

**STATUTE OF THE PROVIDENT FUND OF THE WORKFORCE OF THE  
CYPRUS INSTITUTE / CYPRUS RESEARCH AND EDUCATIONAL  
FOUNDATION**

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## **1. ESTABLISHMENT**

A Provident Fund for the personnel of the company THE CYPRUS INSTITUTE LTD / THE CYPRUS RESEARCH AND EDUCATIONAL FOUNDATION is being established, which will be called “PROVIDENT FUND FOR THE PERSONNEL OF THE CYPRUS INSTITUTE LTD / THE CYPRUS RESEARCH AND EDUCATIONAL FOUNDATION”. For the purposes of this Statute, the Provident Fund will be referred to as “The Fund”, the members of the Fund as the “Members” and the Cyprus Institute Ltd / The Cyprus Research and Educational Foundation as “The Company”.

## **2. REGISTERED OFFICE**

The Registered Office of the Fund will be at 15<sup>th</sup> Kypranoros Street, P.C.1061, P.O.Box 27456, P.C.1645, Nicosia, telephone 22761101, fax 22447800.

## **3. PURPOSES**

The Purposes for which the Fund has been established are the following:

- (a) To provide benefits or any other help to its Members in case of retirement, permanent disability for employment, termination of employment or dissolution of the Fund, or in the case of a Member’s death, to his/her family or legitimate beneficiaries, according to the provisions of the current Statute.
- (b) To accept contributions, donations, subscriptions, bonuses, bequests and other deposits for the purposes of the Provident Fund.
- (c) To perform financial or other deeds for the accomplishment of the purposes and regulations of the Fund.

#### **4. MEMBERS**

- (a) Every employee of the Company THE CYPRUS INSTITUTE and THE CYPRUS RESEARCH AND EDUCATIONAL FOUNDATION (CREF) (having completed his/her 18<sup>th</sup> birthday) is eligible to join the Provident Fund, provided that he/she has a signed employment contract with the Company with duration of at least three (3) years (or aggregate employment service of at least 3 years), and continuous employment with the Company of at least twelve (12) months.
- (b) In case where a Member, whose employment in the Company was terminated due to redundancy reasons, is being hired again within a period of six (6) months, he/she will be automatically entitled to become a Member of the Fund instantly.
- (c) When the employment of a Member is terminated either due to a voluntary resignation or a dismissal, he/she ceases to be a Member of the Fund automatically.
- (d) No Member can withdraw from the Fund so long as he is an employee of the Company.

#### **5. RESOURCES**

- (a) From the Members:

The Members will contribute to the Fund via the Company a percentage of 6% on their total monthly salary. These contributions will be credited to their corresponding "A" Accounts.

- (b) From the Employer:

The Company will also contribute to the Fund on behalf of its Members, an equivalent percentage of 6% of every Member's total monthly salary. These contributions will be

credited to the corresponding “B” Accounts of the Members.

**(c) Revenue accruing from the Capital of the Fund:**

Credit interest accruing on the Fund bank balances, any planned or unplanned contributions or donations or bequests from third parties to the Fund, any funds withheld from early-leavers (article 13(a)), any funds of leavers that are waived (article 13(g)). All these amounts will be credited to a special account named “Special Account”.

## **6. MANAGEMENT COMMITTEE**

**(a) The Fund will be managed by a 3-member Management Committee which will be structured as follows:**

The President of the Committee will be appointed by the Company. The other two members of the Committee, the Secretary and the Cashier, will be elected by the Members of the Fund.

**(b) Any Member of the Fund has the right to be a candidate for the Management Committee.**

**(c) A Member can be a candidate for the Management Committee, provided that he/she is present in the meeting, is proposed by another present Member and supported by a third present Member.**

**(d) If more than 2 candidates exist, then the election is effected through a secret voting. In such a case, a Supervisory Committee is elected that will assist the President of the Management Committee in the performance of the elections.**

**(e) The Management Committee maintains a Members registry which contains the**

following information for every member:

1. name and surname,
  2. date of birth,
  3. identity card number and social insurance number,
  4. entry and exit dates,
  5. personal account identification number and
  6. residential address.
- (f) A bank account will be created on behalf of the Fund, either in a commercial bank or a co-operative institution.
- (g) The bank signatories will either be the President together with the Secretary, or the President together with the Cashier.
- (h) No money can be withdrawn from the Fund for any reason other than those exclusively stated in the current Statute and provided that a relevant approval has been granted from the Management Committee.

