

FINAL TERMS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes 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**). 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, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes 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 United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

14th January, 2021

CLARION FUNDING PLC

Legal entity identifier (LEI): 213800BLOAKXC1BXLJ29

**Issue of £50,000,000 3.125 per cent. Secured Notes due 2048
under the £3,000,000,000
Secured Euro Medium Term Note 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 forth in the Offering Circular dated 29th September, 2017 which are incorporated by reference in the

Offering Circular dated 31st March, 2020. This document constitutes the Final Terms of the Notes described herein for the purposes of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of EUWA (the **UK Prospectus Regulation**) and must be read in conjunction with the Offering Circular dated 31st March, 2020 and the supplements to it dated 18th August, 2020 and 6th January, 2021 which together constitute a base prospectus for the purposes of the UK Prospectus Regulation (the **Offering Circular**), including the Conditions incorporated by reference in the Offering Circular, in order to obtain all the relevant information. The Offering Circular has been published via the regulatory news service maintained by the London Stock Exchange (www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

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| 1. | Issuer: | Clarion Funding plc |
| 2. | (a) Series Number: | 1 |
| | (b) Tranche Number: | 4 |
| | (c) Date on which the Notes will be consolidated and form a single Series: | The Notes will be consolidated and form a single Series with the £450,000,000 3.125 per cent. Secured Notes due 2048 of the Issuer issued on 19th April, 2018, 23rd July, 2019 and 30th July, 2020 (the Existing Notes) on exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 19 below, which is expected to occur on or about 27th February, 2021 |
| 3. | Specified Currency or Currencies: | Pounds Sterling (£) |
| 4. | Aggregate Principal Amount: | |
| | (a) Series: | £500,000,000 |
| | (b) Tranche: | £50,000,000 |
| 5. | Issue Price: | 129.242 per cent. of the Aggregate Principal Amount plus accrued interest from and including 19th October, 2020 to but excluding the Issue Date |
| 6. | (a) Specified Denominations: | £100,000 and integral multiples of £1,000 in excess thereof up to and including £199,000. No Notes in definitive form will be issued with a denomination above £199,000 |
| | (b) Calculation Amount (in relation to calculation of interest in respect of Notes in global form see Conditions): | £1,000 |
| 7. | (a) Issue Date: | 18th January, 2021 |
| | (b) Interest Commencement Date: | 19th October, 2020 |
| 8. | Maturity Date: | 19th April, 2048 |

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| 9. | Interest Basis: | 3.125 per cent. Fixed Rate
(see paragraph 15 below) |
| 10. | Redemption Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their principal amount |
| 11. | Change of Interest Basis: | Not Applicable |
| 12. | Date Board approval for issuance of Notes obtained: | 20th March, 2020 |

PROVISIONS RELATING TO THE UNDERLYING SECURITY

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| 13. | Numerical Apportionment Basis: | Applicable |
| | (a) Issuer's Series Security Percentage on the Issue Date: | 9.33 per cent. |
| | (b) Minimum Value of the NAB Charged Properties on the Issue Date: | £511,082,334 |
| 14. | Specific Apportionment Basis: | Not Applicable |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. | Fixed Rate Note Provisions | Applicable |
| | (a) Rate(s) of Interest: | 3.125 per cent. per annum payable in arrear on each Interest Payment Date |
| | (b) Interest Payment Date(s): | 19th April and 19th October in each year up to and including the Maturity Date |
| | (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): | £15.63 per Calculation Amount |
| | (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): | Not Applicable |
| | (e) Day Count Fraction: | Actual/Actual (ICMA) |
| | (f) Determination Date(s): | 19th April and 19th October in each year |
| 16. | Floating Rate Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 17. | Final Redemption Amount: | £1,000 per Calculation Amount |
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18. Early Redemption in respect of redemption pursuant to Condition 9.2 (*Early Redemption*): Applicable
- (a) Specified Benchmark Gilt: 1½% Treasury Gilt July 2047
- (b) Spens Margin: 0.25 per cent.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

19. Form of Notes:
- (a) Form: Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes upon an Exchange Event
- (b) New Global Note: Yes
20. Additional Financial Centre(s): Not Applicable
21. Talons for future Coupons to be attached to Definitive Notes: Yes, as the Notes 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

Signed on behalf of Clarion Funding plc:

By: C. Francis.....

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's main market and admitted to the Official List of the FCA with effect from 18th January, 2021. The Existing Notes are already admitted to trading on the London Stock Exchange's main market and admitted to the Official List of the FCA.
- (ii) Estimate of total expenses related to admission to trading: £4,512

2. RATINGS

- Ratings: The Notes to be issued are expected to be rated "A3" by Moody's Investors Service Limited and "A-" by S&P Global Ratings Europe Limited.

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

Save for the fees payable to the relevant Dealer, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The relevant Dealer and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, the Group Borrower and the Borrowers and their affiliates in the ordinary course of business.

4. YIELD

- Indication of yield: 1.768 per cent. (semi-annual)
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

- (i) ISIN: Until consolidation with the Existing Notes:
Temporary ISIN: XS2287867480
Upon consolidation with the Existing Notes:
ISIN: XS1808340019
- (ii) Common Code: Until consolidation with the Existing Notes:
Temporary Common Code: 228786748
Upon consolidation with the Existing Notes:
Common Code: 180834001

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| (iii) | CFI: | See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN |
| (iv) | FISN | See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN |
| (v) | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable |
| (vi) | Delivery: | Delivery against payment |
| (vii) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (viii) | Intended to be held in a manner which would allow Eurosystem eligibility: | Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes 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. |

6. DISTRIBUTION

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| (i) | Method of distribution: | Non-syndicated |
| (ii) | If syndicated, names of Managers: | Not Applicable |
| (iii) | Stabilisation Manager(s) (if any): | Not Applicable |
| (iv) | If non-syndicated, name of relevant Dealer: | RBC Europe Limited |
| (v) | U.S. Selling Restrictions: | Reg. S Compliance Category 2; TEFRA D |