

## **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. FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF:**

- (A) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU ("MIFID II");**
- (B) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR**
- (C) NOT A QUALIFIED INVESTOR AS DEFINED IN DIRECTIVE 2003/71/EC, AS AMENDED.**

**CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (THE "PRIIPS REGULATION") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EUROPEAN ECONOMIC AREA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EUROPEAN ECONOMIC AREA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.**

**MIFID II 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 ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN DIRECTIVE 2014/65/EU (AS AMENDED, "MIFID II"); 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 MIFID II 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.**

## **ISSUE MEMORANDUM**

**LUNAR FUNDING V PLC**

*(incorporated as a public company with limited liability in Ireland)*

**Legal entity identifier: 213800BNPFXIGDAFQL81**

**SERIES NO 2019-89**

**€50,000,000 Series 2019-89 Limited Recourse Secured Asset-Backed Note due 2032**

**Issue Price: 100 per cent.**

**Issued pursuant to its US\$10,000,000,000**

**SECURED ASSET-BACKED MEDIUM TERM NOTE PROGRAMME**

**arranged by**

**NATWEST MARKETS PLC**

Dated 14 March 2019

The date of this Issue Memorandum is 14 March 2019.

This Issue Memorandum, under which the Notes described herein (the "**Notes**") are issued by Lunar Funding V PLC (the "**Issuer**"), incorporates by reference and should be read in conjunction with, the Programme Memorandum dated 5 March 2019 (the "**Programme Memorandum**") issued in relation to the US\$10,000,000,000 Secured Asset-Backed Medium Term Note Programme (the "**Programme**") of Lunar Funding I Limited, Lunar Funding V PLC and other Additional Issuers adhering to the Programme from time to time. Terms defined in the Programme Memorandum have the same meaning in this Issue Memorandum.

This document has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU) (the "**Prospectus Directive**"). The Central Bank only approves this document as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to The Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") for the Notes to be admitted to the Official List and trading on its regulated market.

**The Issuer accepts responsibility for the information contained in this Issue Memorandum and the Programme Memorandum. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Issue Memorandum and the Programme Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.**

The Counterparty accepts responsibility for the information contained in the section of this Issue Memorandum headed "*Information relating to the Swap Counterparty*". To the best of the knowledge and belief of the Counterparty (having taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Counterparty is not responsible for and accepts no responsibility for, the accuracy and completeness of any other information contained in this Issue Memorandum or the Programme Memorandum.

Information or summaries of information included herein with respect to the Initial Underlying Assets, the issuer of the Initial Underlying Assets and the Counterparty (together, the "**Third Party Information**") has been accurately reproduced from information published by such issuer and the Counterparty and, so far as the Issuer is aware and/or able to ascertain from such published information, no facts have been omitted which could render the reproduced information inaccurate or misleading. The Issuer has not made any enquiries as to its own possession of non-publicly available information. The Issuer has not conducted extensive due diligence on the Third Party Information, and has only made very limited enquiries in relation to the Third Party Information, and neither the Issuer nor the Arranger makes any representation or warranty, expressed or implied, as to the accuracy or completeness of the Third Party Information and prospective investors in the Notes should not rely upon, and should make their own independent investigations and enquiries in respect of the same.

This Issue Memorandum does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Issue Memorandum in any jurisdiction where such action is required.

Neither the Arranger nor the Dealer (i) stands behind the Issuer, the Programme or the Notes or (ii) will make good any losses incurred by the Issuer in respect of the Notes, the Charged Property or otherwise.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and are subject to US tax law requirements. Subject to certain

exceptions, Notes may not be offered, sold or delivered within the United States or to US persons (as defined in Regulation S under the Securities Act) or to any person who is not a Non-US Person (as defined in Rule 4.7 of the U.S. Commodity Futures Trading Commission).

Upon approval of this Issue Memorandum by the Central Bank, this issuance note will be filed with the Irish Companies Registration Office in accordance with Regulation 38(1)(b) of the Prospectus Regulations.

The Issuer is not and will not be regulated by the Central Bank as a result of issuing the Notes. Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank.

**Purchase of the Notes involves substantial risks. Prospective investors should ensure that they understand the nature of the risks posed by, and the extent of their exposure under, the Notes. Prospective investors should make all pertinent inquiries (including those relating to the Third Party Information) they deem necessary without relying on the Issuer or the Counterparty. Prospective investors should consider the suitability of the Notes as an investment in light of their own circumstances, investment objectives, tax position and financial condition. Prospective investors should consider carefully all the information set forth in this Issue Memorandum along with all the information set forth in the Programme Memorandum. Prospective investors should pay particular attention to the section entitled "Risk Factors" below (pages 6 to 16 inclusive) and notice should be given to certain "Irish Risk Factors" therein (pages 15 and 16 inclusive) and also the section entitled "Risk Factors" in the Programme Memorandum (pages 29 to 40 inclusive).**

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## **RISK FACTORS**

*An investment in the Notes involves certain risks. Prior to investing in the Notes, prospective purchasers should carefully consider the following factors.*

### **SUITABILITY**

Prospective investors should determine whether an investment in the Notes is appropriate in their particular circumstances and should consult with their legal, business and tax advisers and such other advisers as they deem necessary to determine the appropriateness, effect, risks and consequences of an investment in the Notes. Any decision by prospective investors to make an investment in the Notes should be based upon their own judgement and upon any advice from such advisers, and not upon any view expressed by the Issuer or the Arranger and Dealer.

