



ΤΑΜΕΙΟ ΠΡΟΝΟΙΑΣ ΥΠΑΛΛΗΛΩΝ
ΞΕΝΟΔΟΧΕΙΑΚΗΣ ΒΙΟΜΗΧΑΝΙΑΣ

H O T E L E M P L O Y E E S P R O V I D E N T F U N D

ARTICLES OF ASSOCIATION



RULES OF THE PROVIDENT FUND OF HOTEL INDUSTRY EMPLOYEES

1. ESTABLISHMENT

- a. A Provident Fund is established for the Regular staff employed in the Hotel Industry under the name of “The Provident Fund of Hotel Industry Employees.”
- b. The registered office of the Provident Fund is to be situated at the Xenios Trade Centre, in Archbishop Makarios III Avenue, Nicosia.
- c. The Provident Fund has a legal personality and is entitled under the provisions of these Rules to possess movable property, to become the registered owner of real property, to enter into contract, to undertake and pursue legal and judicial procedures, to be a claimant and a respondent in court for each and any such action, to act jointly through the President, the Secretary and two other members of the Administrative Committee of the Fund.
- d. The establishment, operation and management of the Provident Fund, as well as all relevant matters, are governed by the provisions of the present Articles of Association.

It is provided that, in the lack of a provision in these Articles to regulate a matter concerning the Provident

Fund, or in case of a conflict or incompatibility between a provision in these Articles and the applicable law, the provisions of the applicable law shall take precedence.

2. OBJECTIVES

To provide emoluments upon retirement, for permanent disability to work, for termination of employment and in case of dissolution of the Fund or in case of death of the Member of the Fund, to his beneficiaries or other allowances to the members of the Fund or their families in accordance with these Regulations. For putting into effect these objectives, the Fund shall accept contributions, donations, subscriptions, endowments and other deposits and it shall carry out financial activities or other activities.

3. MEMBERSHIP

- a. All employees, whether salaried or on contract and whether employed on a monthly or weekly basis and otherwise, technicians or workers, regardless of sex or religion, that is all those who work in the Hotel Industry and have completed the 16th year of age, having a continuous service of at least 6 months in the Hotel Industry or having served during two seasonal periods in the case of hotels operating only seasonally, as well as the salaried personnel of the Provident Fund of Hotel Industry Employees and of the Cyprus Hotel Association, may become members of the Fund.

Provided that in the case of foreign workers in the Hotel Industry, they may register as members of the Fund when employed on the basis of an employment contract or else for a period no less than three continuous years and after six (6) months of continuous service have lapsed.

- b. The hotel owner's children employed by him and which are not shareholders in the company, as well as salaried managers, may become members of the Fund.
- c. No member may resign from the Fund while working in the Hotel Industry.
- d. A member of the Fund ceases to belong to it from the day he/she leaves the Hotel Industry or is dismissed from it.

Provided that a member of the Fund who is dismissed from service because of austerity measures, lack of work or abolition of post, automatically becomes a member of the Fund if he/she is re-employed in the Hotel Industry in a period less than (6) months from day he/she has been dismissed.

4. ASSETS OF THE FUND

- a. A percentage deduction from the basic monthly or weekly salary and the cost of living allowance of each member of the Fund, as specified by the collective employment agreements prevailing for the time being.

- b. A regular monthly contribution on the part of the employers equal to a percentage on the basic salary and the cost of living allowance of each member of the Fund, as specified in the collective employment agreements prevailing for the time being.
- c. Other contributions or endowments which the employers might wish to approve voluntarily in support of the Fund, possible grants and trusts by third parties and accounts balances of withdrawing members, as stipulated in these Rules.
- d. The capital income of this Fund.

Provided that all amounts received are deposited with the Bank or the Banks or Cooperative Institutions approved by the Administrative Committee.

5. ADMINISTRATION

- a. The Fund shall be managed by an Administrative Committee composed of thirteen persons. Of these, the President or his substitute in case the President is absent, shall be appointed by the Cyprus Hotel Association, presiding over the General Meetings of representatives of the Provident Fund members. The Cyprus Hotel Association shall appoint six of the remaining twelve members of the Committee, four of them

shall belong to the employers who are members of the Association, and two of them to the employees who are members of the Fund and are appointed subject to provision 3(a) of these Rules. The remaining six members shall come from the side of the workers, four of which must be members of the Provident Fund and elected by the members at an Annual General Meeting of the Representatives of the Fund; the other two shall be officials of the PEO and SEK trade unions respectively, appointed by them.

