



PENSIONS COMMITTEE

SUPPLEMENTARY PAPERS

Wednesday, 21st March, 2018

at 6.30 pm

Room 102, Hackney Town Hall, Mare Street,
London E8 1EA

Members:

Councillor Robert Chapman (Chair)
Councillor Michael Desmond (Vice-Chair)
Councillor Feryal Demirci
Councillor Geoff Taylor
Councillor Kam Adams
Councillor Patrick Moule
Councillor Abraham Jacobson

Co-optees: Jonathan Malins-Smith

Tim Shields
Chief Executive

Contact:
Rabiya Khatun
Governance Services
Tel: 020 8356 6279
Email: Rabiya.khatun@hackney.gov.uk

The press and public are welcome to attend this meeting

AGENDA

Wednesday, 21st March, 2018

ORDER OF BUSINESS

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ACCESS AND INFORMATION

Location

Hackney Town Hall is on Mare Street, bordered by Wilton Way and Reading Lane, almost directly opposite Hackney Picturehouse.

Trains – Hackney Central Station (London Overground) – Turn right on leaving the station, turn right again at the traffic lights into Mare Street, walk 200 metres and look for the Hackney Town Hall, almost next to The Empire immediately after Wilton Way.

Buses 30, 48, 55, 106, 236, 254, 277, 394, D6 and W15.

Facilities

There are public toilets available, with wheelchair access, on the ground floor of the Town Hall.

Induction loop facilities are available in Committee Rooms and the Council Chamber

Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

Copies of the Agenda

The Hackney website contains a full database of meeting agendas, reports and minutes. Log on at: www.hackney.gov.uk

Paper copies are also available from Governance Services whose contact details are shown on the front of the agenda.

Council & Democracy- www.hackney.gov.uk

The Council & Democracy section of the Hackney Council website contains details about the democratic process at Hackney, including:

- Mayor of Hackney
- Your Councillors
- Cabinet
- Speaker
- MPs, MEPs and GLA
- Committee Reports
- Council Meetings
- Executive Meetings and Key Decisions Notice
- Register to Vote
- Introduction to the Council
- Council Departments

RIGHTS OF PRESS AND PUBLIC TO REPORT ON MEETINGS

Where a meeting of the Council and its committees are open to the public, the press and public are welcome to report on meetings of the Council and its committees, through any audio, visual or written methods and may use digital and social media providing they do not disturb the conduct of the meeting and providing that the person reporting or providing the commentary is present at the meeting.

Those wishing to film, photograph or audio record a meeting are asked to notify the Council's Monitoring Officer by noon on the day of the meeting, if possible, or any time prior to the start of the meeting or notify the Chair at the start of the meeting.

The Monitoring Officer, or the Chair of the meeting, may designate a set area from which all recording must take place at a meeting.

The Council will endeavour to provide reasonable space and seating to view, hear and record the meeting. If those intending to record a meeting require any other reasonable facilities, notice should be given to the Monitoring Officer in advance of the meeting and will only be provided if practicable to do so.

The Chair shall have discretion to regulate the behaviour of all those present recording a meeting in the interests of the efficient conduct of the meeting. Anyone acting in a disruptive manner may be required by the Chair to cease recording or may be excluded from the meeting. Disruptive behaviour may include: moving from any designated recording area; causing excessive noise; intrusive lighting; interrupting the meeting; or filming members of the public who have asked not to be filmed.

All those visually recording a meeting are requested to only focus on recording councillors, officers and the public who are directly involved in the conduct of the meeting. The Chair of the meeting will ask any members of the public present if they have objections to being visually recorded. Those visually recording a meeting are asked to respect the wishes of those who do not wish to be filmed or photographed. Failure by someone recording a meeting to respect the wishes of those who do not wish to be filmed and photographed may result in the Chair instructing them to cease recording or in their exclusion from the meeting.

If a meeting passes a motion to exclude the press and public then in order to consider confidential or exempt information, all recording must cease and all recording equipment must be removed from the meeting room. The press and public are not permitted to use any means which might enable them to see or hear the proceedings whilst they are excluded from a meeting and confidential or exempt information is under consideration.

Providing oral commentary during a meeting is not permitted.

ADVICE TO MEMBERS ON DECLARING INTERESTS

Hackney Council's Code of Conduct applies to **all** Members of the Council, the Mayor and co-opted Members.

This note is intended to provide general guidance for Members on declaring interests. However, you may need to obtain specific advice on whether you have an interest in a particular matter. If you need advice, you can contact:

- The Director of Legal, Services;
- The Legal Adviser to the committee; or
- Governance Services.

If at all possible, you should try to identify any potential interest you may have before the meeting so that you and the person you ask for advice can fully consider all the circumstances before reaching a conclusion on what action you should take.

1. Do you have a disclosable pecuniary interest in any matter on the agenda or which is being considered at the meeting?

You will have a disclosable pecuniary interest in a matter if it:

- relates to an interest that you have already registered in Parts A and C of the Register of Pecuniary Interests of you or your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner;
- relates to an interest that should be registered in Parts A and C of the Register of Pecuniary Interests of your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner, but you have not yet done so; or
- affects your well-being or financial position or that of your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner.

2. If you have a disclosable pecuniary interest in an item on the agenda you must:

- Declare the existence and nature of the interest (in relation to the relevant agenda item) as soon as it becomes apparent to you (subject to the rules regarding sensitive interests).
- You must leave the room when the item in which you have an interest is being discussed. You cannot stay in the meeting room or public gallery whilst discussion of the item takes place and you cannot vote on the matter. In addition, you must not seek to improperly influence the decision.
- If you have, however, obtained dispensation from the Monitoring Officer or Standards Committee you may remain in the room and participate in the meeting. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a pecuniary interest.

3. Do you have any other non-pecuniary interest on any matter on the agenda which is being considered at the meeting?

You will have 'other non-pecuniary interest' in a matter if:

- i. It relates to an external body that you have been appointed to as a Member or in another capacity; or
- ii. It relates to an organisation or individual which you have actively engaged in supporting.

