

**Interim  
Statute for the Endowment Fund  
of the  
World Maritime University**

1 November 2015

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STATUTE FOR THE ENDOWMENT FUND  
OF THE  
WORLD MARITIME UNIVERSITY**

**Article 1 - Citation**

This Statute is made under the authority vested in the Board of Governors by the Charter and may be cited as the *Interim Statute of the World Maritime University Endowment Fund*.

**Article 2 - Interpretation<sup>1</sup>**

In this Statute, unless the contrary intention appears:

“*WMU Endowment*” means the World Maritime University Endowment Fund established, governed and administered in accordance with the provisions of the present Statute and includes any revenue or expense which may be derived or result from the investment of its assets or result from its operation.

**Article 3 - Establishment and Purpose**

1 The World Maritime University Endowment Fund is hereby established, as a fund administered by and for the benefit of the University, in accordance with the provisions of Articles 5(n), 5(o), 16(b), 18, 34(a), 34(b), 35, 36, 39 and 42 of the Charter.

2 The purposes of the WMU Endowment shall be to:

- (a) provide long-term financial stability and sustainability to support the mission, objectives, functions, operations and academic freedom of the University; and
- (b) augment the University’s capacity to provide education, training, research, scholarship and capacity building in maritime and ocean related matters for government officials and industry stakeholders, particularly those in developing countries;

3 The WMU Endowment shall be a financially self-sustaining entity and shall not draw funds for its operation from the regular budget estimates of the University, except on express approval of the Board of Governors. Until the Board of Governors decides otherwise, work done by the Chancellor, President or other officials of the University, including in relation to travel and stay, with respect to the WMU Endowment or in connection with the work of the Investment or Development Committees shall not involve any extra cost to the regular budget estimates of the University or any withdrawal of funds from those estimates.

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<sup>1</sup> In accordance with paragraph 3 of the Interpretation Statute, unless the contrary appears, an expression not defined in the present Statute shall have the meaning attributed to it by the Interpretation Statutes.

#### **Article 4 - Legal Personality, Mandate and Privileges and Immunities**

- 1 The WMU Endowment shall have legal personality and shall have the power to:
  - (a) accept contributions, legacies, endowments, bequests, gifts or donations in other forms, financial or otherwise, and hold, invest and dispose of financial assets and instruments and real or personal property as part of the corpus of the WMU Endowment;
  - (b) contract, including in respect of professional services for investment advice, asset management and fund development;
  - (c) institute legal proceedings; and
  - (d) take other necessary action to support the administration, maintenance, growth and sustainability of the WMU Endowment.
  
- 2 The President (including any person appointed to act as President *in interim*) shall be the legal representative of the WMU Endowment.
  
- 3 Notwithstanding the provisions of paragraphs 2, contributions, legacies, endowments, bequests, gifts or donations in other forms, financial or otherwise, may be accepted, on behalf of the WMU Endowment, by the Secretary-General, the Chancellor or the President.
  
- 4 The WMU Endowment and the property, funds and assets owned or administered by it shall enjoy the privileges and immunities of the University.

#### **Article 5 - Governance and Management**

- 1 The WMU Endowment shall be governed by:
  - (a) the Board of Governors, which shall be responsible for overall governance and for establishing principles, policies and strategies, taking into account the recommendations of the Investment and Development Committees and the related comments of the Executive Board and of the President;
  - (b) the Executive Board, which shall monitor the implementation of the decisions of the Board of Governors, facilitate the operation of the WMU Endowment, provide directions and guidance as necessary and be responsible for direct governance and supervision of the Investment and Development Committees;
  - (c) the President shall be responsible for the administration of the WMU Endowment and for the investment and management of its assets;
  - (d) an Investment Committee responsible for advising on investment matters and for monitoring and reporting on the implementation of the established policies and the administration, management and investment of the assets of the WMU Endowment; and
  - (e) a Development Committee responsible for advising on fundraising raising matters and for monitoring and reporting on the implementation of the established policies and strategies, fundraising campaigns or other fundraising or resource mobilization activities of the WMU Endowment.

