SECTION 2 Governance Structure and Functions

Article I 2.05 Functions of the Governing Board

1. The Governing Board shall be entrusted by the Council with the overall management of the Fund and shall, in this regard, in particular:

   a) propose the funding principles and policy of the Fund for approval by the Council;
   b) decide on the statement of investment principles and investment policy of the Fund;
   c) select the Chief Executive Officer and propose him for appointment by the Council;
   d) supervise the Chief Executive Officer;
   e) oversee the activities of the Investment Committee and the Actuarial and Technical Committee, and decide on any proposals or measures submitted by them;
   f) propose the Rules and Regulations of the Fund for approval by the Council;
   g) approve and update the internal control system of the Fund;
   h) approve the Fund’s medium-term operational plan and its annual budget;
   i) submit the financial statements of the Fund for approval and discharge by the Council;
   j) appoint the Actuary and the specialised auditor referred to in Articles I 2.16 and I 5.02 respectively of the Rules;
   k) decide on internal appeals lodged against individual decisions taken by the Chief Executive Officer;
   l) take any other measures required for the management of the Fund or the application of its Rules and Regulations;
   m) propose to the Council any measures falling within the latter’s remit, including amendments to the Rules and Regulations.

2. The Governing Board shall be responsible for advising the Council on any issues relating to the financial position of the Fund and shall, in this regard, in particular:

   a) inform the Council of the financial balance of the Fund, including via periodic actuarial reviews;
   b) propose to the Council any measures aimed at securing, restoring or maintaining the actuarial balance of the Fund, it being understood that proposals relating to benefits and contributions shall remain within the competence of the Director-General;
   c) submit to the Council any other proposal or information relating to the financial position of the Fund.
Article I 2.06  Composition of the Governing Board

1. The Governing Board shall consist of the following members:

a) two appointed by the Council, at least one of whom shall be a Council Delegate. The other shall be either a Council Delegate or a member of the Finance Committee. Their terms of office shall cease once they are no longer Council Delegates or members of the Finance Committee;

b) one appointed by the ESO Council;

c) the member of the CERN Management responsible for Administration, in an ex officio capacity;

d) two appointed by the CERN Staff Association from among the CERN staff members;

e) one appointed by the ESO Staff Association from among the ESO staff members;

f) one appointed by the CERN and ESO Pensioners Association from among the CERN and ESO beneficiaries of the Fund;

g) two professional members specialised in pension fund matters selected by the members referred to in a) to f), appointed by the Council.

2. The Chief Executive Officer shall attend the Governing Board in an ex officio capacity.

3. The members of the Governing Board shall be appointed for their competence in the matters falling within the remit of the Governing Board. They shall accept standard terms of appointment by which they undertake in particular to act solely in the best interests of the Fund and not as representatives of their respective constituencies.

4. Any member may be dismissed from his office by the authority which appointed him at any time by a procedure similar to that followed for his appointment.

5. Subject to paragraph 4 above, the term of office of appointed members of the Governing Board shall be three years, renewable once for a further maximum consecutive period of three years. No further terms of office on the Governing Board are possible.

6. Each member of the Governing Board has the right to vote. In the event of a tie, the Chairman, referred to under Article I 2.07 of the Rules, shall have a casting vote.
Article I 2.07 Chairman and Vice-Chairman of the Governing Board

1. The Chairman of the Governing Board shall be appointed by the Council.

2. The Chairman of the Governing Board must be chosen from among the two members appointed by the Council.

3. The Vice-Chairman of the Governing Board shall be appointed by the Council on the recommendation of the Governing Board from among the members appointed by the CERN Staff Association and the ESO Staff Association.

4. The term of office of the Chairman and Vice-Chairman shall be three years and shall be renewable once for a further maximum consecutive period of three years. No further terms of office on the Governing Board are possible.