4. If you have other non-pecuniary interest in an item on the agenda you must:

- i. Declare the existence and nature of the interest (in relation to the relevant agenda item) as soon as it becomes apparent to you.
- ii. You may remain in the room, participate in any discussion or vote provided that contractual, financial, consent, permission or licence matters are not under consideration relating to the item in which you have an interest.
- iii. If you have an interest in a contractual, financial, consent, permission or licence matter under consideration, you must leave the room unless you have obtained a dispensation from the Monitoring Officer or Standards Committee. You cannot stay in the room or public gallery whilst discussion of the item takes place and you cannot vote on the matter. In addition, you must not seek to improperly influence the decision. Where members of the public are allowed to make representations, or to give evidence or answer questions about the matter you may, with the permission of the meeting, speak on a matter then leave the room. Once you have finished making your representation, you must leave the room whilst the matter is being discussed.
- iv. If you have been granted dispensation, in accordance with the Council's dispensation procedure you may remain in the room. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a non pecuniary interest.

Further Information

Advice can be obtained from Suki Binjal, Interim Director of Legal on 020 8356 6234 or email suki.binjal@hackney.gov.uk



FS 566728

REPORT OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES		
London CIV – Guarantee and Recharge Agreement	Classification PUBLIC	Enclosures Three
	Ward(s) affected ALL	
Pensions Committee 21st March 2018		

1. INTRODUCTION

- 1.1 This report sets out two draft legal agreements between the London CIV and its member authorities, relating to London CIV's (LCIV) participation in the LGPS as an admission body. LCIV's pension arrangements are provided through the City of London Pension Fund as an Admitted Body; the first agreement covers a guarantee in favour of the City of London whilst the second covers LCIV's FRS102 accounting liability. Both parties have been working together to develop these arrangements and LCIV now requests that its member authorities formalise these by signing the agreements.

2. RECOMMENDATIONS

2.1 The Committee is recommended to:

- **Approve the signing of the Recharge Agreement, subject to written confirmation from LCIV that within 6 months, they will produce a formal remuneration policy with specific reference to the eligibility of staff to join the LGPS and any maximum limits on pensionable pay.**
- **Approve the signing of the Guarantee Agreement.**

3. RELATED DECISIONS

- 3.1 Pensions Committee 24th June 2015 – Approval to invest regulatory capital in London CIV, required to facilitate the setting up of the Fund

4. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

- 4.1 The guarantee agreement ensures that, in the event that LCIV's admission agreement with the City of London Pension Fund terminates (or if it otherwise ceases to have any active members left in the Fund) and the company fails to pay any exit payment due, each of the Shareholders will pay their 'proportionate share' of the unpaid exit payment. The agreement can therefore only be called upon in certain limited circumstances where London CIV has failed to meet its obligations to the City of London Fund.
- 4.2 The recharge agreement provides a mechanism for the shareholders to reimburse London CIV (not the Fund) for the pension costs the company has to pay to the Fund, including its regular monthly employer contributions due under its rates and adjustment certificate, any one-off contributions such as strain costs payable on redundancy or ill health early retirement and any exit payment arising on termination of the admission agreement (or if London CIV otherwise ceases to have any active members left in the Fund).
- 4.3 It therefore allows an asset to be created on LCIV's balance sheet which can be used to counter any balance sheet liability representing any pension deficit (as calculated on an accounting basis) resulting from LCIV's participation in the City of London Pension Fund as an admission body. A balance sheet liability of this nature could affect the level of regulatory capital LCIV is required to hold to satisfy the FCA; whilst signing the agreement is cost neutral for the Hackney Pension Fund, failure to do so could result in a requirement to provide significant additional regulatory capital to LCIV.

5. COMMENTS OF THE INTERIM DIRECTOR, LEGAL

- 5.1 Approval to admit LCIV to the City of London Pension Fund was granted on 21st February 2018 by the Secretary of State at the Ministry for Housing, Communities and Local Government. Approval was granted under paragraph 1(e) of Part 3 of Schedule 2 to the Local Government Pension Scheme Regulations 2013 ("the Regulations"), which permits access for bodies providing a public service in the United Kingdom and approved in writing by the Secretary of State for the purpose of admission to the LGPS. LCIV did not qualify for admission on any other basis.
- 5.2 The guarantee agreement is drafted to ensure payment of a 'proportionate share' of any unpaid exit payment by each member authority should LCIV fail to meet its obligations to the City of London Pension Fund. Each authority's liability under the guarantee agreement is several rather than joint and several. All authorities need to sign the guarantee agreement for it to be legally binding.
- 5.3 The pension cost recharge agreement allows an asset to be created on LCIV's balance sheet which can be used to counter any balance sheet liability representing any pension deficit (as calculated on an accounting basis) resulting from LCIV's participation in the City of London Pension Fund as an admission body

6. BACKGROUND TO REPORT

- 6.1 The appendices to this report set out the proposal in detail, with Appendix 1 providing a summary of the two agreements, and Appendices 2 and 3 setting out the text of the guarantee and recharge agreements respectively.
- 6.2 The guarantee agreement obliges member authorities to pay a proportionate share of any unpaid exit costs (e.g. 1/32) if LCIV ceases as a member of the City of London Pension Fund. It can only be called upon in certain limited circumstances, whereby the CIV is unable to meet its obligations to the City of London Pension Fund on ceasing. The failure of funds to sign the guarantee agreement will result in a bond being requested by the City of London, for which member authorities will be liable.
- 6.3 The recharge agreement provides for shareholders to reimburse London CIV (not the Fund) for the pension costs the company has to pay to the Fund, including its regular monthly employer contributions due under its rates and adjustment certificate, any one-off contributions such as strain costs payable on redundancy or ill health early retirement and any exit payment arising on termination of the admission agreement (or if London CIV otherwise ceases to have any active members left in the Fund). This agreement is essentially cost neutral for member authorities, as these costs would otherwise need to be met through the fee structure.
- 6.4 Using the recharge agreement allows LCIV to create a balance sheet asset to offset its FRS102 defined benefit balance sheet liability. This is permissible under FRS102 28.28, whereby if London CIV is virtually certain that another party or parties will reimburse some or all of the expenditure required to settle a defined benefit obligation then the company can recognise its right to that reimbursement as a separate asset in its annual financial statements and shall treat that asset in the same way as its share of the Fund assets.
- 6.5 Failure to sign the recharge agreement could leave member authorities liable for the provision of significant additional regulatory capital to LCIV, as the inclusion on its balance sheet of the defined benefit liability under FRS102 could mean that the levels held no longer satisfy the FCA's criteria. The Committee is therefore recommended to agree the signing of the recharge agreement, pending written confirmation that a formal remuneration policy will be produced within 6 months. Any such policy must include reference to the eligibility of staff to join the LGPS and include details of any maximum cap on LGPS pensionable pay.