## **7. DURATION OF SERVICE OF THE MANAGEMENT COMMITTEE**

- (a) The duration of the service of the Management Committee will be for 3 years. The election of the new Committee will be performed within the first half of the third year.
- (b) Every member of the Management Committee has the right to be re-elected.
- (c) The President of the Committee, who is appointed by the Company, may be replaced or re-appointed upon the will of the Company.
- (d) In a case where any one of the two positions of the Committee that are elected by the Members is freed, then a supplementary election will have to be made by the

Members of the Fund, which will have effect until the end of the service of the Member that has left.

## **8. MEETINGS OF THE MANAGEMENT COMMITTEE**

- (a) The meetings of the Management Committee should be as frequent as needed for the efficient performance of its operations, with a minimum requirement of having at least one meeting per year. Notifications for meetings will be the responsibility of either the President or any of the other 2 Members of the Committee.**
- (b) For the decisions of the Management Committee to be valid, it is necessary that two out of the three Members of the Committee were present at the meeting, and the decisions were taken unanimously.**
- (c) The Management Committee will handle all the cases that the Fund may face and will be empowered to pay any expenses relating to the administration of the Fund.**
- (d) In the event where a Member of the Management Committee is absent without any excuse from two consecutive meetings of the Committee, the President (or the Secretary) will indicate to the Members of the Fund that they should elect a new Member.**
- (e) A Minutes Book will be kept by the Management Committee, in which the relevant decisions regarding the appointment of officers or employees as well as the auditor of the Fund should be recorded in full detail. The actions regarding the payment or receipt of funds, acquisition or disposal of property, investment of funds, granting of loans will also be recorded in the Minutes Book, as well as any action associated with the administration and operation of the Fund.**

## **9. GENERAL MEETINGS**

- (a) The General meetings of the Members of the Fund can be either Regular or Extraordinary.**
- (I) The Regular General Meetings will take place once a year, during the first half of the year. During the Regular General Meetings, the new Management Committee will be elected (when the current Committee's service expires) and the auditors of the Fund will be appointed. The election of the Management Committee will be according to the article 6 (Management Committee) of the current Statute.**
- (II) Extraordinary General Meetings can be called upon the will of the Management Committee or upon the written request of 1/3 of the Members of the Fund. The purpose and the subjects under discussion should be stated on the written request.**
- (b) A 7-working-days notice must be given to the Members of the Fund and to the Company prior to the General Meeting. The place and time of the meeting should be stated on the notice, as well as the subjects under discussion.**
- (c) No subject is discussed during the General Meetings until a quorum is formed. Unless otherwise stated under article 17 (dissolution), a percentage of 50%, plus one, of the Members is needed for a quorum to be formed. The President or a replacement, who is appointed by the President, must be present in the Meeting.**
- (d) The Meeting is postponed for next week (same day and time) if no quorum is formed within half (1/2) an hour from the set starting time. In the second Meeting, any number of Members present will be assumed to form a quorum, provided that the President (or replacement) is present. Where the Meeting has been called at the request of the Members, the Meeting will be considered as dissolved and not as postponed.**

Where the Meeting has been called at the request of the Management Committee for dealing with matters of urgency (and this fact was clearly stated on the request) then any number of the Members present within half ( $\frac{1}{2}$ ) an hour from the set starting time, will be assumed to form a quorum (the President or replacement, should be present).

- (e) Every Member of the Fund has the right for only one vote, irrespective of the value of his/her contributions to the Fund. It is important to note though that for his/her vote to be valid, it is absolutely necessary that he/she is physically present to the Meeting.
- (f) The decisions of the General Meetings are taken with simple majority of the present Members, unless the conditions of articles 15 (Modifications) and 17 (Dissolution) prevail.
- (g) A Minutes Book is kept by the Management Committee, in which the following are recorded for every General Meeting of the Members of the Fund:
  - 1. number of present Members,
  - 2. method and result of any voting,
  - 3. method of electing the Members of the Management Committee and the names of the relevant Members,
  - 4. any decisions that relate to a modifications of the current Statute,
  - 5. and generally all the operations of the General Meeting.

## **10. KEEPING OF ACCOUNTING BOOKS AND RECORDS**

- (a) Proper Accounting Records and other necessary documents will be kept, at the registered Office of the Fund, by the Secretary in association with the Company's Accountant, and will be finalized every 31<sup>st</sup> of December.
- (b) Proper Accounting books will be kept, showing the full details of any legal acts and

dealings undertaken by the fund, as well as relevant receipts for any receipts and payments of the Fund.

