



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 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 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