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Number:	Original:	Date:	Category:
CA/52/25	en	10.10.2025	Public

TITLE: **Assessment of the funded status of the pension, healthcare and long-term care schemes**

SUBJECT: Joint report of the Actuarial Advisory Group to the President of the European Patent Office – Actuarial valuation as at 31 December 2024 for the calculation of the funded status

SUBMITTED BY: President of the European Patent Office

ADDRESSEES:
1. Budget and Finance Committee (for information)
2. Administrative Council (for information)
3. Supervisory Board of the RFPSS (for information)

MAJORITY: Not applicable

LEGAL BASIS: The mandates of the Actuarial Advisory Group

RECOMMENDATION: The Administrative Council is invited to take note of the AAG's recommendations.

SUMMARY:

In 1992, the President of the European Patent Office established the Actuarial Advisory Group ("AAG") consisting of three independent actuaries to advise the Office on the conditions to be met in order to ensure the equilibrium of its pension scheme. Since 1993, the Actuarial Advisory Group has provided an actuarial study every 2-3 years – the last study was conducted in 2023 using a calculation date of 31 December 2022.

Prior actuarial studies covered both the calculation of the required contribution rate for the pension, healthcare and long-term care schemes as well as, for the pension schemes, the calculation of the funded status.

In 2023-2024, the Office conducted a Financial Study. Following the results of this study, it defined a target funding level of 105% for the pension, healthcare and long-term care schemes (CA/39/24). As a result, the funding level will be measured on an annual basis.

Therefore, the AAG has created two separate reports:

- A report "Joint report of the Actuarial Advisory Group to the President of the European Patent Office – Actuarial valuation as at 31 December 2024 for the calculation of the contribution requirement" ("Contribution Requirement Report", CA/51/25), which will be produced every two years; and

- A report "Joint report of the Actuarial Advisory Group to the President of the European Patent Office – Actuarial valuation as at 31 December 2024 for the calculation of the funded status", i.e. this report, which will be produced every year.

The following table summarizes the results of the calculations described in this report as of 31 December 2024:

All amounts are in EUR x mio	Pension	Healthcare	LTC	*Total*
Total liabilities	11 837.3	1 877.7	505.4	*14 220.4*
Total assets	11 869.9	1 040.6	369.4	*13 279.9*
Funded status	32.6	- 837.1	- 136.0	*- 940.5*
Funding ratio	100.3%	55.4%	73.1%	*93.4%*
Gap to 105%	559.3	931.0	161.3	*1 651.5*
Gap in percent	4.7%	49.6%	31.9%	*11.6%*

Table of contents

1. Strategic/Operational

1. Operational

2. Introduction

2. The President of the European Patent Office instructed the AAG to assess the funding levels of the pension, healthcare and long-term care schemes (see Annex 1 for a description of the AAG's Mandate).

3. Included in this study are:

- An assessment of the discount rate, taking into account the change in the Office's risk tolerance following the 2023-2024 Financial Study;
- A description of the basis of the calculations underlying the AAG's assessment, including the liability and the asset valuation method;
- An analysis of the gap between the calculated funding level and the objective of 105%, as stated in CA/39/24.

2.1 Actuarial valuation basis

2.1.1 Purpose of the funding valuation

4. It is important to consider the difference between funding valuations and accounting valuations.

2.1.1.1. Accounting valuation

5. The purpose of an accounting valuation is to derive the liability and pension costs for the yearly accounts. It looks at the value of the benefits that have already been accrued and produces a figure for the cost of benefits accruing over a year (Service Cost). An accounting valuation according to IFRS (IAS 19 on employee benefits) uses a strictly prescribed actuarial method (Projected Unit Credit method) and a strictly prescribed discount rate (yield available on high quality corporate bonds for appropriate duration at the balance sheet date).

6. The advantage of having a prescribed basis applicable for all employers is that it helps financial analysts compare results across a wide range of schemes and employers. It is, therefore, particularly appropriate for employers' accounts. The main disadvantages of the approach mandated by IFRS are:

- firstly, that the discount rate may be very volatile from one balance sheet date to the next, generating volatility in the liability accordingly;
- secondly, that the choice of the discount rate does not take account of the scheme's actual investment strategy; and
- thirdly, that the determination of the liability is independent of the existence of funding assets held in a reserve fund at all.