- b. The members of the Administrative Committee shall elect the Secretary of the Fund from amongst them.
- c. The Administrative Committee shall appoint, if it deems this to be necessary, salaried personnel to undertake the payment of contributions, the book keeping and the general work of the Fund in accordance with these Rules.
- d. No sum of money may be withdrawn from the Fund, unless only for the purposes stipulated in the Regulations applicable for the time being and only subject to approval by the Administrative Committee.
- e. The President, the Secretary and two members of the Administrative Committee coming from the workers side shall have the right to sign documents on behalf of the Provident Fund and commit same.

6. TERM OF THE COMMITTEE

- a. The term of office for the members of the Administrative Committee who are elected by the members of the Fund shall be of twelve months duration as from the date of the elections. The election of the members of the Administrative Committee shall take place not later than thirteen months from the date of the elections preceding immediately.
- b. Any withdrawing member of the Administrative Committee shall be eligible for re-election.
- c. The members of the Administrative Committee of the Fund appointed by the Cyprus Hotel Association may be replaced only following a decision by the Governing Board of the Association.
- d. In the case where the post of one or more of the Administrative Committee members elected by the members of the Fund is vacated, new members shall be elected to replace them.
- e. In the case where the post of one or more of the Administrative Committee members appointed by the Cyprus Hotel Association is vacated, PA.SY.XE. shall designate a new member or new members to fill the vacated post or posts in the Administrative Committee.

7. MEETINGS OF THE COMMITTEE

- a. The Administrative Committee shall meet regularly at least once every three months on the invitation of the President, who has the right to convene extraordinary meetings as well, as many times as he deems this to be necessary or when so requested by at least six members of the Administrative Committee.
- b. Decisions by the Administrative Committee shall be valid, provided that at least seven members were present at the meeting in which they were taken, of which two must necessarily come from the workers side. Decisions shall be taken by majority and in case of a tie the President has a winning vote.
- c. The Administrative Committee shall engage in all the affairs of the Fund and its decisions shall be final. Provided, however, that no decision shall be approved unless by majority.

8. GENERAL MEETINGS

- a. The General Meetings are distinguished between annual and extraordinary. Annual General Meetings must take place once a year, at a venue to be fixed by the Administrative Committee, not later than thirteen months from the date of the previous General Meeting.

The resolutions of the General Meeting shall be binding on all the subscribers to the Fund, including those who are absent or dissenting.

- b. Since the nature of the profession makes it impossible for all members of the Provident Fund to attend the Annual or Extraordinary General Meetings, it is hereby stipulated that the members of the Provident Fund of each hotel shall elect amongst themselves, according to the ratio stated below, the representatives who will stand for them and commit them during the work of the Annual and Extraordinary General Meetings.

Provided that the members of the Provident Fund of each hotel shall consider the agenda at their own Annual or Extraordinary General Meetings and adopt their resolutions, which their elected and authorized representatives for this purpose shall express to the pancyprian Annual or Extraordinary General Meetings.

Representational proportion of members from each hotel: Up to 10 employees in one hotel, 1 representative.

11-30	employees in one hotel,	2 representatives
31-50	employees in one hotel,	3 representatives
51-70	employees in one hotel,	4 representatives
71-90	employees in one hotel,	5 representatives
91-120	employees in one hotel	6 representatives
121+	employees in any one hotel,	7 representatives

- c. The Administrative Committee may convene, whenever it deems it necessary, an Extraordinary General Meeting. Extraordinary General Meetings may be also convened on the request of Members representing 1/3 of the total membership of the Fund.
- d. The Members of the Fund must be notified about Annual and Extraordinary General meetings 15 days before the time specified for such Meetings by an invitation duly signed by the Secretary of the Administrative Committee on the President's instructions as regards Annual General Meetings, and on the instructions of the Administrative Committee as regards Extraordinary General Meetings. The day, the date, the time and place for the Meeting must be stated on the invitation, as well as the agenda.