Neither the Arranger nor the Dealer makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied in connection with the Notes and none of them accepts any responsibility or liability therefor. Neither the Arranger nor the Dealer undertake to review the financial condition or affairs of the Issuer or provide information in respect of the Underlying Assets during the life of the arrangements contemplated by this Issue Memorandum nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Arranger or the Dealer.

Given the highly specialised nature of these Notes, the Issuer, the Arranger and Dealer consider that they are only suitable for investors who:

- (a) are highly sophisticated and have the requisite knowledge and experience in financial and business matters to evaluate the merits and considerable risks of an investment in the Notes;
- (b) are capable of bearing the economic risk of an investment in the Notes for an indefinite period of time, which may involve a partial or complete loss of principal and interest;
- (c) are acquiring the Notes for their own account for investment, not with a view to resale, distribution or other disposition of the Notes (subject to any applicable law requiring that the disposition of the investor's property be within its control); and
- (d) recognise that it may not be possible to make any transfer of the Notes for a substantial period of time, if at all.

Consequently, a prospective investor who does not fall within the description above should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser.

Prospective investors should note that the market value of the Notes is affected by supply and demand for the Notes, and that, accordingly, it should not be assumed that there will be a significant correlation between such market value and the market value of the Charged Property.

Prospective investors should also appreciate that:

- (a) they cannot rely, and will not at any time in the future be able to rely, on the Issuer, the Counterparty, the Arranger and Dealer or any other member of the group of companies of which the Arranger and Dealer forms part (the "**Group**") to provide them with any information relating to, or to keep under review on their behalf, the business, financial condition, prospects, creditworthiness, status or affairs of the obligor of the Charged Property or to conduct any investigation or due diligence with respect to any such person;

- (b) in connection with the issue of the Notes, none of the Issuer, the Counterparty, the Arranger and Dealer nor any member of the Group has made or is making any representations whatsoever as to the obligor of the Charged Property or any information contained in any document filed by any such person with any exchange or with any regulatory authority or governmental entity;
- (c) the Issuer, the Counterparty, the Arranger and Dealer and each Group company may deal in and accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking activities or other business including any derivatives business (howsoever defined) with the obligor of the Charged Property or any of their subsidiaries or affiliates or any other person or entity having obligations relating to the obligor of the Charged Property and may act with respect to such activities or business without accountability to any investor in the Notes in the same manner as if the Notes did not exist, regardless of whether any such action might have an adverse effect (including, without limitation, by constituting or giving rise to any breach, event of default, credit event or termination event) on the obligor of the Charged Property or any investor in the Notes; and
- (d) the Issuer, the Counterparty, the Arranger and Dealer and each Group company may, whether by virtue of the types of relationships described above or otherwise, at this date or at any time be in possession of information in relation to the obligor of the Charged Property which is or may be material in the context of the Notes and which is or may not be known to the general public or to investors in the Notes. Purchase of the Notes by any investor does not create any obligation on the part of the Counterparty, the Arranger and Dealer, the Issuer or any Group company to disclose to such investor any such relationship or information (whether or not confidential) and none of the Arranger, the Issuer, the Counterparty nor any other Group company shall be liable to such investor by reason of such non-disclosure.

Before making an investment decision, prospective investors should inform themselves about, and make a detailed evaluation of, the nature and financial position of any obligor of the Charged Property, the economic, social and political condition of the jurisdiction in which any such obligor are located and of the terms and conditions of the Charged Property, and should acquire for themselves such further information as they deem necessary in respect of the Charged Property. Neither the Issuer nor any party referred to herein has had any access to any such obligor for the purposes of conducting any such investigation and no such person makes any representations as to the financial condition or creditworthiness of any such obligor. In addition, prospective investors should consider the nature and financial position of the Issuer as well as the terms and conditions of the Notes and the other related transaction documents described below.

## **EXPOSURE TO CREDIT RISK ON OTHER PARTIES**

The ability of the Issuer to meet its obligations under the Notes will be dependent, *inter alia*, on its receipt of payments from the Counterparty under the Related Agreement.

In the event of a default of the Counterparty under the Related Agreement, leading to a termination of the Related Agreement, the Liquidation Agent will seek to liquidate the Charged Property on behalf of the Issuer. The market for the Charged Property may be illiquid, and the proceeds of such liquidation may not be sufficient to meet payments due in respect of each Note.

## **PRINCIPAL PROTECTION**

The notes are not principal protected. The amount paid to investors at maturity and on any early redemption of the Notes may be less than the principal amount and could be zero. Investors therefore risk losing their entire investment.

## **NATURE OF THE INITIAL UNDERLYING ASSETS**

The ability of the Issuer to meet its payment obligations under the Notes will depend on the receipt by it of payments due from the issuer of the Initial Underlying Assets under the terms of the Initial Underlying Assets. Consequently, the Issuer is exposed to the ability of the issuer of the Initial Underlying Assets to perform its obligations under the terms of the Initial Underlying Assets.

## **TERMINATION OF THE RELATED AGREEMENT**

Upon an early termination of the Related Agreement, the Issuer may be required to make a termination payment to the Counterparty. Such payment will be calculated on the basis set out in the ISDA Master Agreement, and will serve to compensate the Counterparty for the loss, if any, incurred by it by reason of such early termination. If the Issuer is required to make a termination payment in such circumstances, any such payment would reduce the amount available to the Issuer to make payments in accordance with the Order of Priority.

