.*

Article 10
Accounting and control system

- 1. The assets of the Fund shall be recorded by financial institutions or external Fund Managers in accordance with the application of the International Accounting Standards (IAS). The Fund's accounts shall be presented with the annual accounts of the Organisation.*
- 2. The administrative management of the Fund shall be subject to control and auditing as laid down in the Financial Regulations.*

Article 11
Management of assets

External management of assets shall not be subject to the EUROCONTROL Financial Regulations.

Article 12
Entry into force

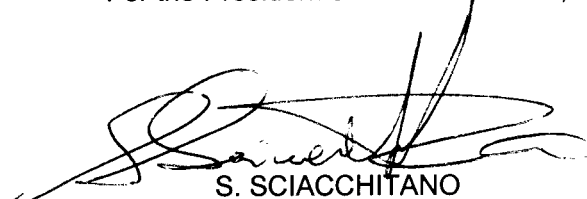
These regulations shall enter into force on 1 January 2005."

Article 3

This Decision shall enter into force on 1 January 2005.

Done at Brussels on 5.11.04

For the President of the Commission,



S. SCIACCHITANO
Vice-President of the Commission