According to the judgment of the Administrative Committee, the invitations shall either be sent to each member of the Fund by post or be delivered to the hotels where the members are employed.

- e. Every member has a voting right in the General Meetings of each hotel, irrespective of the amount of money credited to his account in the Fund.
- f. A quorum is formed for a General Meeting when half the total number of representatives is present plus one. In case a quorum has not been formed, the following shall apply:

- i. If the General Meeting has been convened by the Administrative Committee, it shall be postponed for half-an-hour, after which it shall be considered to have a quorum, regardless of the number of representatives of Fund members present.
- ii. However, if it has been convened by the members, then it will dissolve.

Exceptionally in the case of resolutions concerning amendments to the Statute or additions to the Rules of the Provident Fund, a quorum shall require an 85% majority of the total number of representatives representing the members of the Fund.

If such quorum does not exist, then the General Meeting shall be postponed for the next week on the same day and hour, when at least half of the total number of representatives representing the members of the Fund shall form a quorum. If there is still no quorum for the General Meeting, as stipulated above, then the General Meeting shall again be postponed for a week on the same day and at the same hour, when it shall be deemed that a quorum is formed, regardless of the number of representatives of the members of the Fund present.

- g. The resolutions of the General Meetings shall be adopted by absolute majority of the members' representatives present, unless otherwise provided in the Statute. All

resolutions of the General Meetings shall be adopted by a show of hands, unless this is preceded by an application to the President for a secret ballot.

9. ACCOUNTS

- a. The accounts of the Fund shall be kept by a person or persons employed to this end by the Administrative Committee, as stated in paragraph 5 (c).
- b. Two personal accounts shall be kept for each member.
 - 1. Account "A" for his/her contributions.
 - 2. Account "B" for contributions by the employer.
- c. A particular account under the title "SPECIAL FUND ACCOUNT" shall also be kept.

This account shall be credited with all income from the Capital of the Fund, donations, etc, as provided in article 4 (c) and (d) of these Rules. It shall also be credited with the balance remaining in account "B" of withdrawing members, and not claimed subject to the provisions of the Rules or otherwise.

- d. The balance of the "SPECIAL FUND ACCOUNT" shall be carried forward proportionally on the 31st December of each year, following the deduction of any administrative costs of the Fund, taking as a basis the total amounts

standing to the credit of each member in accounts "A" and "B".

It is provided that, only in the case of Members acquiring the right to receive a benefit from the Fund within the year, the estimation and allocation of the total sum of the Special Fund's Account shall also be conducted on the dates specified in article 12(g), in accordance with the International Accounting Standards and the relevant legislation.

- e. The accounts of the Fund shall be audited at least once a year by auditors elected by the Annual General Meeting of the Fund.
- f. Following the auditing of the accounts, the Administrative Committee shall draw up the annual statement of account and at least 15 days before the Annual General Meeting it shall send copies of accounts "A" and "B" as they stand on the 31st of December of the year ending to each and every one of the members of the Fund.

10. CAPITAL INVESTMENT

- a. The Fund shall be under the control of the Administrative Committee.
- b. The Management Committee may proceed at its absolute discretion and with the proviso of Regulation 10 (C) to invest the assets of the Fund in accordance with the

behests of prudent management, the Principles of Investment Policy Statement, the relevant Directives that are issued by the Competent Authority and in particular in accordance with the investment rules referred to in the Legislation.

- c. Where the workers' side disagrees with an investment, the issue shall be referred to the General Meeting.

11. LOANS

The Administrative Committee shall use its judgment to advance loans to members for the following purposes:

- I. To cover educational expenses of the children of the member or the member itself.
- II. To cover health expenses of the member or his/her dependents.
- III. To obtain, repair or complete a private house for himself or a child of his/hers or to pay a mortgage loan, provided that the mortgage loan has been taken in order to obtain, repair or complete the housing of the member or a child of his/hers.
 - 1. In order to obtain a loan, a member shall have to file an application in which to state the sum requested, the purpose for the loan, the period of repayment and the mode of payment.
 - 2. Provided that the Administrative Committee shall regulate such cases in accordance with special regulations and terms determined by it for this purpose.