In the event the Related Agreement is being terminated as a result of the Counterparty being the Defaulted Counterparty, save and except where a firm bid is obtained by the Calculation Agent on behalf of the Issuer for purposes of entering into a Replacement Agreement, such termination of the Related Agreement will constitute a Mandatory Redemption Event and all the Notes shall be redeemed early.

## **CONFLICTS OF INTEREST INVOLVING NATWEST MARKETS PLC AND ITS AFFILIATES**

NatWest Markets Plc and its affiliates are acting in a number of capacities in connection with the transaction described herein. NatWest Markets Plc and any of its affiliates acting in such capacities will have only the duties and responsibilities expressly agreed to by such entity in the relevant capacity and will not, by reason of it or any of its affiliates acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided with respect to each such capacity. In no event shall NatWest Markets Plc or any of its affiliates be deemed to have any fiduciary obligations to any person by reason of it or any of their affiliates acting in any capacity.

NatWest Markets Plc is acting as Counterparty in respect of the Notes.

NatWest Markets Plc and its affiliates may purchase, hold and sell the Notes from time to time.

NatWest Markets Plc and its affiliates currently act as arranger and/or investment adviser for entities having investment objectives similar to those of the Issuer and in respect of notes or other instruments similar to the Notes (and may act as such in the future).

Employees of NatWest Markets Plc and its affiliates may also serve as directors of other entities having investment objectives similar to those of the Issuer.

NatWest Markets Plc may take actions that may be inconsistent with or adverse to the interests of the Issuer or the holders of the Notes. The interests and incentives of NatWest Markets Plc in connection with the Related Agreement or otherwise may differ from those of the Issuer and the Noteholders. NatWest Markets Plc will not be obliged to take any action to minimise losses or maximise recoveries in respect of the Underlying Assets.

NatWest Markets Plc and its affiliates may, whether as a result of relationships described above or otherwise, at the Trade Date or at any later time or times, be in possession of information in relation to the Underlying Assets that is or may be material in the context of the Notes and that may or may not be



publicly available and which NatWest Markets Plc or such affiliates may be prohibited from disclosing or using for the benefit of the Issuer.

## **CONFLICT OF INTEREST BETWEEN SECURED PARTIES**

The interests of the Counterparty, the Noteholders and the other Secured Parties may differ in certain circumstances. In the event of any conflict between the interests of the Noteholders and the interests of any other Secured Party, the Trustee shall have regard to the interests of the Noteholders, provided that, following such enforcement, payment of any monies due to the Secured Parties shall be made strictly in accordance with the terms of the Order of Priority. Conditions 12, 13 and 14, paragraph 75 of this Issue Memorandum and the Trust Deed contain provisions setting out the basis on which the Trustee is required to exercise its discretion and the circumstances in which it can be directed to act by the Counterparty or the Noteholders.

## **LIMITED RECOURSE AND NON-PETITION**

The Notes are limited recourse obligations of the Issuer. Payments due in respect of the Notes prior to redemption or acceleration thereof will be made solely out of amounts received by or on behalf of the Issuer in respect of the Charged Property. In addition, payments on the Notes both prior to and following enforcement of the security over the Charged Property will be subordinated to or rank *pari passu* with the prior payment of certain other amounts in accordance with the Order of Priority specified in this Issue Memorandum. The net proceeds of liquidation of the Charged Property (in the case of redemption of the Notes) or the realisation of the security thereover (in the case of enforcement thereof following an Event of Default) will depend on various factors and may be insufficient to pay all amounts due to the Noteholders after making payments to other creditors of the Issuer ranking prior to, or *pari passu* with, the Noteholders.

If the net proceeds of realisation of the security over the Charged Property constituted by the Trust Deed upon enforcement thereof are less than the aggregate amount payable in such circumstances by the Issuer in respect of the Notes and to the other Transaction Creditors (such negative amount being referred to herein as a "shortfall"), the obligations of the Issuer in respect of the Notes and its obligations to the other Transaction Creditors in such circumstances will be limited to such net proceeds which shall be applied in accordance with the Order of Priority. In such circumstances the other assets (if any) of the Issuer will not be available for payment of such shortfall which shall be borne by the Transaction Creditors in accordance with such order of priority (applied in reverse order), the rights of the Transaction Creditors to receive any further amounts in respect of such obligations shall be extinguished and none of the Noteholders or the other Transaction Creditors may take any further action to recover such amounts. In addition, none of the Noteholders, the Trustee or other Transaction Creditors (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency, winding up or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the Notes, the applicable Trust Deed or otherwise owed to the Transaction Creditors, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer.

In addition, neither the Trustee, the Noteholders nor any other Secured Party shall have any recourse against any director, shareholder, or officer of the relevant Issuer in respect of any obligations, covenant or agreement entered into or made by the Issuer pursuant to the terms of the Trust Deed or the other Transaction Documents to which it is a party or any notice or documents which it is requested to deliver hereunder or thereunder.

