

**PART 8 OF THE ENTERPRISE ACT 2002 (EA02)
UNDERTAKINGS TO THE COMPETITION AND MARKETS
AUTHORITY UNDER SECTION 219 OF THE EA02 RELATING TO:**

**THE UNFAIR TERMS IN CONSUMER CONTRACTS REGULATIONS 1999; AND
PART 2 OF THE CONSUMER RIGHTS ACT 2015.**

Applicable as the case may be, each of:

Aviva plc, registered number 24686896, registered office St Helen's, 1 Undershaft, London EC3P 3DQ and its subsidiaries within the meaning of section 1159 of the Companies Act 2006 excluding Aviva Investors and the Fund (as defined below) (**Aviva**);

Aviva Investors Global Services Limited (Aviva Investors), registered number 1151805, registered office St Helen's, 1 Undershaft, London, EC3P 3DQ; and

Aviva Investors REaLM Ground Rent Fund (the Fund), launched in April 2011, being an open-ended unit trust regulated in Jersey as an expert fund,

voluntarily give the following undertakings to the CMA under section 219 of the EA02.

For the avoidance of doubt, these undertakings do not amount to an admission that any person has infringed the law.

UNDERTAKINGS

In accordance with section 219(4) and section 219(B) of the EA02 each of Aviva, Aviva Investors and the Fund undertakes:

- not to engage in any conduct which contravenes paragraphs 1 to 19 below;
- not to engage in such conduct in the course of its business or another business; and
- not to consent to or connive in the carrying out of such conduct by a body corporate with which it has a special relationship (within the meaning of section 222(3) of the EA02).

Interpretation

Aviva Lease means a Lease for which Aviva is the freeholder (or landlord).

Aviva Leaseholder means a person who holds a leasehold interest in a property pursuant to an Aviva Lease.

Doubling Clause means a term or terms in a Lease which cause the Ground Rent payable under the Lease to double (or more) more frequently than every 20 years, and includes any such clause which was in a Lease and has been subsequently varied to refer to a different rate of escalation (eg RPI).

Former Aviva Leaseholder means a person who was previously an Aviva Leaseholder and who has sold their interest to an Aviva Leaseholder.

Former Investor/Fund Leaseholder means a person who was previously an Investor/Fund Leaseholder and who has sold their interest to an Investor/Fund Leaseholder.

Former Leaseholder means a Former Aviva Leaseholder or a Former Investor/Fund Leaseholder.

Ground Rent refers to the principal rent payable periodically by a Leaseholder to his or her landlord under the terms of a Lease, however described, but for the avoidance of doubt does not include other sums which may be reserved as rent such as but not limited to a service charge and insurance costs.

Investor/Fund Lease means a Lease for which Aviva Investors and/or the Fund is the freeholder (or landlord).

Investor/Fund Leaseholder means a person who holds a leasehold interest in a property pursuant to an Investor/Fund Lease.

Lease means a long residential lease which contains a Doubling Clause.

Leaseholder means a person who holds a leasehold interest in a property pursuant to a Lease.

Removal of Doubling Clauses

1. Aviva Investors on behalf of the Fund will make an offer to each Investor/Fund Leaseholder to vary the Investor/Fund Lease and remove the Doubling Clause, with any associated costs to the Investor/Fund Leaseholder to be covered up to an amount of £750 and such costs to be reimbursed upon provision by the Leaseholder of reasonable evidence that such costs have been incurred. For the avoidance of doubt, the amount of £750 is the Investor/Fund Leaseholder's maximum aggregate total entitlement under these undertakings for costs incurred and is inclusive of VAT.
2. The offer in paragraph 1 will be communicated by:
 - a. sending a letter to the relevant property; and
 - b. sending an email to the Leaseholder (where their email address is known).
3. The offer in paragraph 1 will be communicated within 90 days of the date of this undertaking and then again annually for a two-year period or until accepted by the Investor/Fund Leaseholder, whichever is earliest.
4. Within 21 days of the date of this undertaking Aviva Investors will:
 - a. place and maintain details on a suitable webpage of its website about a Leaseholder's ability to vary their Investor/Fund Lease and remove a Doubling Clause;
 - b. include a link to the webpage in written correspondence sent to Investor/Fund Leaseholders by or on behalf of Aviva Investors or the Fund offering to remove the Doubling Clause pursuant to paragraph 1; and
 - c. do so for a five-year period or until all Doubling Clauses have been removed, whichever is earliest.
5. Once an offer has been accepted by an Investor/Fund Leaseholder, Aviva Investors will use all commercially reasonable endeavours to effect the variation without undue delay.