3. The Administrative Committee shall be obliged to ask for any sufficient and convincing documentation it may deem fit for all the above cases of advancing a loan.
4. The Administrative Committee shall decide the loan amount to be advanced in the above cases, but in no case shall the amount exceed 45% of the sum which the member would be entitled to if he/she left his/her employment voluntarily.
5. Every loan advanced shall be debited to the member's personal account and credited with every monthly payment installment.
6. The Administrative Committee shall determine the monthly or other installments for the repayment of the loan in proportion to the amount of the loan. Provided that in determining the mode of loan repayment a provision shall be made enabling a member to repay the loan before retirement and during a period not exceeding twenty years, in accordance with the judgment of the Administrative Committee.
7. The loan's interest rate may not be inferior to the weighted average rate paid on timely deposits of the Fund plus a percentage point.

It is provided that no additional loan shall be granted to a member prior to the regular repayment of an existing loan.

12. PAYMENTS

- a. Where a member of the Provident Fund leaves his/her employment and is employed by another employer belonging to the Hotel Industry, the employee shall be entitled to transfer any amount standing to his/her credit in account "A" and on the following percentage ratio in account "B".
- (i) Where the withdrawal from the employment is not justified:
- | | |
|----------------------------------|------|
| Before the completion of 1 year: | nil |
| On completion of 1 year: | 50% |
| On completion of 2 years: | 100% |
- (ii) Where the Administrative Committee deems that the voluntary withdrawal from the employment is justified, and when this takes place prior to the completion of two years of service, the employee shall be entitled to transfer from account "B" such proportional sum as the Administrative Committee shall determine, whereas, if the withdrawal occurs after the completion of two years of service, the account "B" transfer may be executed in full.

Provided that for the purpose of a member's mobility within the Hotel Industry, service shall be considered that which is continuous under an employer from whose employment the member withdraws and which falls on the date on which this or any other operating Provident Fund has become applicable.

- b. The member withdrawing definitely and voluntarily from the employment in the Hotel Industry shall be entitled, except as stated below, to be paid any amount standing to his credit in account "A," and in proportion to his service he shall receive the following amounts from the balance standing to his credit in account "B".

For service before the completion of 1 year: nil

For service over 1 year:	25%
For service over 2 years:	50%
For service over 3 years:	75%
For service over 4 years:	100%

Provided that in case of withdrawal from the industry, a member's service is considered to be the total service in the Hotel Industry from the day these Rules entered into force, or if the withdrawing member subscribed to a similar Fund which operated since 1st April 1968, from the date he/she became member of such a similar Fund.

Provided that in exceptional cases where a member, in accordance with the assessment of the Administrative Committee, justifiably and evidently withdraws from the Fund, irrespective of the years of service, the employee shall be entitled to recover such proportional sum from account "B" as the Administrative Committee may determine.

- c. Where members of the Fund voluntarily withdraw from the service in the Hotel Industry in order to get married or because they are entering parenthood, they shall be entitled to full recovery of any amount (or balance) standing to their credit in accounts "A" and "B", irrespective of the years of service, by presenting the relevant certificate.
- d. A member of the Fund voluntarily withdrawing from the Hotel Industry having completed two years of service and having completed the 55th year of age, shall be entitled to recover fully any balance standing to his credit in accounts "A" and "B".
- e. (i) Any Member of the Fund who is dismissed from the service of any employer due to financial reasons, lack of work or abolition of work position, shall be entitled to withdraw in full or transfer in full, as the case may be, every balance which stands credited to the accounts "A" and "B", regardless of his years of service.

(ii) Any Member of the Fund dismissed from the service of any employer due to any other reason whatsoever shall be entitled to, in addition to the balance of the account "A", to make such withdrawal or transfer, as the case may be, from the balance which stands credited to his account "B" at the discretion of the Management Committee.

- f. The benefits a member receives from the Special Fund's Account, when acquiring a right to receive a benefit, are estimated, with the estimation date being the last day of the month in which the Member acquires such a right, based on the balance of this account, as determined by the total given performance minus the Fund's management costs for the period of time in question, and allocated proportionally based on the account balance of the withdrawing member against the total account balances of all the members.

It is provided that, in case a Member acquires the right to receive a benefit on the last day of a month, the estimation date for the benefit that shall be taken into account will be the last day of the following month. It is further provided that, as far as immovable assets are concerned, their estimated value at the end of the financial year preceding the member's withdrawal, or their most recent estimated value, if applicable, will be taken into account.