## **MANDATORY REDEMPTION EVENT IN RESPECT OF THE UNDERLYING ASSETS**

To the extent that a Mandatory Redemption Event occurs with respect to the Notes, then unless a Physical Delivery Event applies and a Physical Delivery Exception has not occurred (in which case the Issuer shall deliver the Initial Underlying Assets to the Noteholders in lieu of payment of the relevant proportion of the Underlying Asset Liquidation Proceeds), the Calculation Agent acting on behalf of the Issuer is required to sell the relevant proportion of the Underlying Assets (or the rights in respect thereof) and is not entitled to defer such sale in anticipation that the price at which it may be effected will be higher at a later date. Following such sale and/or delivery, the Issuer will redeem all and not only some of the Notes. The net proceeds of any such sale (after deducting the costs, expenses and any taxes incurred in respect of such sale) may or may not equal the unpaid principal of the relevant Notes and interest thereon or the relevant portion thereof. In the event of an insolvency of an issuer or obligor in respect of any Underlying Assets, various insolvency and related laws applicable to such issuer or obligor may (directly or indirectly) limit the amount the Issuer or the Trustee may recover as a result of any sale of such Underlying Assets.

No assurance can be given as to the amount of proceeds of any sale or liquidation of the Underlying Assets at that time since the market value of the Underlying Assets will be affected by a number of factors including but not limited to (i) the creditworthiness of the issuer or obligor of the Underlying Assets and any underlying obligors, (ii) market perception, interest rates, yields and foreign exchange rates, (iii) the time remaining to the scheduled maturity of the Underlying Assets and (iv) the liquidity of the Underlying Assets. Accordingly, the price at which the Underlying Assets are sold or liquidated may be at a discount, which could be substantial, to the market value of the Underlying Assets on the Issue Date and the proceeds of any such sale or liquidation may not be sufficient to repay the full amount of principal of and interest on the Notes that the Noteholders would expect to receive in the event that the Notes redeemed in accordance with their terms on the Scheduled Maturity Date.

## **PHYSICAL DELIVERY OF UNDERLYING ASSETS**

The terms and conditions of the Notes provide the Noteholders with the option to elect physical delivery of the Underlying Assets to such Noteholders in lieu of payment of the relevant proportion of the Underlying Asset Liquidation Proceeds following the occurrence of a Mandatory Redemption Event and, provided that the Noteholder has provided a relevant Asset Transfer Notice to the Issuer, the Calculation Agent and the Paying Agent no later than the Cut-off Date. If for any reason upon such physical delivery, title to the Initial Underlying Assets has to be transferred by or is evidenced by a document rather than merely through a book entry in a clearing system such as Euroclear or Clearstream, Luxembourg or any Alternative Clearing System, there is a risk of an Irish stamp duty (currently 1 per cent.) liability arising in respect of such a document.

## **SUBORDINATION OF PAYMENTS**

Payments on the Notes will be subordinated to payment of certain operating expenses of the Issuer, and associated liabilities and (except in certain circumstances) to payments due to the Counterparty under the Related Agreement.

## **CONTROL**

If an Event of Default occurs for the purposes of the Notes, the Trustee may declare the principal of, and the accrued interest on, the Notes to be immediately due and payable. The remedies exercisable on an Event of Default and actions taken pursuant thereto could be adverse to the interest of the holders of the Notes and the Trustee will have no obligation to consider the effect of such remedies or actions on individual holders of Notes.

## LIMITED LIQUIDITY

There is currently no active trading market for any of the Notes being offered hereby, and the Notes are subject to restrictions on transfer. Neither NatWest Markets Plc nor any of its affiliates will be obligated to make a market in the Notes or otherwise to buy and sell the Notes following the issue thereof. The Notes may be owned by a relatively small number of investors and it is highly unlikely that an active secondary market for the Notes will develop. Purchasers of the Notes may find it difficult or uneconomic to liquidate their investment at any particular time, and it may be difficult for the holders of the Notes to determine the value of the Notes at any particular time. Consequently, a purchaser must be prepared to hold the Notes until maturity.

## NO GROSS-UP

In the event that any withholding tax or deduction for tax is imposed on payments of interest on the Notes, the holders of the Notes will not be entitled to receive grossed-up amounts to compensate for such withholding tax.

## THE PROPOSED FINANCIAL TRANSACTIONS TAX

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common Financial Transactions Tax (“FTT”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

## EUROPEAN MARKET INFRASTRUCTURE REGULATION AND MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE

Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 (**EMIR**) came into force on 16 August 2012. EMIR and the regulations made under it imposes certain obligations on parties to OTC derivative contracts according to whether they are “financial counterparties”, such as European investment firms, alternative investment funds, credit institutions and insurance companies, or other entities which are “non-financial counterparties” or third country entities equivalent to “financial counterparties” or “non-financial counterparties”. EMIR establishes certain requirements for OTC derivatives contracts including mandatory clearing obligations, bilateral risk-management requirements and reporting requirements. These requirements are subject to phased implementation. Investors should be aware that certain currently applicable requirements of EMIR impose obligations on the Issuer, to the extent it

enters into derivative transactions, and future requirements of EMIR are likely to impose further obligations on the Issuer.

Financial counterparties will be subject to a general obligation, to clear through a duly authorised or recognised central counterparty all “eligible” OTC derivative contracts entered into with other counterparties subject to the clearing obligation. They must also undertake certain risk-mitigation techniques in respect of OTC derivative contracts which are not cleared by a central counterparty such as timely confirmation of terms, portfolio reconciliation and compression and the implementation of dispute resolution procedures. Non-cleared OTC derivatives entered into by financial counterparties must also be marked to market and collateral must be exchanged. Non-financial counterparties are exempted from the clearing obligation and certain of the additional risk mitigation obligations (such as posting of collateral) provided the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial counterparties within its “group”, excluding eligible hedging transactions, do not exceed certain thresholds (set per asset class of OTC derivatives).