Non-reliance on Doubling Clauses

6. Aviva, Aviva Investors and the Fund will not rely, or seek to rely, on a Doubling Clause against a Leaseholder, including not demanding any Ground Rent above the initial Ground Rent.
7. Neither Aviva, Aviva Investors nor the Fund will take any action or steps for possession against a Leaseholder for non-payment of Ground Rent in reliance on Ground 8 of Schedule 2 to the Housing Act 1988 or take any action or steps leading to possession or any other sanction against a Leaseholder for non-payment of Ground Rent in excess of the initial level.
8. Aviva Investors will offer to refund to each Investor/Fund Leaseholder any amounts the Investor/Fund Leaseholder has paid to it under a Doubling Clause, including any Ground Rent which the Investor/Fund Leaseholder has paid in excess of the initial Ground Rent and any charges associated with the excess Ground Rent. For the avoidance of doubt, this offer will not be subject to any administrative or other charges for the payment of the refund.
9. The offer under paragraph 8 will be communicated by:
 - a. sending a letter to the relevant property; and
 - b. sending an email to the Investor/Fund Leaseholder (where their email address is known)
10. The offer under paragraph 8 will be communicated within 90 days of the date of this undertaking and then again annually for a two-year period or until accepted by the Investor/Fund Leaseholder, whichever is earliest.

Other Leaseholders

11. Aviva, or Aviva Investors acting on behalf of Aviva, will, within 90 days of the date of this undertaking, use all commercially reasonable endeavours to identify any Aviva Leaseholders. Where such Leaseholders are identified, Aviva, or Aviva Investors acting on behalf of Aviva, will in respect of those Leaseholders take the same steps as are set out in paragraphs 1 – 10 above (as if those paragraphs referred to Aviva Leaseholders). Aviva, or Aviva Investors acting on behalf of Aviva, will also take the same steps in respect of any other Aviva Leaseholders who identify themselves to Aviva or Aviva Investors.
12. Subject to paragraph 13 below, where any Former Leaseholder who has paid Ground Rent to Aviva, Aviva Investors and/or the Fund under a Doubling Clause identifies themselves to Aviva, Aviva Investors or the Fund, Aviva Investors will offer to refund to them any such amounts, including any Ground Rent which the Former Leaseholder has paid in excess of the initial Ground Rent and any charges associated with the excess Ground Rent. For the avoidance of doubt, this offer will not be subject to any administrative or other charges for

the payment of the refund, and the identity of any Former Leaseholder will be subject to verification.

13. Within 21 days of the date of this undertaking, Aviva Investors will, for a five-year period maintain on a suitable webpage of its website information about the availability of refunds to Former Leaseholders of the sums described in paragraph 12. Aviva or Aviva Investors, as the case may be, will offer refunds of those sums to Former Leaseholders who respond to that information within that five-year period. The offers will be made within 60 days of that response.

Payment of refunds

14. Once an offer of a refund under paragraph 8, or 12 and 13, as the case may be, has been accepted by a Leaseholder or a Former Leaseholder (again as the case may be), Aviva will use all commercially reasonable endeavours to ensure that the refund is paid to that person within 30 working days of their acceptance.
15. Each refund to a Leaseholder will be made by making a payment credit to the Leaseholder's billing account. Where the Leaseholder's billing account is not in arrears for the payment of Ground Rent (excluding any sums owed pursuant to a Doubling Clause), the Leaseholder will be entitled to request that the credit amount be paid into their bank account by BACS pursuant to the usual process for issuing refunds utilised by the managing agent (or, where payment by that means is not possible, by such other means as is agreed with the person to whom the payment is due).
16. Each refund to a Former Leaseholder will be made by making a payment to the Former Leaseholder's bank account by BACS (or, where payment by that means is not possible, by such other means as is agreed with the person to whom the payment is due).

Other matters

17. Whilst these undertakings are in effect, to the extent that Aviva, Aviva Investors and/or the Fund sells the freehold of any property which is subject to a Lease and for which it is the freeholder (or landlord), it will do so on terms that the purchaser will comply with a set of obligations in relation to the Leases acquired that are the same as those set out in paragraphs 1 – 7 of these undertakings (as applied to the Leaseholder in question), and the timing is to be taken to run from the date of the sale of the freehold and for the balance of any period remaining under these undertakings.
18. Whilst these undertakings are in effect, to the extent that Aviva, Aviva Investors and/or the Fund acquires the freehold of any property subject to a Lease, it will offer to remove the Doubling Clause under the same terms as set out in these undertakings. It will also comply with the requirements of paragraphs 6 and 7 above.
19. Without prejudice to any other information which the CMA may request, Aviva Investors will provide the CMA with an annual report setting out:

- a. the total number of offers made under paragraphs 1, 8,12 and 13 above;
- b. the total number of such offers which have been accepted;
- c. the total number of Doubling Clauses removed; and
- d. the total number and value of refunds made.

BY SIGNING THESE UNDERTAKINGS AVIVA, AVIVA INVESTORS AND THE FUND ARE AGREEING TO BE BOUND BY THEM. CONDUCT WHICH CONTRAVENES PARAGRAPHS 1 TO 19 ABOVE MAY CONSTITUTE A COMMUNITY/SCHEDULE 13 INFRINGEMENT PURSUANT TO SECTION 212 OF THE EA02. IF HAVING SIGNED THIS DOCUMENT AVIVA, AVIVA INVESTORS OR THE FUND BREACHES ANY OF THE ABOVE UNDERTAKINGS, THEY ARE AWARE THAT THEY MAY BE THE SUBJECT OF AN APPLICATION TO THE COURT FOR AN ENFORCEMENT ORDER UNDER SECTION 215 OF THE EA02.