7. There is, therefore, often a mismatch between the prescribed accounting basis and what the scheme expects to happen in real life. The result can show considerable volatility in the level of coverage shown in the accounting valuation and thus on the employer's balance sheet. This is particularly true in cases where the scheme invests predominantly in equities in order to obtain higher expected returns in the long term, as is common practice for funded plans and as is applicable for the Reserve Funds for Pensions and Social Security (RFPSS).

2.1.1.2. Funding valuation

8. There are two main purposes of a funding valuation:

   - The first is to provide advice about the **future level of contributions** to fund future service accruals. The calculations underlying this advice take into account the investment policy of the fund and are based on assumptions about the returns that are expected to be achieved in the long term, and other long-term contingencies. The aim of this approach is to avoid large fluctuations in the contribution rate assuming a relatively stable population profile over time.

   - The second purpose of a funding valuation is to assess (explicitly or implicitly) the **past service funding position**, which is a comparison of the value of the assets with the present value of the rights that have already been earned (i.e. based on pensionable service completed as at the valuation date).

9. In previous actuarial studies, the AAG's actuarial reports covered the calculation of the contribution requirement for the pension, healthcare and LTC schemes and the calculation of the past service funding position of the pension scheme. As from 2025, separate reports are created for each of the purposes in the previous paragraph. This report will only cover the calculation of the past service funding position.

10. The discount rate has been set based on the Office's risk tolerance as revised in 2025 following the 2023-2024 Financial Study. Further details are set out in the Contribution Requirement Report.

11. The various other assumptions continue to be set using a "best estimate" (50% probability) basis without a margin of prudence.

12. Although the RFPSS is not a legally separated pension fund, the AAG recommended that the Office manages it as such, making the assets and contributions available for the payment of current and future benefits. This includes carrying out asset-liability modelling and actively managing the assets according to the liability and liquidity needs of the scheme.

13. The Office has followed this recommendation. It has defined a funded status threshold of 105%, taking into account its newly defined risk tolerance. Once this threshold has been reached, it is planned that the RFPSS will be activated for the payment of benefits.

2.1.2 Actuarial method for the calculation of the liabilities

14. Although the RFPSS is not a pension fund in formal terms, it has been treated as such for funding valuation purposes in order to ensure that the liabilities of the Office regarding employee long-term benefits are funded in advance and to attempt to stabilise the financing cost over the long term.

15. In order to calculate the past service liability, the AAG uses the actuarial method known as the Projected Unit Credit method applied to a closed group of current active and inactive pension scheme members. This is the actuarial cost method used in the 2023-2024 Financial Study, which is prescribed by IFRS and which differs from the "open group" actuarial cost methods applied to calculate the contribution rates.

16. Under this method, pension liabilities are assessed separately as between those relating to the years of service following the valuation date (i.e. future service) and those relating to service prior to the valuation date (i.e. past service).

17. In the case of the healthcare insurance and long-term care schemes, to determine the past service funding position in this report, we are following the approach mandated by IAS19 and, in particular:

- We only consider the net healthcare and long-term care costs after retirement and do not include in-service benefits;
- We do not make any adjustment for future staff contributions paid while the staff are in service, nor for future Office contributions paid while the staff are in service or in retirement.

18. The first step consists of projecting the amounts of post-retirement benefit payments expected to be made in the future.

19. For the purpose of the projections, demographic and economic assumptions are made regarding the likely future experience of the scheme. As such, the projected cash flows take into account the assumed rates of salary and pension increases, as well as the probabilities of retirement, death and withdrawal from membership.

20. The second step consists of splitting the future post-retirement benefit payments in two pieces:

- A piece related to the years of service prior to the valuation date;
- A piece related to future years of active service after the valuation date.

21. In a third step, to calculate the past service liability, these projected cash flows related to years of service prior to the valuation date are then discounted back to the valuation date at the valuation rate of interest to give the value of the (past service) liabilities at the valuation date, based on which the funding position of the scheme is analysed.

22. The calculated value of the liabilities in respect of past service prior to the valuation date is compared with the value of the assets at the valuation date. A funding ratio (assets divided by past service liabilities) of more or less than 100% represents a surplus or a deficit respectively.

23. If the surplus or deficit is material, the Office should consider entering into discussions on the significance of such a surplus/deficit and any action that may need to be appropriate in due course.