Investors should, in particular, be aware that should any future obligation of EMIR require the Issuer to modify the economic terms of any derivative transaction into which it enters, there is a risk that this may materially increase the costs associated with such derivative transaction or replacement derivative transaction. This is a particular risk should any derivative transaction into which the Issuer enters become subject to (i) the requirement to exchange segregated collateral with the Counterparty to such transaction, which forms a part of the risk-management requirements, or (ii) to mandatory clearing. It is not currently possible to conclude with any certainty whether the Issuer will be or become subject to such requirements or obligations as there remains legislative uncertainty with respect to the scope of such requirements and obligations, which are not yet in effect. However, irrespective of becoming subject to such requirements or obligations, and irrespective of it becoming necessary to amend or replace derivative transactions into which the Issuer enters, the Issuer may in any event have to bear certain costs or fees arising out of steps it is required to take to comply with the requirements of EMIR. Investors should therefore be aware of the risk that the requirements of EMIR may require amendment to derivative transactions and/or materially increase the costs of entering into derivative transactions which may in certain circumstances result in a redemption event with respect to the Notes (if such increase in costs is specified as an Additional Redemption Event in the Issue Memorandum). Lunar Funding V PLC has entered into an "EMIR Portfolio Reconciliation and Dispute Resolution Deed" dated 28 May 2014 with NatWest Markets Plc in order to facilitate compliance with EMIR.

Finally, investors should be aware that the Issuer may be required to disclose the details of any derivative transaction into which it enters to a ‘trade repository’ and/or to regulatory authorities as a consequence of the requirements of the trade reporting obligation under EMIR. Lunar Funding V PLC has entered into an "EMIR Delegated Transaction Reporting Agreement" with NatWest Markets Plc dated 12 May 2014 to facilitate compliance with this disclosure requirement.

## **ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE**

EU Directive 2011/61/EU on Alternative Investment Fund Managers (“**AIFMD**”) came into force on 21 July 2011 and the requirements thereunder were broadly implemented into the national laws of the Member States of the European Union by 22 July 2013.

AIFMD provides, amongst other things, that all alternative investment funds must have a designated alternative investment fund manager with responsibility for portfolio and risk management. If AIFMD were to apply to the Issuer, the Issuer would need to be appropriately regulated.

Investors should therefore be aware of the risk that the requirements of AIFMD may result in a redemption event with respect to the Notes (if any of the requirements of AIFMD are specified as an Additional Redemption Event in the Issue Memorandum).

Given the material and presently unknown extent of the risks which may affect the Notes as a consequence of the application of AIFMD, potential investors in the Notes should take independent advice and make an independent assessment about such risks in the context of any potential investment decision with respect to the Notes.

## **RISKS OF THE UK LEAVING THE EUROPEAN UNION**

On 23 June, 2016 the UK held a referendum to decide on the UK's membership of the European Union. The UK vote was to leave the European Union and the UK Government invoked article 50 of the Lisbon Treaty relating to withdrawal on 29 March 2017. Under article 50, the Treaty on the European Union and the Treaty on the Functioning of the European Union cease to apply in the relevant state from the date of entry into force of a withdrawal agreement, or, failing that, two years after the notification of intention to withdraw, although this period may be extended in certain circumstances. There are a number of uncertainties in connection with the future of the UK and its relationship with the European Union. The negotiation of the UK's exit terms is likely to take a number of years. The terms and timing of the UK's exit from the European Union are still unclear and it is not possible to determine with certainty the impact that the referendum, the UK's departure from the European Union and/or any related matters may have on the business of the Issuer. As such, no assurance can be given that such matters would not adversely affect the business, financial condition and results of operations of the Issuer.

## **SECURITY**

Although certain of the security constituted by the Trust Deed over the Charged Property will be expressed to take effect as a fixed charge under English law, it may take effect as a floating charge which will be subject to the items which are given priority over a floating charge by law, including prior charges, the claims of lien-holders relating to the assets the subject of the charge, the expenses of any winding up and the claims of certain preferred creditors. In addition, a floating charge will rank after a subsequently created fixed charge and may be subject to avoidance or to the imposition of a moratorium on enforcement in certain circumstances.

The Trust Deed is governed by English law. Some of the Charged Property may be governed by laws of jurisdictions other than England which may require different and/or additional procedures and/or documentation to create or perfect any security interest, and no such action has been taken.

## **NO INVESTIGATIONS**

No investigations, searches or other enquiries have been made by or on behalf of the Issuer or the Trustee in respect of the Underlying Assets and any prospective investors should make their own investigations, searches and enquiries. No representations or warranties have been given by the Issuer in respect of the Underlying Assets.

None of the Issuer, the Trustee or any of the holders of the Notes will have the right to inspect any records of the Counterparty or the obligor of the Underlying Assets, and the Counterparty will be under no obligation to disclose any further information regarding the existence or terms of any Underlying Assets or any other obligation of any obligor of the Underlying Assets, any guarantor thereof or any other person (save to the extent of the requirement to provide certain publicly available information as a condition to cash settlement under the Credit Default Swap) to the Issuer with respect to the occurrence of the relevant Credit Event.

