

FINAL TERMS

Final Terms dated 24 June 2020

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered, sold or transferred at any time in the United States or to U.S. Persons (as defined in Regulation S under the Securities Act). The Issuer has not been and will not be registered as an investment company as defined in Section 3(a)(1) under the Investment Company Act of 1940, as amended. See "*Subscription and Sale*" in the accompanying Prospectus.

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

EVERSHOLT FUNDING PLC

Legal entity identifier (LEI): 5493002X7O83FCJVYO69

Issue of £500,000,000 2.742 per cent. Bonds due 2040
(the "Bonds")

under Eversholt Funding plc's £3,000,000,000 multicurrency programme for the
issuance of Bonds
(the "Programme")

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the conditions (the **Conditions**) set out in the prospectus dated 25 October 2019 relating to Eversholt Funding plc's multicurrency programme for the issuance of bonds and the supplement to that prospectus dated 18 June 2020, which together constitute a base prospectus for the purposes of the Prospectus Regulation (the **Prospectus**). This document constitutes the Final Terms of the Bonds described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Prospectus in order to obtain all the relevant information. The Prospectus has been published on the Issuer's website.

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| 1. | (i) | Issuer | Eversholt Funding plc |
| | (ii) | Guarantors: | Eversholt Funding plc, Eversholt UK Rails (Holding) Limited, Eversholt Finance Holdings Limited, Eversholt Rail Limited, Eversholt Depot Finance Limited, Eversholt Rail Leasing Limited, Eversholt Investment Limited, European Rail Finance Holdings Limited, European Rail Finance Limited and European Rail Finance (2) Limited |
| 2. | (i) | Series Number | 2020-1 |
| | (ii) | Tranche Number | 1 |
| | (iii) | Date on which the Bonds will be consolidated and form a single Series: | Not Applicable |
| 3. | | Relevant Currency or Currencies: | Pounds Sterling ("£") |
| 4. | | Aggregate Nominal Amount of Bonds admitted to trading: | |
| | (i) | Series: | £500,000,000 |
| | (ii) | Tranche: | £500,000,000 |
| 5. | (i) | Issue Price: | 100.00 per cent. |
| | (ii) | Net proceeds (required only for listed issues): | £498,500,000 |
| 6. | (i) | Specified Denominations: | £100,000 and integral multiples of £1,000 in excess thereof |
| | (ii) | Calculation Amount: | £1,000 |
| 7. | (i) | Issue Date: | 30 June 2020 |
| | (ii) | Interest Commencement Date: | Issue Date |

8. (i) Scheduled Redemption Date: Each Instalment Date (see paragraphs 9 to 11 (inclusive) below)
- (ii) Maturity Date: 30 June 2040
9. Instalment Date: Each Interest Payment Date from (and including) the Interest Payment Date falling on 30 June 2021 to (and including) the Maturity Date
10. Instalment Amount: £12,820,512.82 or any such amount determined in accordance with the Conditions pursuant to any purchase and cancellation or early redemption, and on any early redemption or purchase and cancellation in part, each remaining Instalment Amount shall be reduced by a *pro rata* amount of the amount of the Bonds so redeemed or purchased and cancelled.
- Each payment of the Instalment Amount is characterised as a redemption of principal and the Principal Amount Outstanding is reduced by each payment of the Instalment Amount
11. Redemption Basis: Subject to the Conditions and/or to any purchase and cancellation or early redemption, the Bonds will be redeemed in an amount equal to the Instalment Amount on each Instalment Date
12. Interest Basis: 2.742 per cent. Fixed Rate
13. Change of Interest Basis: Not Applicable
14. Put/Call Options: Change of Control Put
- Issuer Call
- (see paragraphs 21 and 22 below)
15. (i) Status and Ranking: The Bonds rank *pari passu* among each other in terms of interest and principal payments and rank
- (ii) Status of Guarantee: Senior
- (iii) Date Board approval for issuance of Bonds obtained: 17 June 2020

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Bond Provisions:	Applicable
	(i) Interest Rate:	2.742 per cent. per annum payable in arrear on each Interest Payment Date
	(ii) Interest Payment Date(s):	30 June and 30 December in each year from (and including) 30 December 2020 up to (and including) the Maturity Date, with Interest Payment Dates subject to adjustment in accordance with the Following Business Day Convention
	(iii) Fixed Coupon Amount(s):	£13.71 per Calculation Amount
	(Applicable to Bonds in definitive form)	
	(iv) Broken Amount(s):	Not Applicable
	(Applicable to Bonds in definitive form)	
	(v) Day Count Fraction:	Actual/Actual (ICMA)
	(vi) Determination Date(s):	30 June and 30 December in each year
	(vii) Ratings Step-up/Step-down:	Applicable – see paragraph (viii) below
	(viii) Interest Ratchet	Applicable, with an Interest Ratchet Margin of 1.25 per cent., as further set out in the Conditions
	(ix) Reference Gilt	The Treasury Stock whose modified duration most closely matches that of the Bonds on the Reference Date with the advice of three persons operating in the gilt-edged market (selected by the Issuer and approved by the Bond Trustee)
	(x) Comparable German Bund Issue:	Not Applicable
17.	Floating Rate Bond Provisions	Not Applicable
18.	Zero Coupon Bond Provisions:	Not Applicable
19.	Indexed Bond Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