2.1.3 Actuarial model and calculations

24. The actuarial calculations have been performed by ISRP. The model used by ISRP to perform the actuarial calculations for the Pension Scheme was audited and certified by the UK Government Actuary's Department (GAD) in 2017.

25. The census data used for the valuation are as of 31 December 2024.

2.1.4 Demographic assumptions

26. The calculation of the past service liabilities is based on the following demographic assumptions which correspond to those used in the Contribution Requirement Report:

Assumption	Value	Comments
Mortality	ICSLT 2023 table with assumed longevity improvements for 30 years, and a load of 10% on mortality for people over age 60	Using the new ICSLT mortality table produced by ISRP based on recent mortality experience among international organisations
Career	Weighting of 85% new career system and 15% old career system	The Office introduced a new career system on 1 January 2015
Retirement	Assumed retirement rates between ages 50 and 65 reflect recent retirement experience	Changed rates based on new retirement experience
Turnover with 10 or more years of service	0.3% per year	As used in previous actuarial studies
Turnover with less than 10 years of service	Assumed turnover rates reflect recent turnover experience	Changed rates based on new turnover experience
Assumed percent married	Revised rates based on recent experience, with a load of 5% to reflect new eligibility for registered partnerships	Only used for active plan participants; actual marital status is used for inactive plan members

27. More detail on how these assumptions have been derived can be found in the Contribution Requirement Report.

2.1.5 Economic assumptions

28. The economic assumptions adopted in this valuation relate primarily to the rate of interest to be used for discounting purposes (the "discount rate") and to the expected future increases in the Office's salary scales, both net of consumer price inflation. The table below shows the economic assumptions which correspond to those used in the Contribution Requirement Report:

Assumption	Value	Comments
Discount rate	2.20% per year	In real terms, net of inflation
General increase in salary scales and pensions in payment	0.20% per year	In real terms, net of inflation

29. As described in paragraph 21, the valuation rate of interest, or discount rate, is used to discount the amounts of the projected cash flows of expected future benefit payments back to the valuation date so as to give a single figure for the value of future pension liabilities at that date.

30. In determining the discount rate for this study, the AAG made the following considerations:

- The discount rate should reflect the expected long-term real (i.e. net of inflation) rate of return on assets.
- The selection of the discount rate should take into consideration the strategic asset allocation of the RFPSS assets.
- The discount rate should reflect available information on market rates and trends regarding long-term returns on various asset classes.
- Given the very long-term horizon of the pension scheme, the AAG believes that short-term volatility in market conditions should not have a significant impact on the long-term discount rate and the resulting contribution requirements.

31. As mentioned in paragraph 10, the Office has explicitly communicated a level of risk tolerance to the AAG, which has changed the AAG's approach with regard to the selection of the discount rate. This level of risk tolerance arose from the 2023-2024 Financial Study, which included an Asset-Liability Modelling ("ALM") study for the pension, healthcare and long-term care schemes.

32. In the past, with no explicitly defined risk tolerance, the discount rate reflected the expected long-term rate of return on plan assets, taking into account the current strategic asset allocation (i.e. 60% equities and 40% fixed-income investments) and the expectation that this long-term rate of return on plan assets could be achieved with a 50% probability. Based on the Office's newly and explicitly defined risk tolerance, the discount rate will be based on the long-term rate of return on plan assets that:

- is expected to be achieved with a 66% probability; and

- reflects a more conservative strategic asset allocation, i.e. 40% equities and 60% fixed-income investments.

33. The ALM study was conducted by an external consulting firm, Mercer, as of 31 December 2023. The consultant used a stochastic model with actuarial and capital market assumptions that projects the schemes' financials over a 20-year period. 5 000 scenarios were calculated, and various sets of results were determined, including:

    - the expected return at the 50th percentile, based on the current strategic asset allocation of 60% equities and 40% fixed-income investments: this was equal to 5.9% (in nominal terms, i.e. not net of inflation);

    - the expected return at the 66th percentile, based on the more conservative strategic asset allocation of 40% equities and 60% fixed-income investments: this was equal to 4.6% (in nominal terms) and was the "central" rate used in the Financial Study at 31 December 2023.

    Therefore, the impact on the discount rate resulting from the changed risk tolerance of the Office at that date was a decrease of 1.3 percentage points.