Appendices:

- Appendix 1 – Eversheds Summary
- Appendix 2 – Guarantee Agreement
- Appendix 3 – Recharge Agreement

Ian Williams
Group Director, Finance and Corporate Resources

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Legal comments: Stephen Rix ☎️ 020-8356 6122

London LGPS CIV Limited ("London CIV")**Participation in the Local Government Pension Scheme ("LGPS")****Summary of Position and Documentation****1. Introduction**

1.1 This paper accompanies two separate legal agreements for shareholders to sign relating to London CIV's participation in the LGPS as an admission body. These agreements were agreed in principle at the PSJC meeting on 31 January 2018. The two separate agreements are:

1.1.1 A Pension Guarantee Agreement to provide a guarantee from the shareholders of London CIV to the City of London Corporation Pension Fund ("Fund") in respect of any unpaid exit payment due from London CIV if its admission agreement terminates (or if it otherwise ceases to have any active members left in the Fund). The purpose of this agreement is to provide a guarantee to the Fund as a condition of the City of London Corporation agreeing to admit London CIV as an admission body in its Fund; and

1.1.2 A Pension Cost Recharge Agreement to provide reimbursement from the shareholders of London CIV to the company in respect of the employer contributions that the company has to pay to the Fund. The purpose of this agreement is to create an asset on the company's balance sheet which can be used to balance any balance sheet liability representing any deficit in the Fund (as calculated on an accounting basis) resulting from the company's participation in the Fund as an admission body.

2. Background to Participation in the Fund

2.1 In order for London CIV to be able to offer its employees LGPS pension benefits, it needs to be admitted as participating employer in the LGPS and therefore one of the London LGPS pension funds is needed to admit London CIV to its fund.

2.2 Given the equal shareholding of each authority in the company, there was no obvious pension fund for London CIV to participate in. However, the City of London Corporation agreed that the company could participate in its Fund subject to an appropriate guarantee being given by the company shareholders to protect the Fund and its other scheme employers in the event that London CIV could not afford to pay any exit payment to the Fund if its admission agreement terminated (or it otherwise ceased to have any active members left in the Fund).

2.3 It has been agreed with the City of London Corporation that London CIV should be admitted to the Fund as an admission body under paragraph 1(e) of Part 3 of Schedule 2 to the Local Government Pension Scheme Regulations 2013 ("the Regulations") as a body which provides a public service in the United Kingdom and is approved in writing by the Secretary of State for the purpose of admission to the LGPS. It was not considered that London CIV qualified for admission to the LGPS on any other basis.

2.4 As a result, a request was made on 6 December 2017 that the Secretary of State at the now Ministry for Housing, Communities and Local Government ("MHCLG" – formerly the Department for Communities and Local Government) should approve the admission of London CIV as an admission body on this basis. Approval was granted on 21 February 2018.

3. Pension Guarantee Agreement

- 3.1 The guarantee agreement has been drafted so that, in the event that London CIV's admission agreement with the Fund terminates (or if it otherwise ceases to have any active members left in the Fund) and the company fails to pay any exit payment due under Regulation 64(2) of the Regulations, each of the Shareholders will, on a several basis, pay their 'proportionate share' of the unpaid exit payment.
- 3.2 The guarantee agreement will therefore only be called upon in certain limited circumstances where London CIV has failed to meet its obligations under the Regulation to the Fund. See also section 4.9 below.
- 3.3 The proportionate share is based on the number of shareholder authorities listed in the schedule to the agreement and based on the current number of shareholders is 1/32nd each. This reflects the transfer of Richmond's shares in London CIV to Wandsworth pursuant to The Local Government Pension Scheme (Wandsworth and Richmond Fund) Regulations 2016 (SI 2016/1241).
- 3.4 The guarantee agreement is a single agreement signed by all shareholder authorities, the City of London Corporation in its capacity as the administering authority of the Fund and London CIV (although the agreement can be executed in counterpart copies). All authorities need to sign the guarantee agreement for it to be legally binding.
- 3.5 The obligations under the guarantee agreement shall continue even if an authority ceases to be a shareholder in London CIV unless all authorities agree to change the list of the shareholder authorities set out in the schedule to the agreement. This would then change the 'proportionate share' that each authority has to pay. For example, if one shareholder authority was to be removed from the schedule then the proportionate share would change from 1/32nd to 1/31st.
- 3.6 Each authority's liability under the guarantee agreement is several rather than joint and several.

4. Pension Cost Recharge Agreement

- 4.1 The recharge agreement is a completely separate agreement to the guarantee agreement and serves a different purpose.
- 4.2 The recharge agreement provides a mechanism for the shareholders to reimburse London CIV (not the Fund) for the pension costs the company has to pay to the Fund, including its regular monthly employer contributions due under its rates and adjustment certificate, any one-off contributions such as strain costs payable on redundancy or ill health early retirement and any exit payment arising on termination of the admission agreement (or if London CIV otherwise ceases to have any active members left in the Fund).
- 4.3 The purpose of this agreement is to create an 'asset' on the company's balance sheet which can be used to counter any balance sheet liability representing any deficit in the Fund (as calculated on an accounting basis) resulting from the company's participation in the Fund as an admission body.
- 4.4 London CIV's annual financial statements are prepared in accordance with Financial Reporting Standard 102. In applying the general recognition principle in paragraph 28.3 of the Standard to defined benefit pension plans such as the LGPS, London CIV has to recognise a liability for its obligations in the Fund net of its share of Fund assets. For this purpose, liabilities are calculated on a different actuarial basis to the basis actually used by the Fund's actuary to carry out Fund valuations. This calculation may result in a deficit liability on London CIV's balance sheet. This could in turn affect level of regulatory capital that the company needs to hold to satisfy the FCA.
- 4.5 However, under paragraph 28.28 of Financial Reporting Standard 102, if London CIV is virtually certain that another party or parties will reimburse some or all of the expenditure required to settle a defined benefit obligation then the company can recognise its right to

that reimbursement as a separate asset in its annual financial statements and shall treat that asset in the same way as its share of the Fund assets. The recharge agreement is intended to act as such an asset.

- 4.6 The recharge agreement is a series of individual agreements entered into by each shareholder authority and London CIV. Each of the shareholder authorities will, on a several basis, pay their 'proportionate share' of the company's pension costs.
- 4.7 The proportionate share is based on the number of shareholder authorities listed in the schedule to the agreement and based on the current number of shareholders is 1/32nd each.
- 4.8 The obligations under the recharge agreement shall continue even if an authority ceases to be a shareholder in London CIV unless all authorities agree to change the list of the shareholder authorities set out in the schedule to the agreement. This would then change the 'proportionate share' that each authority has to pay. For example, if one shareholder authority was to be removed from the schedule the proportionate share would change from 1/32nd to 1/31st.
- 4.9 If the company uses the payments made to it under the recharge agreement to pay for all the contributions it owes to the Fund (including any exit payment) then there should be no reason for any call to be made by the Fund under the guarantee agreement as all contributions due from London CIV will have been paid.