2 The Executive Board shall, between sessions of the Board of Governors, make such decisions, otherwise requiring a decision of the Board of Governors, as are strictly necessary to ensure the efficient functioning and operation of the WMU Endowment, including adjustments in the approved work programme and the adopted budget estimates for the Investment and the Development Committees.

3 Decisions on the development of the WMU Endowment, including fundraising or resource mobilization activities, shall be taken by the President on the basis of the established fundraising policies and strategies and taking into account related recommendations and advice of the Development Committee and the related decisions of the Board of Governors and the Executive Board.

4 In accordance with paragraph 3, decisions on the investment of the assets of the WMU Endowment shall be taken by the President on the basis of the established investment policies and taking into account related recommendations and advice of the Investment Committee and the related decisions of the Board of Governors and the Executive Board. For this purpose, the University may employ external managers or investment advisers for the management of assets.

5 Decisions for fundraising campaigns shall be taken by the Board of Governors, taking into account the related recommendations and advice of the Development Committee and the related recommendations of the Executive Board and of the President.

6 The provisions of the International Public Service Accounting Standards and of the University's Financial Regulations and Rules shall apply, *mutatis mutandis*, in relation to the assets, accounts and financial statements of the WMU Endowment Fund, subject to any special rules made by the Board of Governors in this respect.

## **Article 6 - Investment Committee**

1 The Investment Committee shall be composed of:

- (a) a Chairperson;
- (b) five appointed members at least three of whom shall have expertise in the field of institutional investing of assets; and
- (c) an *ex-officio* member appointed by the Secretary-General to represent the Organization and who shall serve on the Committee for such period and under such terms as determined by the Secretary-General.

2 The Chairperson of the Committee and the appointed members shall be appointed by the Board of Governors taking into account the related recommendations of the Executive Board.

3 The term of office of Chairperson and of the appointed members shall be determined by the Board of Governors and shall not exceed four years.

4 Those who demonstrate active contribution to the work of the Committee may be reappointed by the Board of Governors, taking into account the related recommendations of the Executive Board, for a further term of office as determined by the Board of Governors provided such term does not exceed four years.

5 No person shall serve on the Committee, as Chairperson and appointed member or as appointed member for a period exceeding eight consecutive years.

6 The Board of Governors when appointing or reappointing the Chairperson and the appointed members of the Committee, and the Executive Board when making related recommendations, shall ensure that the Committee retains institutional memory and is able to achieve continuity in its work.

7 The Board of Governors, taking into account the related recommendations of the Executive Board, may terminate the appointment or reappointment of the Chairperson and of the appointed members of the Committee, if this is deemed to be in the best interests of the University.

8 As a rule the Chairperson and the appointed members shall serve on the Committee *pro bono*. However, the payment of expenses in relation to travel and stay expenses in connection with meetings of the Committee, the Executive Board or the Board of Governors or any other related duty travel may be authorized.

9 The Investment Committee shall:

- (a) be responsible for the preparation of proposals concerning the following policies and for updating them:
  - (i) an investment policy which shall include the financial and investment objectives, asset allocation policies, rebalancing policies, investment management structure and investment restrictions for the WMU Endowment;
  - (ii) a distribution policy which shall include the rates at which the WMU Endowment may provide financial support to the regular budget estimates of the University;
  - (iii) a capital donation acceptance policy to ensure that any donations received clearly benefit the University;
  - (iv) a conflict of interest policy for members of the Committee, the President and the Chancellor; and
  - (v) any other policy deemed appropriate by the Committee, the President, the Chancellor, the Executive Board or the Board of Governors;
- (b) monitor the administration, management and investment of the assets of the WMU Endowment, including:
  - (i) the use of the services of any external managers and investment advisers selected by the President;
  - (ii) the termination of the services of any external investment manager or adviser for failure to meet expected goals or if otherwise deemed warranted;
  - (iii) the liquidity in the portfolio of the WMU Endowment and its sufficiency; and