34. The Office plans to repeat the Financial Study, including the ALM study, every 4 to 5 years. In order to avoid having to carry out new ALM studies every year, the AAG and Mercer discussed a pragmatic approach for determining the discount rate on an annual basis, consistent with the results of the ALM study. This approach consists of the following steps:

    - The discount rate resulting from the financial study at 31 December 2023, equal to 4.6%, was considered to correspond to the combination of

        – a risk-free interest rate reflecting the return on risk-free fixed-income investments, and

        – a risk premium.

    - The risk premium will be assumed to remain constant until the next ALM study is conducted. It will be combined with an assumption regarding the risk-free interest rate, which is assumed to move in line with the 20-year Eurozone swap rate at the valuation dates of future actuarial studies, in order to determine the discount rate to be used under the new approach at that date.

    - As the swap rate can be quite volatile from day to day, the AAG decided to take an average of the swap rates over a suitable period around the valuation date. In view of the timing of the valuation process, the period is the four months around the valuation date (i.e. from 2 months before to 2 months after the valuation date) in order to determine the discount rate for the funded status of the schemes. The nominal discount rate is then determined by adjusting the discount rate at the last financial study (i.e. 31 December 2023) by the difference between the average swap rates around that date and the average swap rates around 31 December 2024.

- The AAG will review the movement of longer-term (i.e. 30-year) swap rates in addition to the 20-year swap rate (chosen for consistency with the Financial Study), in case the movement from year to year of the two swap rates is significantly different.

- In line with the Financial Study and as discussed with Mercer, the AAG agreed that, taking into account the long-term nature of the liabilities, a long-term inflation assumption of 2.0% in line with the European Central Bank's inflation target was reasonable. Therefore, the AAG determines the real discount rate by subtracting 2.0 percentage points from the nominal discount rate.

- To be consistent with the Financial Study, the AAG decided to round he discount rate to the nearest 0.10 percentage points.

35. As mentioned above, the nominal discount rate used in the Financial Study as of 31 December 2023 was 4.60%. The average swap rate between 1 November 2023 and 28 February 2024 was equal to 2.75%. The average swap rate between 1 November 2024 and 28 February 2025 was equal to 2.35%, i.e. it decreased by 0.4 percentage points over the 12 months between the date of the Financial Study and the date of this Actuarial Study.

36. Therefore, the AAG adopted a nominal discount rate of 4.20% as of 31 December 2024, which corresponds to a real discount rate of 2.20% at that date.

2.1.6 Asset valuation method

37. The AAG used the market value of assets for the determination of the funded status, in line with the methodology of the 2023-2024 Financial Study. The market-related value approach used to smooth any market fluctuations around the valuation date for the calculation of the healthcare and LTC contribution rates was not applied.

38. The AAG noted that, although the RFPSS identifies four separate portions of the reserve fund (i.e. for pensions, long-term care, health insurance and tax adjustments respectively), this is only a notional subdivision of a single fund. It is understood that in each case the value of the notional portion at the start of the year is taken, and any excess of contributions received over benefits paid, as well as any cash injections, are added. Then the net investment return achieved is apportioned pro rata to each of the four portions.

39. The AAG has adopted the RFPSS's apportionment in considering the funding position of each scheme.

2.1.7 Market value of assets at the valuation date

40. The market value of the RFPSS assets at 31 December 2024 as shown in the RFPSS Draft Annual Statement of Fund's net asset 2024 (RFPSS/SB 21/25) relating to pension, healthcare and long-term care insurance schemes amounted to EUR 13 279.6 million.

41. Almost all the insurance policies that were held separately from the RFPSS by the pension scheme were transferred to the RFPSS during 2018. As a result, the value of the remaining insured assets of the pension scheme that are separate from the RFPSS, based on the mathematical reserves calculated by the various insurance companies, is small, amounting to EUR 0.3 million at the valuation date.

42. The total assets at 31 December 2024 are, therefore, equal to EUR 13 279.9 million.

2.2 Presentation of results

43. This report presents the funded status of the pension, healthcare and long-term care (LTC) schemes as of 31 December 2024. Due to the change in the Office's risk tolerance following the 2023-2024 Financial Study, these results are not comparable with funded status calculations in the prior years' AAG actuarial reports. Therefore, we have not shown the prior results in this report.