Eversheds Sutherland (International) LLP

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Dated:

2018

- (1) LONDON LGPS CIV LIMITED
 - (2) EACH OF THOSE ENTITIES SPECIFIED IN SCHEDULE 1
 - (3) THE MAYOR AND COMMONALTY AND CITIZENS OF THE CITY OF LONDON
-

Pension Guarantee Agreement

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THIS AGREEMENT is made on the

day of

2018

BETWEEN

- (1) **LONDON LGPS CIV LIMITED**, a company incorporated in England and Wales (registered number 09136445) whose registered office is at Eversheds House, 70 Great Bridgewater Street, Manchester M1 5ES (the "**Admission Body**");
- (2) **EACH OF THOSE ENTITIES LISTED IN SCHEDULE 1** (together the "**Shareholders**"); and
- (3) **THE MAYOR AND COMMONALTY AND CITIZENS OF THE CITY OF LONDON** of Guildhall, PO Box 270, London, EC2P 2EJ acting in its capacity as the administering authority of the City of London Corporation Pension Fund (the "**Administering Authority**")

BACKGROUND

- (A) The Administering Authority administers and maintains the Fund.
- (B) The Admission Body is an admission body within the meaning of paragraph 1(e) of Part 3 of Schedule 2 to the 2013 Regulations and is admitted to the Fund under the terms of the Admission Agreement.
- (C) The Admission Body has been formed as an entity to act as an alternative investment fund manager to run and operate one or more collective investment vehicles to allow Shareholders in their respective capacities as administering authorities within the Scheme to pool some or all of their respective Scheme investments.
- (D) The Shareholders are the current sole shareholders of the Admission Body following the merger of the pension fund maintained by the London Borough of Richmond upon Thames into the pension fund maintained by the London Borough of Wandsworth pursuant to The Local Government Pension Scheme (Wandsworth and Richmond Fund) Regulations 2016 (SI 2016/1241).
- (E) If the Admission Body was to cease to employ any active members in the Fund or if the Admission Agreement was to terminate then the Administering Authority must, in accordance with Regulation 64(2) of the 2013 Regulations, obtain an actuarial valuation as at the exit date of the liabilities of the Fund in respect of benefits in respect of the Admission Body's current and former employees and a revised rates and adjustments certificate showing the exit payment due from the Admission Body in respect of those benefits. This payment is referred to as the Exit Payment in this Agreement.
- (F) Subject to the provision of a guarantee in the form of this Agreement, the Administering Authority and the Admission Body have entered into the Admission Agreement.
- (G) At the request of the Admission Body, the Shareholders have agreed to enter into this Agreement as a guarantee in a form acceptable to the Administering Authority.

NOW IT IS AGREED as follows:

1. **Interpretation**

This Clause sets of the definitions which apply to the Agreement.

1.1 The following expressions have the following meanings:

"2013 Regulations"	The Local Government Pension Scheme Regulations 2013.
"Actuary"	the actuary appointed from time to time by the Administering Authority in relation to the Fund.

"Admission Agreement"	the admission agreement made between the Administering Authority and the Admission Body to allow the Admission Body to be admitted to the Scheme and to participate in the Fund.
"Business Day"	any day other than a Saturday or a Sunday or a public or bank holiday in England.
"Exit Payment"	a payment required by the Administering Authority in accordance with Regulation 64(2) of the 2013 Regulations.
"Fund"	the City of London Corporation Pension Fund.
"Proportionate Share"	means the fraction X/Y where X equals one and Y equals the number of authorities listed from time to time in Schedule 1 .
"Rates and Adjustments Certificate"	means the rates and adjustments certificate put in place in respect of the Admission Body pursuant to Regulation 67 of the 2013 Regulations.
"Regulations"	the 2013 Regulations and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.
"Scheme"	the Local Government Pension Scheme established by the Regulations made by the Secretary of State under Sections 7 and 12 of the Superannuation Act 1972.
"Shareholders' Agreement"	the agreement dated 6 November 2015 made between certain of the Shareholders and the Admission Body to record the terms of the Shareholders' relationship with each other in relation to the Admission Body and to regulate certain aspects of their affairs and dealings with the Admission Body (as amended or varied from time to time).

- 1.2 Expressions have the same meaning as in the Regulations except where the context otherwise requires.
- 1.3 This Agreement includes a heading and a box at the start of each Clause which outlines its provisions. These are included for information only.
- 1.4 Any reference in this Agreement to any statute or statutory provision will include any subordinate legislation made under it and will be construed as references to such statute, statutory provision and/or subordinate legislation as modified, amended, extended, consolidated, re-enacted and/or replaced and in force from time to time.

2. Guarantee

This Clause sets out the terms of the guarantee given by the Shareholders to the Fund.

- 2.1 The Admission Body will pay the Administering Authority for credit to the Fund such employer contributions as are required from time to time pursuant to the Regulations in accordance with the Rates and Adjustments Certificate in force from time to time.
- 2.2 If for whatever reason the Admission Body fails to pay an Exit Payment (in whole or in part) to the Administering Authority, each Shareholder (other than the Administering Authority) shall on a several basis be responsible for paying to the Administering

Authority its Proportionate Share of such sum as the Administering Authority claims in respect of the unpaid Exit Payment.

- 2.3 Any claim by the Administering Authority shall be made by the service of a written demand and shall be accepted by the Shareholders as conclusive evidence for all purposes that the amount claimed is due to the Administering Authority.
- 2.4 Each Shareholder shall pay the sum so demanded of it within 20 Business Days of receipt of the demand (or such longer period as may be agreed in writing with the Administering Authority).
- 2.5 All sums paid by each Shareholder in accordance with **clause 2.2** shall be held and applied by the Administering Authority for the purpose of paying and discharging the Exit Payment.
- 2.6 Any payment to be made by a Shareholder shall be made in sterling free, clear of and without any deduction for taxes, levies, duties, charges, fees and deductions or withholdings for or on account of any set-off or counterclaim.
- 2.7 Following payment in full by the Shareholders, the Administering Authority shall provide the Shareholders with a written account showing how the payments have been applied to the Fund within 30 Business Days of receipt of payment. If the payments exceeds the amount required to discharge the Exit Payment, the Administering Authority shall refund any overpayment to the Shareholders in the same proportions as they contributed.
- 2.8 The Shareholders' obligations and liabilities under this **clause 2** shall not be reduced, discharged, impaired or affected by the giving of time or any other indulgence, forgiveness or forbearance by the Administering Authority.
- 2.9 The Administering Authority as a shareholder shall be responsible for its Proportionate Share of the unpaid Exit Payment as a shareholder and shall discharge its obligations by transferring assets equal to the value of its Proportionate Share of the unpaid Exit Payment from its own notional allocation of assets within the Fund as a Scheme employer to the Admission Body's notional allocation of assets within the Fund.