20.	Notice periods for Condition 8(d):	Minimum period: 5 Business Days Maximum period: 60 Business Days
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| 21. | Issuer Call Option: | Applicable (in accordance with Condition 8(d)) |
| | (i) Optional Redemption Date(s): | Any Interest Payment Date |
| | (ii) Optional Redemption Amount: | Redemption Amount as specified in Condition 8(d)(i) |
| | (iii) If redeemable in part: | Applicable |
| | (A) Minimum Redemption Amount: | Redemption Amount for partial redemption will be determined in accordance with paragraph (ii) above and will not be subject to a minimum |
| | (B) Maximum Redemption Amount: | Redemption Amount for partial redemption will be determined in accordance with paragraph (ii) above and will not be subject to a maximum |
| | (C) Notice period (if other than as set out in the Conditions): | Notice period for partial redemption will be as set out in paragraph 20 above |
| 22. | Change of Control Put Option: | Applicable (in accordance with Condition 8(f)) |
| 23. | Investor Put: | Not Applicable |
| 24. | Final Redemption Amount: | The Instalment Amount due on the Maturity Date in accordance with paragraph 11 of these Final Terms and the Conditions |
| 25. | Final Redemption Amount of each Bond in cases where the Redemption Amount is Index-Linked: | Not Applicable |
| 26. | Early Redemption Amount payable on redemption for taxation reasons or on event of default: | As set out in the Conditions |

GENERAL PROVISIONS APPLICABLE TO THE BONDS

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| 27. | Form of Bonds: | Bearer |
| | (i) If issued in Bearer form: | Temporary Global Bond exchangeable for a Permanent Global Bond which is exchangeable for Definitive Bonds in the limited circumstances specified in the Permanent Global Bond |
| 28. | (i) New Global Note: | Yes |

- (ii) New Safekeeping Structure No
29. Additional Financial Centre(s): Not Applicable
30. Talons for future Coupons or Receipts to be attached to Definitive Bonds: Yes, as the Bonds have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made

DISTRIBUTION

- 31.
- (i) If syndicated, names of Joint Lead Managers: BNP Paribas
HSBC Bank plc
RBC Europe Limited
- (ii) Stabilising Manager (if any): RBC Europe Limited
32. If non-syndicated, name of Dealer: Not Applicable
33. Additional selling and transfer restrictions: Not Applicable
34. U.S. Selling Restrictions: Reg. S Category 2 and TEFRA D
35. Prohibition of Sales to Belgian Consumers: Applicable

Signed on behalf of the Issuer:

By:

A handwritten signature in black ink, appearing to be 'Sharon', written in a cursive style.

Duly authorised

PART B - OTHER INFORMATION

1. LISTING

- (i) Listing and admission to trading Application has been made by the Issuer (or on its behalf) for the Bonds to be admitted to trading on the London Stock Exchange's regulated market and listing on the Official List of the FCA with effect from 30 June 2020
- (ii) Estimate of total expenses related to admission to trading: £4,790

2. RATINGS

Ratings: The Bonds to be issued are expected to be rated:

BBB+ (stable) by Fitch Ratings Ltd (**Fitch**);
and

Baa2 (stable) by Moody's Investors Service (**Moody's**)

Each of Fitch and Moody's is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended by Regulation (EU) No 513/2011 and Regulation (EU) No 462/2013, collectively the **CRA Regulation**)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Joint Lead Managers, so far as the Issuer is aware, no person involved in the issue of the Bonds has an interest material to the offer.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: See "*Overview of the Programme, Financing Structure, Ownership and Debt Structure*" in the Prospectus

In addition:

- RBC Europe limited (in its capacity as an offeror) (the **Offeror**) has, pursuant to a tender offer memorandum dated 18 June 2020, made an invitation to holders of the outstanding £400,000,000 6.359 per cent. bonds due 2025 previously

issued by the Issuer under the Programme (the **Existing Bonds**) to tender a portion of such Existing Bonds for purchase by the Offeror for cash (up to a maximum aggregate principal amount of £150,000,000, subject to adjustment of such maximum by the Offeror) (the **Offer**).

- The primary reasons for the offer of Bonds under these Final Terms are therefore for the Issuer: (1) to receive (as partial, non-cash subscription proceeds for such Bonds) the Existing Bonds purchased by the Offeror pursuant to the Offer and subsequently cancel such Existing Bonds (therefore helping the Issuer to proactively manage upcoming debt redemptions and to extend its average debt maturity profile); and (2) to receive the remaining subscription proceeds for such Bonds in cash, some or all of which the Issuer intends to either retain or on-lend to one or more affiliates of Eversholt UK Rails Group until (in either case) it is applied to fund the redemption of 100 per cent. of the bonds due on or about 2 December 2020 previously issued by Finco under the Programme.

(ii) Estimated net proceeds: £498,500,000

(iii) Estimated total expenses: £4,790

5. **YIELD (*Fixed Rate Bonds only*)**

Indication of yield: 2.742 per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. **OPERATIONAL INFORMATION**

ISIN Code: XS2194483330

Common Code: 219448333

CFI: Not Applicable

FISN: Not Applicable

Delivery

Delivery against payment

Benchmarks Regulation:

Not Applicable

Intended to be held in a manner which would allow Eurosystem eligibility:

Yes.

Note that the designation “yes” simply means that the Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper, and does not necessarily mean that the Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.