3. Arguments – Pension scheme

3.1 Data

44. The staff considered in the actuarial valuation are all the active and inactive members of the OPS and the NPS at that date. The Young Professionals (YPs) are omitted from the assumptions setting and calculations because of their relatively short employment time at the EPO (i.e. maximum 3 years) and the fact that their years of service as YPs are not counted when calculating their NPS pension if they subsequently become regular staff members in the Pension Scheme. Therefore, their actuarial impact is considered to be immaterial.

45. The table below shows a summary of the census data at the valuation date:

	Active employees	**Average age**	**Average service**	
31-Dec-24	6 063	51.0	19.6	
	Pensioner population	**Average age**	**Pensions paid in year (million EUR)**	**Severance paid in year (million EUR)**
31-Dec-24	3 592	69.7	308.3	1.8

3.2 Economic and demographic assumptions

46. The assumptions described in sections 2.1.4. and 2.1.5. are used to project the cash flows of future pension benefits.

3.3 Assets

47. The value of the assets allocated to the pension schemes as of 31 December 2024 amounted to EUR 11 869.6 million of RFPSS assets and EUR 0.3 million of insurance policies.

3.4 Results of the actuarial valuation

48. The following table shows the calculation of the funded status and the gap to 105% target funding level as of 31 December 2024:

All amounts are in EUR x mio	Pensions
LIABILITIES	
Staff in service	6 652.0
Pensioners	5 126.1
Deferred pensioners	59.2
Total liabilities	**11 837.3**
ASSETS	
RFPSS assets	11 869.6
Insurance policies	0.3
Total assets	**11 869.9**
FUNDING LEVEL	
Funded status	**32.6**
Funding ratio	**100.3%**
GAP TO 105%	
Gap to 105%	**- 559.3**
Gap in percent	**-4.7%**

4. Arguments – Long-term care scheme

4.1 Data

49. The population insured includes staff members, former staff members, their spouses and dependants, i.e. a total of 22 880 insured persons as at 31 December 2024. The table below summarises the insured population.

Active staff*	6 266
Family members of active staff***	11 015
Pension recipients**	3 454
Family members of pension recipients***	2 145
Total N° of persons covered	22 880

* Includes 202 Young Professionals who are not included in this valuation for the reasons explained in paragraph 44.
** Includes retirement pensioners, invalidity pensioners, early retirement pensioners, surviving spouses and orphans, as well as 8 deferred pensioners.
*** Includes spouses, divorced spouses, children and other dependent persons of actives or pension recipients.

50. At the valuation date, the number of members in receipt of an LTC allowance was 247.

4.2 Economic and demographic assumptions

51. The assumptions described in sections 2.1.4. and 2.1.5. are used to project the cash flows of future LTC benefits.

52. Additionally, an assumption regarding the average LTC payments by age and sex is needed to carry out the LTC valuation. The table below shows an extract of yearly expected average family LTC payments by age and sex of (ex-)staff:

Age	(New) Profile 2025		Profile 2023	
	Male	Female	Male	Female
40	227	233	104	106
45	268	293	119	131
50	376	399	441	466
55	456	506	521	584
60	470	562	375	463
65	886	1 040	617	748
70	832	1 015	737	939
75	1 652	2 189	1 469	2 011
80	4 519	7 607	4 376	5 896
85	7 132	10 119	8 332	11 966
90	9 941	13 374	13 850	19 063
95	12 944	17 372	19 720	26 181
100	16 144	22 115	24 452	31 838

53. More detail on how these assumptions have been derived can be found in the Contribution Requirement Report.

4.3 Assets

54. The value of the reserve fund for the LTC scheme as of 31 December 2024 amounted to EUR 369.4 million.

4.4 Results of the actuarial valuation

55. The following table shows the calculation of the funded status and the gap to 105% target funding level:

	LTC
All amounts are in EUR x mio	
LIABILITIES	
Staff in service	268.4
Pensioners	318.0
Deferred pensioners	0.5
less PV of staff contributions during retirement	-81.5
Total liabilities	**505.4**
ASSETS	
RFPSS assets	369.4
Insurance policies	0.0
Total assets	**369.4**
FUNDING LEVEL	
Funded status	**-136.0**
Funding ratio	**73.1%**
GAP TO 105%	
Gap to 105%	**-161.3**
Gap in percent	**-31.9%**

5. Arguments – Healthcare insurance scheme

5.1 Data

56. The insured population of the healthcare insurance scheme is almost the same as that of the LTC scheme. Nevertheless, there are slight differences due to different eligibility rules. For example, spouses are not necessarily covered by the LTC scheme and can opt out if they wish to, whereas all spouses are covered by the health insurance scheme.