3. **Change in Status**

This Clause deals with issues relating to changes in the status of the Admission Body and what happens if a Shareholder ceases to be a shareholder in the Admission Body.

- 3.1 This Agreement shall remain in operation notwithstanding any variation made in the terms of the Admission Agreement or the Regulations and notwithstanding the insolvency, winding-up or liquidation of the Admission Body (compulsory or otherwise) or it otherwise ceasing to exist or function. This Agreement shall not be affected by any disclaimer of the Admission Body's contracts or liabilities by a liquidator.
- 3.2 The obligations and liabilities of a Shareholder under this Agreement shall continue even if the Shareholder ceases to hold the legal and/or beneficial entitlement in any or all of its shares in the Admission Body notwithstanding any provision in the Shareholders' Agreement. A Shareholder shall only cease to be liable under this Agreement if the Shareholder is removed from the list at **Schedule 1** of this Agreement in accordance with **clause 6**.

4. **Expiry Date**

This Clause sets out the circumstances in which this Agreement shall expire.

This Agreement shall expire (and the obligations and liabilities of the Shareholders shall cease and determine absolutely) on the full payment of the Exit Payment by the Admission Body (or by the Shareholders under **clause 2**) which fully discharges the Admission Body's obligations and liabilities to the Fund.

5. **Notices**

This Clause sets out how any written notices are to be served.

All notices under this Agreement shall be in writing and shall be served by sending the same by first class post, facsimile or by hand or leaving the same at the registered office or headquarters address (as appropriate) of the Admission Body, the Shareholders or the Administering Authority.

6. **Amendment**

This Clause sets out how the Agreement may be amended.

6.1 The parties to this Agreement may, with the agreement of all of them in writing, amend this Agreement by deed.

6.2 This Agreement may be amended by the Administering Authority alone to add or remove shareholders in the Admission Body to or from **Schedule 1** where the addition or removal of that shareholder for the purposes of this Agreement has been agreed in writing by the Shareholders and notified to the Administering Authority.

7. **More than one Counterpart**

This Clause sets out how the Agreement can be executed in counterparts.

This Agreement may be executed in more than one counterpart, which together constitute one agreement. When each signatory to this agreement has executed at least one part of it, it will be as effective as if all the signatories to it had executed all of the counterparts. Each counterpart Agreement will be treated as an original.

8. **Assignment and Restructuring**

This Clause sets out when the Agreement may be assigned.

8.1 No party shall assign the benefit or burden of the whole or any part of this Agreement without the prior written consent of the other parties (such consent not to be unreasonably withheld or delayed).

9. **Laws**

This Clause sets out the legal framework which governs the Agreement.

9.1 This Agreement shall be governed by and interpreted in accordance with the laws of England and Wales.

9.2 Any rights that a third party may have under the Contracts (Rights of Third Parties) Act 1999 are excluded.

10. **Warranty of Authority**

This Clause confirms that the Shareholders have the relevant authority power and capacity to enter into this Agreement.

10.1 Each Shareholder separately warrants and represents to each other and to the Admission Body that it has all necessary authority, power and capacity to enter into and perform its obligations under this Agreement, that all necessary actions have been taken to enter into this Agreement properly and lawfully, and that this Agreement constitutes obligations binding on it in accordance with its

EXECUTED as a deed and delivered on the date stated at the beginning of this Agreement.

EXECUTED as a deed by **LONDON LGPS CIV LIMITED** acting by a director

Signature of Director

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a deed when the seal of **THE MAYOR AND COMMONALTY AND CITIZENS OF THE CITY OF LONDON** (in its capacity as a shareholder) was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a deed when the seal of the
LONDON BOROUGH OF BARNET was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a deed when the seal of the
**LONDON BOROUGH OF BARKING AND
DAGENHAM** was affixed

in the presence of:

Being an officer of the Council of the said London Borough duly authorised to attest
the common seal thereof

EXECUTED as a deed when the seal of the **LONDON BOROUGH OF BEXLEY** was affixed

in the presence of:

EXECUTED as a deed when the seal of the **LONDON BOROUGH OF BRENT** was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a deed when the seal of the
LONDON BOROUGH OF BROMLEY was
affixed

in the presence of:

Mayor/Councillor

**Director of Corporate
Services/Senior
Solicitor**

EXECUTED as a deed when the seal of the
LONDON BOROUGH OF CAMDEN was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a deed when the seal of the
LONDON BOROUGH OF CROYDON was
affixed

in the presence of:

EXECUTED as a deed when the seal of the
LONDON BOROUGH OF EALING was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a deed when the seal of the **LONDON BOROUGH OF ENFIELD** was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a deed when the seal of the **LONDON BOROUGH OF HACKNEY** was affixed

in the presence of:

Authorised Signatory

EXECUTED as a deed when the seal of the
LONDON BOROUGH OF HARINGEY was
affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a deed when the seal of the
LONDON BOROUGH OF HARROW was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a deed when the seal of the **LONDON BOROUGH OF HAVERING** was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

The Common Seal of **THE MAJOR AND BURGESSES** of **THE LONDON BOROUGH OF HAMMERSMITH AND FULHAM** was hereunto affixed by order in the presence of:

Authorised Officer

EXECUTED as a deed when the seal of the **LONDON BOROUGH OF HOUNSLOW** was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a deed when the seal of the **LONDON BOROUGH OF ISLINGTON** was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a deed when the seal of the **LONDON BOROUGH OF LAMBETH** was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a deed when the seal of the **LONDON BOROUGH OF LEWISHAM** was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a deed when the seal of the **LONDON BOROUGH OF MERTON** was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a deed when the seal of the **LONDON BOROUGH OF NEWHAM** was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

The Corporate Seal of **THE MAJOR AND BURGESSES** of **THE LONDON BOROUGH OF REDBRIDGE** was hereunto affixed in the presence of:

EXECUTED as a deed when the seal of the **LONDON BOROUGH OF SOUTHWARK** was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a deed when the seal of the
LONDON BOROUGH OF SUTTON was affixed

in the presence of:

Authorised Signatory:

EXECUTED as a deed when the seal of the
LONDON BOROUGH OF TOWER HAMLETS
was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a deed when the seal of the **LONDON BOROUGH OF WALTHAM FOREST** was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a deed when the seal of the **LONDON BOROUGH OF HILLINGDON** was affixed

in the presence of:

Member of the Council:

Authorised Officer:

EXECUTED as a deed when the seal of the **ROYAL BOROUGH OF GREENWICH** was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

The Common Seal of **THE MAYOR AND BURGESSES** of **THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA** was hereunto affixed to this deed in the presence of:

Authorised Officer

The Common Seal of **THE MAJOR AND BURGESSES** of **THE ROYAL BOROUGH OF KINGSTON UPON THAMES** was hereunto affixed to this deed in the presence of:

Major

Corporate Solicitor

EXECUTED as a deed when the seal of the **WANDSWORTH LONDON BOROUGH COUNCIL** was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

The Common Seal of **THE LORD MAYOR AND CITIZENS OF THE CITY OF WESTMINSTER** was hereunto affixed by order in the presence of:

Authorised Officer

EXECUTED as a deed when the seal of **THE MAYOR AND COMMONALTY AND CITIZENS OF THE CITY OF LONDON** (in its capacity as administering authority) was affixed

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

SCHEDULE

List of Shareholders

1. City of London Corporation
2. London Borough of Barnet
3. London Borough of Barking and Dagenham
4. London Borough of Bexley
5. London Borough of Brent
6. London Borough of Bromley
7. London Borough of Camden
8. London Borough of Croydon
9. London Borough of Ealing
10. London Borough of Enfield
11. London Borough of Hackney
12. London Borough of Haringey
13. London Borough of Harrow
14. London Borough of Havering
15. London Borough of Hammersmith and Fulham
16. London Borough of Hounslow
17. London Borough of Islington
18. London Borough of Lambeth
19. London Borough of Lewisham
20. London Borough of Merton
21. London Borough of Newham
22. London Borough of Redbridge
23. London Borough of Southwark
24. London Borough of Sutton
25. London Borough of Tower Hamlets
26. London Borough of Waltham Forest
27. London Borough of Hillingdon
28. Royal Borough of Greenwich
29. Royal Borough of Kensington and Chelsea
30. Royal Borough of Kingston upon Thames

31. Wandsworth London Borough Council
32. Westminster City Council

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Dated: 2018

- (1) LONDON LGPS CIV LIMITED
- (2) THE LONDON BOROUGH OF HACKNEY

Pension Cost Recharge Agreement

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THIS AGREEMENT is made on the

day of

2018

BETWEEN

- (1) **LONDON LGPS CIV LIMITED**, a company incorporated in England and Wales (registered number 09136445) whose registered office is at Eversheds House, 70 Great Bridgewater Street, Manchester M1 5ES (the "**Admission Body**"); and
- (2) **THE LONDON BOROUGH OF HACKNEY** (the "**Authority**")

BACKGROUND

- (A) The Admission Body is an admission body within the meaning of paragraph 1(e) of Part 3 of Schedule 2 to the 2013 Regulations and is admitted to the Fund under the terms of the Admission Agreement.
- (B) The Admission Body has been formed as an entity to act as an alternative investment fund manager to run and operate one or more collective investment vehicles to allow Shareholders in their respective capacities as administering authorities within the Scheme to pool some or all of their respective Scheme investments.
- (C) The Authority is a shareholder in the Admission Body. The Shareholders (as defined below) are the current sole shareholders in the Admission Body following the merger of the pension fund maintained by the London Borough of Richmond upon Thames into the pension fund maintained by the London Borough of Wandsworth pursuant to The Local Government Pension Scheme (Wandsworth and Richmond Fund) Regulations 2016 (SI 2016/1241).
- (D) Under the 2013 Regulations, the Administering Authority must obtain:
 - (i) an actuarial valuation of the assets and liabilities of the Fund as at 31st March 2016 and on 31st March in every third year afterwards;
 - (ii) a report by the Actuary in respect of the valuation; and
 - (iii) a rates and adjustments certificate prepared by the Actuary.
- (E) A rates and adjustments certificate must specify the Admission Body's primary and secondary rate of employer contributions as defined in the Regulations.
- (F) The primary rate is effectively the cost of future accruals in the Fund expressed as a percentage of the pay of employees who are active members of the Fund.
- (G) The secondary rate of the Admission Body is any percentage or amount by which, in the Actuary's opinion, contributions at the primary rate should, in the case of the Admission Body, be increased or reduced by reason of any circumstances peculiar to the Admission Body. For example the secondary rate could include percentage or amount to fund any deficit revealed in respect of the Admission Body by the last actuarial valuation of the Fund.
- (H) A rates and adjustments certificate may be revised between triennial valuations in circumstances prescribed in Regulation 64 of the 2013 Regulations.
- (I) The Admission Body must contribute to the Fund in each year covered by a rates and adjustment certificate. During each of those years the Admission Body must make payments to the Fund on account of the amount required for the whole year. These contributions are referred to as Regular Employer Contributions in this Agreement.
- (J) If the Admission Body was to cease to employ any active members in the Fund or if the Admission Agreement was to terminate then the Administering Authority must, in accordance with Regulation 64(2) of the 2013 Regulations, obtain an actuarial valuation as at the exit date of the liabilities of the Fund in respect of benefits in respect of the Admission Body's current and former employees and a revised rates and adjustments certificate showing the exit payment due from the Admission Body in respect of those benefits. This payment is referred to as the Exit Payment in this Agreement.

- (K) The Admission Body’s annual financial statements are prepared in accordance with Financial Reporting Standard 102. In applying the general recognition principle in paragraph 28.3 of the Standard to defined benefit plans such as the Scheme, the Admission Body shall recognise a liability for its obligations under the Fund net of its share of Fund assets. For this purpose, liabilities are calculated on a different basis to the basis used by the Actuary to carry out Fund valuations.
- (L) Under paragraph 28.28 of Financial Reporting Standard 102 if the Admission Body is virtually certain that another party or parties will reimburse some or all of the expenditure required to settle a defined benefit obligation, the Admission Body shall recognise its right to reimbursement as a separate asset in the annual financial statements and shall treat that asset in the same way as Scheme assets.
- (M) The Authority has agreed to reimburse the Admission Body in connection with its participation in the Fund in accordance with the terms of this Agreement.
- (N) This Agreement is intended to act as an asset for the purposes of paragraph 28.28 of Financial Reporting Standard 102.
- (O) The Shareholders may also be required to pay a separate annual service charge in accordance with clause 3.1 of the Shareholders’ Agreement. Both the estimated Regular Employer Contribution and the annual service charge may be invoiced at the same time. There shall be no double payment of the same pension costs by Shareholders under this Agreement and the annual service charge.
- (P) This Agreement shall have effect on and from the Effective Date (even if it is dated after that date).