- (iv) the risks, and the evolving related trends, identified in the established investment policy including manager concentration, sector exposure, currency, liquidity and enterprise risks related to the portfolio of the WMU Endowment; and

report thereon with related recommendations if and when required to the Board of Governors, the Executive Board and the President;

- (c) develop and maintain a list of external asset managers, investment advisers, consultants and experts whose services the President may rely upon, including any related limitations or restrictions;
- (d) provide the President, upon request, with advice and guidance in relation to matters concerning the terms and conditions of the services of external asset managers, investment advisers, consultants and experts and in connection with the termination of such services;
- (e) make, upon request, recommendations to and assist the President in the preparation of draft work plans and budget estimates relating to the work of the Committee;
- (f) report to the Executive Board on the work of the Committee as the Executive Board may from time to time determine;
- (g) report, through the Executive Board, to the Board of Governors at each of its regular sessions on the work of the Committee since the previous regular session of the Board of Governors and to extraordinary sessions as the Board of Governors may from time to time determine. The Executive Board shall forward the report of the Committee to the Board of Governors with its comments and recommendations thereon;
- (h) elect a Vice-Chairperson who shall act as a Chairperson in the absence of the appointed Chairperson; and
- (i) adopt rules and regulations for the conduct of its business, consistent with the rules of procedure for the Board of Governors, including provisions for the conduct of business via audio or videoconference facilities and through written consultations.

10 The President shall convene the Investment Committee at least once a year, shall act as its Secretary, provide to the Committee the required services and maintain all records relating to the Committee's work and deliberations.

11 The Chancellor and the Chairman of the Executive Board may participate, as observers, in the work of the Investment Committee.

#### **Article 7- Development Committee**

1 The Development Committee shall be composed of:

- (a) a Chairperson;
- (b) five appointed members at least three of whom shall have expertise in the field of institutional fundraising and resource mobilization;

- (c) an *ex-officio* member appointed by the Secretary-General to represent the Organization and who shall serve on the Committee for such period and under such terms as determined by the Secretary-General; and
- (d) the President and the Vice Presidents.

2 In relation to paragraph 1 above, the provisions of articles 6.2 to 6.8 shall apply *mutatis mutandis* to the Development Committee.

3 The Development Committee shall:

- (a) be responsible for the preparation of proposals concerning the following and for updating them:
  - (i) fundraising policies and strategies, taking into account the established capital donation acceptance policy, and for the updating and improving established ones, which shall include, if and when required, suggested realistically achievable fundraising targets; and
  - (ii) fundraising campaigns and other fundraising or resource mobilization activities;
- (b) monitor the implementation and effectiveness of:
  - (i) fundraising policies and strategies; and
  - (ii) fundraising campaigns and other fundraising or resource mobilization activities; and

report thereon with related recommendations if and when required, to the Board of Governors, the Executive Board and the President;
- (c) develop and maintain a list of external campaign managers, campaign advisers, consultants and experts whose services the President may rely upon, including any related limitations or restrictions; and
- (d) provide the President, upon request, with advice and guidance in relation to matters concerning the terms and conditions of the services of external campaign managers, campaign advisers, consultants and experts and in connection with the termination of such services.

4 In relation to paragraph 3 above, the provisions of Articles 6.9(e) to 6.9(i) shall apply *mutatis mutandis* to the Development Committee.

5 The President shall convene the Development Committee at least once a year, shall provide to the Committee the required services, maintain all records relating to the Committee's work and deliberations and designate the official of the University to act as Secretary of the Committee.

6 The Chancellor and the Chairman of the Executive Board may participate, as observers, in the work of the Development Committee.

## **Article 8 - Budget, funding of expenditures and accounting**

1 The President, taking into account the related recommendations of the Investment Committee and of the Development Committee, shall prepare and submit to the Executive Board draft work plans and budget estimates relating to the work of each Committee for the ensuing financial period. Such proposals shall be separate from the proposals of the President in relation to the work programme and regular budget estimates of the University.

