

EUROPEAN ORGANISATION FOR THE SAFETY OF AIR NAVIGATION

EUROCONTROL

- Decisions of the Permanent Commission -

DECISION No. 110

***approving modifications to the "Regulations of the Eurocontrol Pension Fund"
(Appendix to the Statute of the Agency)***

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 Articles 17bis and 23 of Annex 1 thereto, relating to the Statute of the Agency;

Having regard to Decision No. 102 of 5 November 2004 setting up the EUROCONTROL Pension Fund and approving accordingly modifications to the Statute of the Agency;

Considering the Audit Board's recommendations aiming at improving the governance of the Pension Fund, endorsed by the Pension Fund Supervisory Board at its tenth meeting on 20 May 2008;

On a proposal from the Provisional Council,

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

Article I

Article 1, paragraph 2 of the Appendix to the Statute of the Agency is replaced by the following provisions:

" 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. 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.*"

Article II

Article 3 of the Appendix to the Statute of the Agency is replaced by the following provisions:

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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 over the long term the value of the assets covers its liabilities.*
 2. *Particular attention shall be paid to the diversification, safety and liquidity of the investments. The use of derivatives shall only be permitted for hedging purposes, not for speculative purposes. Investment in works of art shall not be permitted.*
 3. *The policy which controls how the Fund invests shall be detailed in a 'Statement of Investment Principles' and its implementation shall be laid down in a document referred to as 'Investment Strategy'.*”

Article III

Article 5 of the Appendix to the Statute of the Agency is modified. Its paragraphs 1 and 5 are replaced by the following provisions:

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1. *The Supervisory Board shall comprise 9 Members appointed by the Permanent Commission:*
 - a) *4 Members representing the Member States and proposed by the Provisional Council,*
 - b) *4 Members representing Staff,*
 - c) *1 Member representing the Director General without voting right.*

The appointments shall be for a renewable period of four years. Half of the Members representing the States and half of the Members representing the Staff shall be renewed every two years. The Chairman shall be designated by the Permanent Commission from the Members of the Supervisory Board.

5. The Supervisory Board may call upon experts or advisers either on a permanent basis or as circumstances require, in accordance with the Contract Regulations of the Organisation and the Financial Regulations of the Agency.”

Article IV

Article 6 of the Appendix to the Statute of the Agency is modified. Its paragraphs 3 and 4 are replaced by the following provisions:

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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 five Members with voting rights or, in their absence, their alternates are present.*
 4. *The Supervisory Board shall establish its own Rules of Procedure.*”

Article V

Article 7, paragraph 1 of the Appendix to the Statute of the Agency is replaced by the following provisions:

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1. *The Supervisory Board shall:*
 - a) *supervise the management of the Fund;*
 - b) *after considering the Provisional Council's views, set the Fund's Statement of Investment Principles and define the Investment Strategy referred to in Article 3.3;*
 - c) *monitor on a regular basis the investments and the related risks to ensure compliance with the Statement of Investment Principles and the Investment Strategy;*
 - d) *approve the annual report of the Fund, including the annual accounts of the Fund to be forwarded to the Permanent Commission via the Provisional Council;*
 - e) *report at least annually on its review of the Fund to the Provisional Council and to the members and beneficiaries of the Fund;*
 - f) *report on a regular basis in a simplified way to the members and beneficiaries of the Fund;*
 - g) *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.”*

Article VI

Article 8 of the Appendix to the Statute of the Agency is replaced by the following provisions:

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

Article VII

Article 9, paragraph 2 of the Appendix to the Statute of the Agency is replaced by the following provisions:

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2. *draw up the annual report and the annual accounts of the Fund and submit these to the Supervisory Board;”*

Article VIII

Article 10 of the Appendix to the Statute of the Agency is replaced by the following provisions:

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1. *The financial accounts of the Fund shall be prepared in accordance with the International Financial Reporting Standards (IFRS).*
 2. *The administrative management of the Fund shall be subject to control and auditing as laid down in the Financial Regulations of the Agency.*”

Article IX

Article 11 of the Appendix to the Statute of the Agency is replaced by the following provisions:

- “ *External management of assets shall not be subject to the Financial Regulations of the Agency.*”

Article X

Article 12 of the Appendix to the Statute of the Agency is revoked.

Article XI

This Decision shall enter into force on 1 September 2008.

Done at Brussels on 21.10.08

For the President of the Commission,



D. BREGLEC
Vice-President of the Commission