## **NOTICES TO BE DELIVERED TO NOTEHOLDERS**

Where notices are required to be delivered by the Issuer to the Noteholders for certain options or elections to be made by the Noteholders as set out in the Conditions of the Notes, the Issuer will deliver the relevant notices to Euroclear and/or Clearstream, Luxembourg, for communication by them to the

Noteholders, in accordance with Condition 17 (Notices). The Calculation Agent may, but is not obliged to, on behalf of the Issuer, provide the same notices to the Noteholders at their respective addresses appearing on the most recent record kept by the Issuer on a simultaneous basis. The Calculation Agent shall not be liable to the Noteholders, or the Issuer, in respect of any failure to deliver, or delay in delivering, the notices in the manner set forth in the immediately preceding sentence. In certain circumstances, the failure of the Noteholders to act within the timeframes set out in the Notes and/or relevant notices may result in a payment selection or election or exercise of an option not being made or a determination being made at a later time or date in circumstances less favourable to the Noteholders. Such circumstances may have a negative impact on the payments to Noteholders under the Notes and may result in the Notes redeeming early. Each Noteholder shall at all times ensure its latest contact details, including a complete postal address and telephone number, are made available to the Issuer, or the Principal Paying Agent on behalf of the Issuer. Noteholders are also made aware that there may be delay between the time the notices are sent by the Issuer to Euroclear and/or Clearstream, Luxembourg, and the time such notices reach the Noteholders.

## ***RISK FACTORS RELATED TO THE IRISH JURISDICTION***

*The Issuer is subject to risks, including the location of its centre of main interest, the appointment of examiners, claims of preferred creditors and floating charges.*

### **CENTRE OF MAIN INTEREST**

The Issuer has its registered office in Ireland. Under Regulation (EU) No. 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the “**Recast EU Insolvency Regulation**”), the Issuer’s centre of main interest (“**COMI**”) is presumed to be the place of its registered office (i.e. Ireland) in the absence of proof to the contrary and provided that the Issuer did not move its registered office within the 3 months prior to a request to open insolvency proceedings.

As the Issuer’s COMI is presumed to be Ireland, any main insolvency proceedings in respect of the Issuer would fall within the jurisdiction of the courts of Ireland. As to what might constitute “proof to the contrary” regarding the location of a company’s COMI, the key decision is that in **Re Eurofood IFSC Ltd** ([2004] 4 IR 370 (Irish High Court); [2006] IESC 41 (Irish Supreme Court); [2006] Ch 508; ECJ Case C-341/04 (European Court of Justice)), given in respect of the equivalent provision in the previous EU Insolvency Regulation (Regulation (EC) No. 1346/2000). In that case, on a reference from the Irish Supreme Court, the European Court of Justice concluded that “factors which are both objective and ascertainable by third parties” would be needed to demonstrate that a company’s actual situation is different from that which the location of its registered office is deemed to reflect. For instance, if a company with its registered office in Ireland does not carry on any business in Ireland, that could rebut the presumption that the company’s COMI is in Ireland.

As the Issuer has its registered office in Ireland, its directors are tax resident in Ireland, it is registered for tax in Ireland and it has retained an Irish corporate services provider the Issuer does not believe that factors exist that would rebut the presumption that its COMI is located in Ireland, although this would ultimately be a matter for the relevant court to decide based on the circumstances existing at the time when it was asked to make that decision. If the Issuer’s COMI was found to be in another EU jurisdiction and not in Ireland, main insolvency proceedings would be opened in that jurisdiction instead.

### **EXAMINERSHIP**

Examinership is a court moratorium/protection procedure which is available under Irish company law to facilitate the survival of Irish companies in financial difficulties. Where a company, which has its COMI in Ireland is, or is likely to be, unable to pay its debts an examiner may be appointed on a petition to the relevant Irish court under Section 509 of the Companies Act 2014 (as amended).

The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to halt, prevent or rectify acts or omissions, by or on behalf of the company after his appointment and, in certain circumstances, negative pledges given by the company prior to his appointment will not be binding on the company. Furthermore, where proposals for a scheme of arrangement are to be formulated, the company may, subject to the approval of the court, affirm or repudiate any contract under which some element of performance other than the payment remains to be rendered both by the company and the other contracting party or parties.

During the period of protection, the examiner will compile proposals for a compromise or scheme of arrangement to assist in the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the relevant Irish Court when a minimum of one class of creditors, whose interests are impaired under the proposals, has voted in favour of the proposals and the relevant Irish Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would

be impaired by implementation of the scheme of arrangement and the proposals are not unfairly prejudicial to any interested party.

The fact that the Issuer is a special purpose entity and that all its liabilities are of a limited recourse nature means that it is unlikely that an examiner would be appointed to the Issuer.

If however, for any reason, an examiner were appointed while any amounts due by the Issuer under the Notes were unpaid, the primary risks to the holders of Notes would be as follows:

- (a) the Trustee, acting on behalf of Noteholders, would not be able to enforce rights against the Issuer during the period of examinership; and
- (b) a scheme of arrangement may be approved involving the writing down of the debt due by the Issuer to the Noteholders irrespective of the Noteholders' views.

## **PREFERRED CREDITORS**

If the Issuer becomes subject to an insolvency proceeding and the Issuer has obligations to creditors that are treated under Irish law as creditors that are senior relative to the Noteholders, the Noteholders may suffer losses as a result of their subordinated status during such insolvency proceedings. In particular:

- (a) under the terms of the Principal Trust Deed and the Supplemental Trust Deed, the Notes will be secured in favour of the Trustee for the benefit of itself and the other Secured Parties and creditors by security over the relevant Charged Property. Under Irish law, the claims of creditors holding fixed charges may rank behind other creditors (namely fees, costs and expenses of any examiner appointed and certain capital gains tax liabilities) and, in the case of fixed charges over book debts, may rank behind claims of the Irish Revenue Commissioners for PAYE, VAT and Local Property Tax;
- (b) under Irish law, for a charge to be characterised as a fixed charge, the charge holder is required to exercise the requisite level of control over the assets purported to be charged and the proceeds of such assets including any bank account into which such proceeds are paid. There is a risk therefore that even a charge which purports to be taken as a fixed charge may take effect as a floating charge if a court deems that the requisite level of control was not exercised; and
- (c) in an insolvency of the Issuer, the claims of certain other creditors (including the Irish Revenue Commissioners for certain unpaid taxes), as well as those of creditors mentioned above, will rank in priority to claims of unsecured creditors and claims of creditors holding floating charges.