- g. Notwithstanding any other provision in these Rules, a member of the Fund who is dismissed from his/her employment due to age limit, shall be entitled to full recovery of any amount standing to his/her credit in accounts "A" and "B", irrespective of the years of the member's service prior to dismissal.

- i. Notwithstanding any provision in the previous clauses of these Rules, the legal heirs of any deceased member of the Fund shall be entitled to full recovery of any amount standing to the credit of the deceased member in accounts "A" and "B".
- h. Any amounts stemming from the account balance of withdrawing members shall be credited to the "Special Fund Account."
 - a. In each case where a right is granted to recover any amounts under subparagraphs (b), (c) and (e) of this article, such amounts shall not be paid from the Fund before six (6) months have lapsed prior to the withdrawal of the Fund member from the Hotel Industry.
 - b. Any member of the Fund dismissed by an employer and who is entitled under the provisions of this article to full recovery of every amount standing to his/her credit in accounts "A" and "B", has the right not to make a withdrawal and to ask for the same amounts to be kept to his/her credit in the Fund for a period of up to 10 (ten) months. If during this period he/she is hired by another employer in the Hotel Industry, then the member shall continue to be credited with new subscriptions, provided that in such case the member shall be entitled at his/her dismissal or withdrawal, and notwithstanding any

other provision of this article, to recover any amount from accounts "A" and "B", which has under this paragraph been standing to his credit in the Fund at the time of the previous dismissal.

13. DISSOLUTION

The Fund shall be dissolved and liquidated following a resolution of the General Meeting of the members passed by at least a majority of the members' representatives present and voting, and only with the consent of the Governing Board of the Cyprus Hotel Association and that of SEK and PEO Trade Unions.

In such case the Committee, having provided for the payment of any pending costs or dues of the Fund, shall distribute the remainder as follows:

- a. Each member may recover the amounts standing to their credit in account "A".
- b. Any amounts standing to the credit of each member in account "B" shall also be paid to the beneficiaries.
- c. The amounts deposited in the Special Fund Account shall be transferred to Accounts "A" and "B," as provided by article 9 clause (d), any Fund costs having been deducted.

14. COMMITMENT OF MEMBERS

The members of the Fund shall be obliged to sign a statement to the effect that they accept all the provisions of these Rules, and the deduction from the monthly, weekly or agreed basic salary and cost of living allowance of any member subject to article 4 (a) of the stated amount and its deposit in the corresponding account of the said member for a period exceeding 4 (four) weeks, constitutes by itself the only satisfactory and unquestionable proof of each member having accepted the validity of all the provision of the these Rules and being bound by them.

15. VALIDITY

This Fund shall come into force on 1st April 1968.

16. AMENDMENTS

- a. Any amendment to these Rules must be approved by the General Meeting in accordance with article 8.

Provided, however, that the approval by the Governing Board of the Cyprus Hotel Association and by SEK and PEO Trade Unions is an additional requirement.

- b. In case where it will be necessary to make subscriptions to other similar Funds set up by the Government and providing the same or similar benefits to those of these Rules, a sum equal to the contributions made to other funds shall be deducted from the stipulated contributions in accordance with these Rules.

17. GENERAL

- a. Each balance in accounts "A" and "B" of any member not claimed and which does not exceed 85 euros (€85), may be written off after 8 years have lapsed, provided that the Administrative Committee has taken all reasonable steps to notify the beneficiary about his/her rights and the deadline of their expiry.
- b. Every member of the personnel working in the Hotel Industry and becoming a member of the Fund undertakes to observe and accept the Rules of the Fund.

CERTIFICATION

It is hereby certified that this statute and the Rules are a true copy in the demotic language of the original and of the amendments adopted by the General Meetings on 1st November 1983, 30th March 1993, 7th April 1994, 18th March

2004, the extraordinary General Meetings on 4th November 2008 and 10th October 2013 and the General Meeting on 22nd May 2018, as adopted by the Competent Authority.

The Articles of Association of the Provident Fund in the Greek language constitute the original once approved by the Competent Authority and they shall prevail over the English translation

The President

Secretary



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