2 The Executive Board shall consider the President's proposals and shall submit them to the Board of Governors with any comments and recommendations it considers necessary.

3 The Board of Governors shall approve the work programme and adopt the budget estimates for the work of the Investment and of the Development Committees.

4 The University shall keep separate accounts and financial statements in relation to the work of the Investment and of the Development Committee. The provisions of the International Public Service Accounting Standards and of the University's Financial Regulations and Rules shall apply, *mutatis mutandis*, subject to any special rules made by the Board of Governors in this respect.

5 Notwithstanding the provisions of Article 3.3, the expenditure in relation to the investment and development of the WMU Endowment shall be charged to the WMU Endowment, unless the Board of Governors determines otherwise. Such expenditure includes, inter alia and without limitation, the expenses for the services of external asset managers, investment advisers, campaign external campaign managers, campaign advisers, consultants and experts, for the production and distribution of promotional material, any authorized payment of compensation to the Chairperson or appointed members of the Investment or Development Committee or in relation to their authorized travel and stay.

## **Article 9 - Additional duties and authority of the President**

1 The President shall report at each regular session and at each extraordinary session when requested, of the Board of Governors and at each session of the Executive Board on the administration of the WMU Endowment, including the status of the assets and on their investment.

2 The President may delegate the duties, in a written form, which this Statute assigns to the President to officials of the University and in this respect determine the officials concerned and the extent to which such authority is delegated.

3 Should the President consider any action which he or she is required to take in accordance with the provisions of any policy established under this Statute, or pursuant to the advice or recommendation of the Investment or Development Committees or of a manager, adviser, consultant or expert, as presenting an unacceptable risk for the WMU Endowment or as not in the best interest of the University, the President shall forthwith report the matter to the Chancellor and the Chairman of the Executive Board for their advice and guidance.

3.1 In case the matter cannot be satisfactorily resolved by the Chancellor and the Chairman of the Executive Board concurring with the actions to be taken by the President, the matter shall be referred for resolution to the Executive Board, which shall forthwith be summoned for an extraordinary session.



3.2 If the Executive Board considers the matter to be of a nature which warrants the convening of an extraordinary session of the Board of Governors, the Chancellor shall forthwith direct the President to summon the Board of Governors for such a session and may include in the provisional agenda of such session the suspension of the rule of procedure of the Board of Governors relating to the minimum period of notice or the waiver of such requirement.

#### **Article 10 - Audit**

The accounts and activities of the WMU Endowment shall be subject to audit by the External Auditor of the Organization, in accordance with the Terms of Reference established in this respect by the Board of Governors.

#### **Article 11 - Dissolution**

The Board of Governors may, upon concurring recommendation by the Executive Board, the President and the Chancellor and with the approval of the Council of the Organization, dissolve the WMU Endowment. Residual assets of the WMU Endowment shall be distributed in accordance with the modalities established by the President taking into account the related decisions of the Board of Governors.

#### **Article 12 - Amendments**

1 The Executive Board and the President may propose amendments to the present Statute.


2 Amendments to the present Statute shall be adopted by the Board of Governors on the recommendation of the Executive Board.

#### **Article 13 - Transitional arrangements**

1 Notwithstanding the provisions of this Statute and pending the establishment of the Investment and Development Committees and completion of the work which is required in order to achieve the requirements of this Statute, the Secretary-General, the Chancellor and the President are authorized to accept donations to the WMU Endowment.

2 Notwithstanding the provisions of Articles 3.3 and 8.5 and until the Board of Governors decides otherwise, the expenses relating to the operation of the WMU Endowment and the work of the Investment and Development Committees shall be charged to the reserves of the General Fund of the University.

3 Pending the establishment of the investment policy referred to above, assets of the WMU Endowment shall be invested by the President in accordance with the investment policy established pursuant to the provisions of Regulation 9.1(a) of the University's Financial Regulations and Rules. Any revenue or expense resulting from such investment shall be for the benefit or on the account of the WMU Endowment.



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