- (c) (I) The Management Committee will keep a personal Account for every Member of the fund, which will show the Account number, the name and surname of the Member and the contributions percentage of the Member and of the Employer separately.
- (II) The following information will be registered in the personal account of every Member:
- (i) The contributions of the Member (Account “A”) and the contributions of the employer (Account “B”),
  - (ii) Any interest as well as any other amount to the credit of the Member kept in the “Special Account”,
  - (iii) Any payments to, or for, any Member, and
  - (iv) The total amount to the credit of the Member as at the end of every year.
- (d) A separate account known as the “Special Account” will be kept. The “Special Account” will be credited with any income deriving from the Capital of the fund as well as with any contributions, donations, bequests etc, and with the amounts retained from the Accounts of the leavers according to the current Statute. The “Special Account” will also be credited with any amount written off as per article 13 (Benefits) and debited with all the expenses necessary to administer the Fund. The amounts kept in the “Special Account” will be distributed by the Management Committee, to the respective Accounts “A” and “B” of every Member, on the 31<sup>st</sup> December of every

year following the completion of the second anniversary of the Fund.

This distribution will be effected according to the amounts to the credit of every Member in his/her personal Accounts "A" and "B", as a percentage to the total amounts of all Member accounts "A" and "B" at the date of the distribution.

- (e) The Accounts of the Fund will be audited at the end of every year from the auditors that have been authorized in the General Meeting of the Members of the fund.
- (f) Following the audit of the Financial Statements of the Fund and prior to the Annual General Meeting of the Members of the Fund, the Management Committee must send to every Member, a copy of his/her account for the year ended on the 31<sup>st</sup> December, together with an analytical statement of the amounts to his/her credit of his/her Accounts "A" and "B".

## **11. INVESTMENT OF CAPITAL**

- (a) The funds of the Provident Fund are invested by the Management Committee according to the providences of the legislation for Provident Funds and the general instructions that are issued by the Minister of Finance.
- (b) The investments of the Provident Fund should be free from any mortgage, commitment or retention right.

## **12. LOANS**

- (a) Granting of any form of loan from the Provident Fund to either the auditor of the Fund or the employer (Company) that contributes to it, is expressly prohibited.
- (b) Loans, according to the current Statute, can only be granted to the Members of the Fund, provided that the following terms and conditions are fulfilled.

- (I) Loans can be granted:
  - (1) For the purposes of acquisition / reconstruction / improvement of the residence of the Member or his/her child/children,
  - (2) For education purposes of either the Member or his/her child/children,
  - (3) To cover relevant expenses in case of a serious illness of either the Member or a member of his/her family.
- (II) The amount of the loan will be determined after taking into account the age of the Member and the possibility of its repayment; in no way however can the amount of the loan exceed the 75% of the amount to the credit of the Member of both Accounts "A" and "B".
- (III) The Management Committee should have satisfactory guarantees.
- (IV) The loan will be repayable within a period of no more than twenty (20) years or until the retirement of the Member (whichever is the lowest).
- (V) The interest rate charged will not be lower than the prevailing interest rate used by Banks for short term deposits.

### **13. BENEFITS**

- (a) In case where a Member leaves from the Company on his/her own will, he/she is entitled to receive:
  - (I) The whole of the amount to his/her credit of his/her Account "A".
  - (II) For the amount to his/her credit in his/her Account "B":
    - (i) The whole amount provided that he/she has completed 7 years of total

**employment in the Company (and not total participation in the Provident Fund)**

**(ii) 80% of the whole amount provided that he/she has completed 6 years of total employment in the Company (and not total participation in the Provident Fund).**

**(iii) 60% of the whole amount provided that he/she has completed 5 years of total employment in the Company (and not total participation in the Provident Fund).**

**(iv) Any remaining amount in a leaver's "B" Account, will be credited to the "Special Account".**

**(b) In the case where a Member is dismissed from the Company by his/her employer, the Member is entitled to the whole amount in his/her credit of both of the Accounts "A" and "B" , irrespective of the reasons that have led to his/her dismissal.**

**(c) In the case of a Member's death while still in the employment of the Employer, the deceased legitimate inheritors will be entitled to the amounts of the deceased credit of both Accounts "A" and "B".**

