

1. The renaming of grades pursuant to Article 2(1) of this Annex shall not lead to any changes in the basic monthly salary paid to each official.

2. For each official, a multiplication factor shall be calculated at 1 May 2004. This multiplication factor shall be equal to the ratio between the basic monthly salary paid to an official before 1 May 2004 and the applicable amount defined in Article 2(2) of this Annex.

The basic monthly salary paid to the official on 1 May 2004 shall be equal to the product of the applicable amount and the multiplication factor.

The multiplication factor shall be applied in order to determine the official's basic monthly salary following advancement in step or adjustment of remunerations.

3. Notwithstanding the foregoing provisions, for periods after 1 May 2004 the basic monthly salary paid to an official shall be not less than that he would have received under the system in force before that date through automatic advancement in step in the grade formerly occupied by him. For each grade and step, the former basic salary to be taken into account is equal to the applicable amount after 1 May 2004 multiplied by the coefficient defined in Article 2(2) of this Annex.

4. An official in grades A*10 to A*16 and AD 10 to 16 respectively who is on 30 April 2004 head of unit, director or director-general, or is subsequently appointed head of unit, director or director general and has performed his new duties satisfactorily during the first nine months, shall be entitled to an increase in the basic monthly salary corresponding to the percentage between the first and the second step in each grade as set out in the tables in Article 2(1) and Article 8(1) of this Annex.

5. Without prejudice to paragraph 3, for each official, the first promotion after 1 May 2004 shall, depending on the category occupied before 1 May 2004 and the step occupied at the time the promotion takes effect, lead to an increase in basic monthly salary to be determined on the basis of the following table:

Grade	Step							
	1	2	3	4	5	6	7	8
A	13,1%	11,0%	6,8%	5,7%	5,5%	5,2%	5,2%	4,9%
B	11,9%	10,5%	6,4%	4,9%	4,8%	4,7%	4,5%	4,3%
C	8,5%	6,3%	4,6%	4,0%	3,9%	3,7%	3,6%	3,5%
D	6,1%	4,6%	4,3%	4,1%	4,0%	3,9%	3,7%	3,6%

For the purpose of determining the applicable percentage, each grade shall be divided into notional steps corresponding to two months of service and into notional percentages reduced by one twelfth of the difference between the percentage for the step in question and that for the next higher step with each notional step.

For the purposes of calculating the salary before promotion of an official who is not in the last step of his grade, the value of the notional step shall be taken into account. For the purposes of this provision, each grade shall also be divided into notional salaries rising by one twelfth of the two-yearly increment for that grade throughout the span of the actual steps.

6. A new multiplication factor shall be determined upon this first promotion. That multiplication factor shall be equal to the ratio between the new basic salaries resulting from the application of paragraph 5 and the applicable amount in Article 2(2) of this Annex. Subject to paragraph 7, this multiplication factor shall be applied to the salary after advancement in step and adaptation of remunerations.