57. The population insured includes staff members, former staff members, their spouses and dependants, i.e. a total of 23 286 insured persons as at 31 December 2024. The table below summarises the insured population.

Active staff*	6 266
Family members of active staff***	11 240
Pension recipients**	3 441
Family members of pension recipients***	2 339
Total N° of persons covered	23 286

* Includes 202 Young Professionals who are not included in this valuation for the reasons explained in paragraph 44. There was one active staff member who, being on secondment, opted out of the healthcare insurance scheme but continued with LTC.
** Includes deferred pensioners and all former invalidity allowance recipients.
*** Includes family members of deferred pensioners and former invalidity allowance recipients.

5.2 Economic and demographic assumptions

58. The assumptions described in sections 2.1.4. and 2.1.5 are used to project the cash flows of future healthcare insurance benefits.

59. Additional assumptions regarding the profile of medical expenses by age and the general medical inflation are required for the valuation of the healthcare scheme. The table below shows the assumptions used by the AAG:

Assumption	Value	Comments
Profile of medical expenses by age	New profile based on experience of reimbursements between 2000 and 2024 (for ages above 70, based on statistics of German Association of Private Health Insurers)	Strong increase in medical costs since the last valuation

Assumption	Value	Comments
General inflation of medical expenses	Medical inflation in line with that assumed in previous studies, i.e. starting at 1.5% in real terms in 2010 and gradually decreasing from 2016 over a further period of about 20 years down to the assumed level of general GDP growth of 0.5% in real terms	The starting point for this study is 2 years further along the same curve of medical inflation used in the previous contribution valuation.

60. More detail on how these assumptions have been derived can be found in the Contribution Requirement Report.

5.3 Assets

61. The market value of the reserve fund for the healthcare scheme as of 31 December 2024 amounted to EUR 1 040.6 million.

5.4 Results of the actuarial valuation

62. The following table shows the calculation of the funded status and the gap to 105% funding level as of 31 December 2025. The present value of post-employment staff contributions below is based on the effective total contribution rate of 9.6%, which is currently applicable:

All amounts are in EUR x mio	Healthcare
LIABILITIES	
Staff in service	1 412.8
Pensioners	897.2
Deferred pensioners	2.5
less PV of staff contributions during retirement	- 434.8
Total liabilities	**1 877.7**
ASSETS	
RFPSS assets	1 040.6
Insurance policies	0.0
Total assets	**1 040.6**
FUNDING LEVEL	
Funded status	**- 837.1**
Funding ratio	**55.4%**
GAP TO 105%	
Gap to 105%	**- 931.0**
Gap in percent	**- 49.6%**

6. Alternatives (All schemes)

63. None

7. Financial implications (All schemes)

64. The AAG noted that it is for the Office to decide the implications for the budget.

8. Documents cited

65. CA/39/24, CA/51/25, RFPSS/SB 21/25

9. Acknowledgements

66. The AAG wishes to thank the President and the EPO staff concerned for the considerable assistance which it has received for the completion of this valuation. It will be pleased to provide any further relevant information which may be required.

67. The independent Actuarial Advisory Group:

Friedemann Lucius Bart Breemans

Timothy Reay

Annex 1 Mandate Actuarial Advisory Group – funding levels

Dear Sirs,

In the scope of the actuarial valuations to be performed during the first half of 2025, a report containing your assessment on the funding levels for the pension, healthcare insurance and LTC schemes would be expected by the end of July 2025.

Your report should specify

1. The basis of the calculations underlying your assessment, including the asset valuation method

2. Your recommendation on the discount rate in view of the latest strategic asset allocation adopted by the RFPSS and the risk tolerance of the Office

3. Any gap between the calculated funding level and the objective of 105% as stated in CA/39/24

4. Any other points you would consider worth examining within the framework of your mandate.

Your contact persons will be Jean-François Vaccaro and Samuel Severinson, who will be able to assist you with the actuarial calculations.

For your fees and reimbursement of travel costs, I kindly refer to the annex.

I would be obliged if you could confirm your acceptance of the terms of this mandate.

Yours sincerely,

António Campinos