NOW IT IS AGREED as follows:

1. **Interpretation**

This Clause sets out the definitions which apply to the Agreement.

1.1 The following expressions have the following meanings:

“2013 Regulations”	The Local Government Pension Scheme Regulations 2013.
“Actuary”	the actuary appointed from time to time by the Administering Authority in relation to the Fund.
“Additional Contributions”	Employer additional employer contributions other than Regular Employer Contributions or an Exit Payment that the Admission Body is required to pay to the Fund under the Admission Agreement or the Regulations.
“Administering Authority”	the City of London Corporation as the administering authority of the Fund.
“Admission Agreement”	the admission agreement made between the Administering Authority and the Admission Body to allow the Admission Body to be admitted to the Scheme and to participate in the Fund.
“Business Day”	any day other than a Saturday or a Sunday or a public or bank holiday in England.
“Effective Date”	31 March 2018.
“Exit Payment”	a payment required by the Administering Authority in accordance with Regulation 64(2) of the 2013 Regulations.

"Fund"	the City of London Corporation Pension Fund.
"Guarantee Agreement"	the guarantee agreement to be made between the Administering Authority, the Shareholders and the Admission Body pursuant to which the Shareholders will provide a guarantee to the Administering Authority in connection with the Admission Body's participation in the Fund.
"Payment Notice"	a notice substantially in the form of the notice of Schedule 2 (Specimen Payment Notice).
"Proportionate Share"	means the fraction X/Y where X equals one and Y equals the number of authorities listed from time to time in Schedule 1 (List of Shareholders).
"Rates and Adjustments Certificate"	means the rates and adjustments certificate put in place in respect of the Admission Body pursuant to Regulation 67 of the 2013 Regulations.
"Regular Contributions"	Employer the contributions the Admission Body is required to pay to the Fund in accordance with the Rates and Adjustments Certificate comprising of contributions at both the primary and secondary rates.
"Regulations"	the 2013 Regulations and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014.
"Scheme"	the Local Government Pension Scheme established by the Regulations made by the Secretary of State under Sections 7 and 12 of the Superannuation Act 1972.
"Shareholders"	each of those authorities listed from time to time in Schedule 1 (List of Shareholders).
"Shareholders' Agreement"	the agreement dated 6 November 2015 made between certain of the Shareholders and the Admission Body to record the terms of the Shareholders' relationship with each other in relation to the Admission Body and to regulate certain aspects of their affairs and dealings with the Admission Body (as amended or varied from time to time).

- 1.2 Expressions have the same meaning as in the Regulations except where the context otherwise requires.
- 1.3 This Agreement includes a heading and a box at the start of each Clause which outlines its provisions. These are included for information only.
- 1.4 Any reference in this Agreement to any statute or statutory provision will include any subordinate legislation made under it and will be construed as references to such statute, statutory provision and/or subordinate legislation as modified, amended, extended, consolidated, re-enacted and/or replaced and in force from time to time.

2. Pension Cost Reimbursement

This Clause sets out how pension costs will be reimbursed to the Admission Body.

2.1 Reimbursement of Regular Employer Contributions

- 2.1.1 The Admission Body will pay the Administering Authority for credit to the Fund such Regular Employer Contributions as are required from time to time pursuant to the Regulations in accordance with the Rates and Adjustments Certificate in force from time to time. For the avoidance of doubt this shall cover employer contributions at the primary rate for future membership in the Fund and employer contributions at the secondary rate for circumstances peculiar to the Admission Body, including deficits in the Fund relating to accrued membership.
- 2.1.2 The Admission Body will invoice the Authority annually in advance for the Authority's Proportionate Share of the estimated Regular Employer Contributions payable for the next financial year (commencing 1 April to the following 31 March). There shall be a corresponding adjustment in the following year's invoice to the extent that the estimated Regular Employer Contributions for the year in question prove to be higher or lower than the actual Regular Employer Contributions for that year. This may be invoiced at the same time as the annual service charge the Authority is required to pay in accordance with clause 3.1 of the Shareholders' Agreement.
- 2.1.3 The Authority undertakes to the Admission Body that it will pay the Admission Body the amount invoiced to it in accordance with **clause 2.1.2**.
- 2.1.4 The Authority will ensure that any payment made to the Admission Body pursuant to **clause 2.1.2** is made within no more than 10 Business Days of commencement of the financial year in question so that the Admission Body is able to pay the first monthly instalment of the relevant Regular Employer Contribution to the Fund on or before the first due date.

2.2 Reimbursement of Additional Employer Contributions

- 2.2.1 The Admission Body will provide the Authority with a Payment Notice for the Authority's Proportionate Share of any Additional Employer Contributions that the Admission Body is required to pay to the Fund (together with the due date(s) for payment in accordance with the demand).
- 2.2.2 The Authority undertakes to the Admission Body that it will pay the Admission Body an amount equal to its Proportionate Share of the Additional Employer Contributions notified to it by the Admission Body pursuant to **clause 2.2.1**.
- 2.2.3 The Authority will ensure that any payment made to the Admission Body pursuant to **clause 2.2.2** is made at least 5 Business Days in advance of the due date for payment so that the Admission Body is able to pay the relevant Additional Employer Contribution to the Fund on or before the due date.

2.3 Reimbursement of Exit Payment

- 2.3.1 The Admission Body will provide the Authority with a Payment Notice for the Authority's Proportionate Share of any Exit Payment that the Admission Body is required to pay to the Fund (together with the due date(s) for payment in accordance with the demand).
- 2.3.2 The Authority undertakes to the Admission Body that it will pay the Admission Body an amount equal to its Proportionate Share of the Exit Payment notified to it by the Admission Body pursuant to **clause 2.3.1**.
- 2.3.3 The Authority will ensure that any payment made to the Admission Body pursuant to **clause 2.3.2** is made at least 5 Business Days in advance of the due date for payment so that the Admission Body is able to pay the Exit Payment to the Fund on or before the due date.