## **DOCUMENTS INCORPORATED BY REFERENCE**

The Programme Memorandum which is incorporated in and form a part of this Issue Memorandum is available at the following website: [https://www.ise.ie/debt\\_documents/Base%20Prospectus\\_caa98ebe-6907-4b2a-af7e-6395f2060096.PDF](https://www.ise.ie/debt_documents/Base%20Prospectus_caa98ebe-6907-4b2a-af7e-6395f2060096.PDF)

## **TERMS OF THE NOTES**

### **LUNAR FUNDING V PLC**

#### **€50,000,000 Series 2019-89 Limited Recourse Secured Asset-Backed Note due 2032 issued pursuant to the US\$10,000,000,000 Secured Asset-Backed Medium Term Note Programme**

The specific terms and conditions (the “**Terms**”) of the Notes are as set out below. Any provisions of the Conditions, details of which are required to be set out in the Issue Memorandum which are not so specified herein, shall not apply to the Notes.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Programme Memorandum dated 05 March 2019. These Terms must be read in conjunction with such Programme Memorandum and the Conditions.

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

The Notes will be governed by and construed in accordance with English law.

#### **A            PRINCIPAL CHARACTERISTICS OF THE ISSUE**

1	Issuer	Lunar Funding V PLC  LEI: 213800BNPFXIGDAFQL81
2	Relevant Dealer/Lead Manager	NatWest Markets Plc
3	Placement Agent	Not Applicable
4	Series No	2019-89
5	Tranche	Not Applicable
6	Relevant Currency (or Currencies in the case of Dual Currency Notes)	Euro ("€")
7	Type of Notes	Fixed Rate Notes
8	Principal Amount	€50,000,000
9	Issue Date	07 March 2019
10	Issue Price	100 per cent. of the Principal Amount
11	Interest Commencement Date (if different from Issue Date)	
12	Maturity Date	The earlier to occur of:

- (i) the later to occur of (a) 15 September 2032, subject to adjustment in accordance with the Business Day Convention for which the Relevant Business Days are London and TARGET (the "**Scheduled Maturity Date**") and (b) in the event the Initial Underlying Assets are not redeemed in full as at the Initial Underlying Assets Maturity Date (and provided a Physical Delivery Event has not occurred), the Maturity Date shall be the Early Redemption Date; and
- (ii) if applicable, the Early Redemption Date on which the Notes are redeemed pursuant to paragraphs 55 (*Mandatory Redemption Events*) or 56 (*Redemption for Taxation Reasons*) below.

13 Calculation Agent

NatWest Markets Plc

The determination by the Calculation Agent of any amount or of any state of affairs, circumstances, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent shall (in the absence of manifest error) be final and binding on the Issuer, the Trustee, the Appointed Agents, the Custodian, the Counterparty, the Agent and the Noteholders and the Couponholders (if any). In performing its duties pursuant to these Terms and the Conditions, the Calculation Agent shall act in good faith and a commercially reasonable manner. The Calculation Agent is not acting as a fiduciary for, or as an adviser to, the Noteholders or the Couponholders (if any) in respect of its duties as Calculation Agent.

The Calculation Agent shall not incur any liability in acting under Condition 8(i) (Realisation of Charged Property upon Redemption) (as supplemented and amended by the provisions of paragraph 59 hereof).

14 Custodian

Deutsche Bank AG, London Branch appointed pursuant to the Custody Agreement dated 5 March 2019 between the Trustee, the Issuers and the Custodian.

15 Sub-Custodian (if any)  
  
(Clause 3.4 of Custody Agreement)

Not Applicable

16 Asset Manager

Not Applicable

17

Related Agreement	Counterparty	Related Agreement Guarantor

	<p>The 2002 ISDA Master Agreement (together with the schedule thereto and the credit support annex to the Schedule thereto (the "<b>Credit Support Annex</b>")) each dated as of 07 March 2019, as amended and supplemented from time to time, between the Issuer and the Counterparty, and a confirmation thereto (the "<b>Confirmation</b>") with an effective date of 07 March 2019 between such parties in respect of a swap transaction (such transaction, the "<b>Swap Transaction</b>"). The form of the Confirmation is set out in Appendix 1 to these Terms (the "<b>Swap Agreement</b>").</p>	NatWest Markets Plc	Not Applicable
18	<b>Repurchase Agreement</b>	<b>Repurchase Counterparty</b>	
	Not Applicable	Not Applicable	
19	<b>Credit Support Document</b>	<b>Credit Support Provider</b>	
	Not Applicable	Not Applicable	

20 Rating No

21 Listing Application will be made to Euronext Dublin for the Notes to be listed on the Official List and admitted to trading on its regulated market. No assurance can be given that such application for listing and admission to trading will be granted, or, if granted, will be granted by the Issue Date.