**(d) In the case where a Member is forced by the Employer, to leave the Company for medical reasons appropriately certified from the Company's doctor at the expense of the Fund, the Member will be entitled to the whole amount in his credit of both of the accounts "A" and "B".**

**(e) In the case where a Member of the Fund leaves the Company due to retirement age as per the Social Insurance Law, then he/she will be entitled to the whole amount in his credit of the Accounts "A" and "B"**

**(f) For all the above cases the Member is also entitled to a proportion of the "Special Account" as this is calculated at the day of his/her departure.**

- (g) Any amount (not more than €85), payable to any Member or inheritors, will be written off after the lapse of eight (8) years from the date that the amount has become payable, provided that the Management Committee has performed every plausible action necessary to notify the beneficiary for the collection of the amount and also for the deadline of the writing off of his/her relevant right to claim the relevant amount. Every written off amount will be transferred to the credit of the “Special Account”.

#### **14. MEMBERS' COMMITMENT**

- (a) Every Member of the Fund will be given a copy of the present Statute upon his/her registration. A copy of the Statute will be signed by every Member and kept by the Management Committee.

#### **15. ALTERATIONS OF STATUTE**

- (a) The present Statute can be modified with the consent of the Employer, after a relevant decision taken at a Regular or Extraordinary General Meeting of the Members of the Fund. The modifications must be approved from at least 2/3 of the Members present to the General Meeting in order to be valid.
- (b) The Management Committee will submit any modifications of the Statute to the Registrar of Provident Funds for approval within fifteen (15) days for the day that the decision to modify the Statute has been taken..
- (c) The Management Committee notifies to the Registrar of Provident Funds any change in its Members within ten (10) days from the change.

#### **16. DOCUMENTS TO BE SUBMITTED TO THE REGISTRAR**

Within 9 months after the end of every Accounting year, the Management Committee must

submit to the Registrar its Annual Report containing:

- (a) Copy of the Income and Expenses Statement of the Fund for the relevant year.
- (b) Copy of the Balance Sheet of the Fund as at the end of the relevant year.
- (c) Copy of the Auditor's Report as this is stated in article 17 of the Provident Funds Law.
- (d) A statement showing (categorized by gender) the number of the new Members during the year, the number of the Members that left the Fund during the year, the total number of the Members at the end of the year, the number of Member for whom contributions have been received, the number of Members to whom benefits or loans have been granted during the year.

## **17. DISSOLUTION**

The Fund can be dissolved and liquidated:

- (a) With the consent of the Employer, taking in mind the relevant decision taken at the Regular or Extraordinary General Meeting, at which at least 2/3 of the Members (plus one) were present and at least 2/3 of the Members (plus one) voted in favor of the dissolution.
- (b) When the Company is under liquidation, the Fund is automatically dissolved.

In either way, the Management Committee, after accomplishing all its obligations and settling off any overdue of the Fund, it will distribute any remaining amount as follows:

- (I) Every Member will be entitled to all the amounts in the credit of his/her "A" Account.

- (II) Every Member will be entitled to all the amounts in the credit of his/her “B” Account after taking into account any obligations or expenses of the Fund, as stated above.
- (III) Any amount in the credit of the Special Account of the Provident Fund, will be distributed through the Management Committee to the Members according to the percentage of every Member’s “A” and “B” Accounts in relation to the total amount of all the Members’ “A” and “B” Accounts at the day of the dissolution.

## **18. OUTSIDE THE SCOPE OF THE REGULATIONS**

For anything that the present Statute does not foresee, the General Meeting (either Regular or Extraordinary) will decide, taking always in mind the providences of Legislation on the Provident Funds.

## **19. VALIDITY**

The present Statute was voted / approved in the General Meeting of the Members of the Fund that was realized in ..... (date), at which the Management Committee was permitted to sign in favor of the Members. The Provident Fund was placed in used in ..... (date).

**20. NAMES AND SIGNATURES OF MEMBERS OF MANAGEMENT**  
**COMMITTEE OR FOUNDERS**

<b>Name:</b>	<b>Capacity:</b>	<b>Address:</b>	<b>Signature</b>
<b>1.</b> <b>(I.D. Number)</b>	<b>President</b>		
<b>2.</b> <b>(I.D. Number)</b>	<b>Secretary</b>		
<b>3.</b> <b>(I.D. Number)</b>	<b>Cashier</b>		