2.4 **Service of Invoice or Payment Notice**

The service of an invoice under **clause 2.1.2** or a Payment Notice by the Admission Body shall be accepted by the Authority as conclusive evidence for all purposes that the amount claimed is due to the Admission Body.

2.5 **Obligations and Liabilities**

The Authority's obligations and liabilities under this Agreement shall not be reduced, discharged, impaired or affected by the giving of time or any other indulgence, forgiveness or forbearance by the Admission Body.

3. **Guarantee Agreement**

This Clause refers to the Guarantee Arrangement to be entered into between the Administering Authority, the Shareholders and the Admission Body.

The Authority and the Admission Body acknowledge and agree that they (together with the other Shareholders and the Administering Authority) shall enter into the Guarantee Agreement.

4. **Effective and Expiry Dates**

This Clause sets out the circumstances in which this Agreement shall be effective from and shall expire.

4.1 This Agreement shall have effect on and from the Effective Date. Where the Agreement is dated after the Effective Date it shall be deemed to have retrospective effect on and from the Effective Date.

4.2 This Agreement shall expire (and the obligations and liabilities of the Authority shall cease and determine absolutely) on the full payment of the Exit Payment by the Admission Body (or by the Shareholders under the Guarantee Agreement) which fully discharges the Admission Body's obligations and liabilities to the Fund.

5. **Change in Status**

This Clause deals with issues relating to changes in the status of the Admission Body and what happens if a Shareholder ceases to be a shareholder in the Admission Body.

5.1 This Agreement shall remain in operation notwithstanding any variation made in the terms of the Admission Agreement or the Regulations and notwithstanding the insolvency, winding-up or liquidation of the Admission Body (compulsory or otherwise) or it otherwise ceasing to exist or function. This Agreement shall not be affected by any disclaimer of the Admission Body's contracts or liabilities by a liquidator.

5.2 The obligations and liabilities of the Authority under this Agreement shall continue even if the Authority ceases to hold the legal and/or beneficial entitlement in any or all of its shares in the Admission Body notwithstanding any provision in the Shareholders' Agreement. The Authority shall only cease to be liable under this Agreement if the Authority is removed from the list at **Schedule 1** (List of Shareholders) of this Agreement in accordance with **clause 7**.

6. **Notices**

This Clause sets out how any written notices are to be served.

All notices under this Agreement shall be in writing and shall be served by sending the same by first class post, facsimile or by hand or leaving the same at the registered office or headquarters address (as appropriate) of the Admission Body or the Authority.

7. **Amendment**

This Clause sets out how the Agreement may be amended.

7.1 The parties to this Agreement may, with the agreement of all of them in writing, amend this Agreement by deed.

7.2 This Agreement may be amended by the Admission Body alone to add or remove shareholders in the Admission Body to or from **Schedule 1** (List of Shareholders) where the addition or removal of that shareholder for the purposes of this Agreement has been agreed in writing by the Shareholders and notified to the Admission Body.

8. **More than one Counterpart**

This Clause sets out how the Agreement can be executed in counterparts.

This Agreement may be executed in more than one counterpart, which together constitute one agreement. When each signatory to this agreement has executed at least one part of it, it will be as effective as if all the signatories to it had executed all of the counterparts. Each counterpart Agreement will be treated as an original.

9. **Assignment and Restructuring**

This Clause sets out when the Agreement may be assigned.

No party shall assign the benefit or burden of the whole or any part of this Agreement without the prior written consent of the other parties (such consent not to be unreasonably withheld or delayed).

10. **Laws**

This Clause sets out the legal framework which governs the Agreement.

10.1 This Agreement shall be governed by and interpreted in accordance with the laws of England and Wales.

10.2 Any rights that a third party may have under the Contracts (Rights of Third Parties) Act 1999 are excluded.

11. **Warranty of Authority**

This Clause confirms that the Authority has the relevant authority power and capacity to enter into this Agreement.

The Authority warrants and represents to the Admission Body that it has all necessary authority, power and capacity to enter into and perform its obligations under this Agreement, that all necessary actions have been taken to enter into this Agreement properly and lawfully, and that this Agreement constitutes obligations binding on it in accordance with its terms.

EXECUTED as a deed and delivered on the date stated at the beginning of this Agreement.

EXECUTED as a deed by **LONDON LGPS CIV LIMITED** acting by a director

Signature of Director

in the presence of:

Witness signature:

Witness Name:

Witness Address:

Witness Occupation:

EXECUTED as a deed when the seal of the **LONDON BOROUGH OF HACKNEY** was affixed

in the presence of:

Authorised Signatory

SCHEDULE 1

List of Shareholders

1. City of London Corporation
2. London Borough of Barnet
3. London Borough of Barking and Dagenham
4. London Borough of Bexley
5. London Borough of Brent
6. London Borough of Bromley
7. London Borough of Camden
8. London Borough of Croydon
9. London Borough of Ealing
10. London Borough of Enfield
11. London Borough of Hackney
12. London Borough of Haringey
13. London Borough of Harrow
14. London Borough of Havering
15. London Borough of Hammersmith and Fulham
16. London Borough of Hounslow
17. London Borough of Islington
18. London Borough of Lambeth
19. London Borough of Lewisham
20. London Borough of Merton
21. London Borough of Newham
22. London Borough of Redbridge
23. London Borough of Southwark
24. London Borough of Sutton
25. London Borough of Tower Hamlets
26. London Borough of Waltham Forest
27. London Borough of Hillingdon
28. Royal Borough of Greenwich
29. Royal Borough of Kensington and Chelsea

30. Royal Borough of Kingston upon Thames
31. Wandsworth London Borough Council
32. Westminster City Council

SCHEDULE 2

Specimen Payment Notice

To: **[Shareholder]**

From: **[Admission Body]**

[DATE]

PENSION COST REIMBURSEMENT AGREEMENT REF: []

We refer to the Agreement and certify that [Additional Employer Contributions]/[an Exit Payment] is/are due to the Fund. We attach a copy of [INSERT] confirming that these contributions/payments are due and the due date(s) for payment.

The sum of [] pounds sterling (£) is properly due in respect of your Proportionate Share (x%) of the above contributions/payments.

We demand payment of the above amount at least within 5 (Business Days) in advance of the due date(s).

The above amount should be paid to us by transfer to the following account:

Account Number []

Sort Code []

Account Name []

Bank []

Bank Address []

.....

Duly authorised for and on behalf of the Admission Body

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