## **B DEFINITIONS**

22 Additional jurisdictions for the purposes of the definition of Business Day (as used in the definition of Interest Determination Date, Condition 3(c), 7(g), 8(j) and 8(r)(i) and in these Terms) See paragraph 25 (*Additional defined terms*) below.

- |    |   |                |
|----|---|----------------|
| 23 | Business Day Jurisdictions<br>for the purposes of the<br>definition of Presentation<br>Business Day | London         |
| 24 | Principal Financial Centre<br>(euro-denominated Notes)  | Not Applicable |
| 25 | Additional defined terms  |                |

Condition 1 (*Definitions*) of the Conditions of the Notes shall be supplemented by the following defined terms:

**"Business Day"** means a day on which banks and foreign exchange markets are open for business in London and on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) system is open for the settlement of payments in Euro.

**"Business Day Convention"** means Modified Following Business Day Convention, provided that all references to "Determination Business Day" in Condition 7(c)(ii) (*Business Day Convention*) shall be deemed to be deleted and replaced with "Business Day".

**"Cut-off Date"** means the date which is one Business Day following the earliest to occur of (a) the Mandatory Redemption Notification Date; or (b) delivery of an Extraordinary Resolution (as such term is defined in the Trust Deed) of the Noteholders requiring the Issuer to redeem all of the Notes pursuant to Condition 8(d).

**"Controlling Party"** means, in relation to the Notes, the Counterparty.

**"Defaulted Counterparty"** means the Counterparty is the "Defaulting Party" or the sole "Affected Party" (as such terms are defined in the Related Agreement) under the Related Agreement.

**"Dealer Poll Cut-off Date"** means the fifth Business Day following the Cut-off Date.

**"Delivery Expenses"** means all governmental costs, taxes, duties and/or expenses, including stamp duty and stamp duty reserve tax arising from the delivery of the Underlying Assets.

**"Early Redemption Date"** means (i) the date that is five Business Days following the receipt by the Issuer of the Underlying Assets Liquidation Proceeds pursuant to the Underlying Assets Realisation Procedure; or (ii) in respect of those Notes for which a Physical Delivery Event has occurred, the Physical Delivery Date.

**"Event of Default"** has the meaning given to it in the Related Agreement.

**"Initial Underlying Assets Documentation"** means the terms and conditions governing the terms of the Initial Underlying Assets in effect as of the Issue Date, unless otherwise approved in writing in accordance with Condition 5(g).

**"Initial Underlying Assets Maturity Date"** means 15 September 2032, subject to any adjustment in accordance with the terms of the Initial Underlying Assets Documentation.

**"Initial Underlying Assets Purchase Agreement"** means an underlying assets purchase agreement dated 07 March 2019 entered into between NatWest Market Plc in its capacity

as a vendor of the Initial Underlying Assets and the Issuer pursuant to which the Initial Underlying Assets are purchased by the Issuer.

**"Instructing Noteholder"** means, as at any time, the Noteholder holding 100 per cent. of the outstanding principal amount of the Notes.

**"Mandatory Redemption Event Notice"** means a written notice given in accordance with the provisions of Condition 17 (*Notices*) by or on behalf of the Issuer to the Noteholders of the occurrence of a Mandatory Redemption Event.

**"Mandatory Redemption Notification Date"** means the date on which the Mandatory Redemption Event Notice is given by or on behalf of the Issuer to the Noteholders.

**"Physical Delivery"** means the delivery by the Issuer, as holder of the Initial Underlying Assets, of the Initial Underlying Assets to, or to the order of, the relevant Noteholder in accordance with the provisions set out in paragraph 79(A) (*Physical Delivery of Initial Underlying Assets*) below.

**"Poll Reference Bank"** means any leading dealer bank which deals in obligations of the type represented by the Related Agreement and/or the Underlying Assets, as applicable, which below may include the Calculation Agent or any Noteholder.

**"pro rata"** means when applied to a Note and or an amount, a proportion equal to the proportion which the nominal amount of such Note has to the nominal amount of all Notes outstanding and, when applied to a Noteholder and any amount, a proportion equal to the proportion which the aggregate nominal amount of Notes held by that Noteholder (and, if relevant, have been the subject of an exercise or option) bears to all the Notes then outstanding.

**"Remaining Underlying Assets"** has the meaning given to it in paragraph 59 (Underlying Assets Realisation Procedure) below.

**"Replacement Cut-off Date"** means the date which is 5 Business Days following the Mandatory Redemption Notification Date.

**"Sale BTPs"** has the meaning given to it in paragraph 59 (Underlying Assets Realisation Procedure) below.

**"Supplemental Trust Deed"** means a supplemental trust deed between, inter alios, the Issuer and NatWest Market Plc in respect of the Notes dated on or about the date of these Terms.

**"Termination Costs"**, following the occurrence of an early termination of the Related Agreement, an amount determined in accordance with the Termination Cost Realisation Procedure as defined below, either payable by the Issuer to the Counterparty or by the Counterparty to the Issuer. The Termination Costs, and any associated bids to be provided by a Poll Reference Bank pursuant to the Termination Cost Realisation Procedure below, shall (i) in respect of an early termination of the Related Agreement arising as a result of the occurrence of an Event of Default with respect to the Counterparty, be inclusive of any Unpaid Amount owing to either party under the Related Agreement that arises as a result of the operation of Paragraph 6 of the Credit Support Annex; and (ii) in all other cases, be exclusive of any Unpaid Amount owing to either party under the Related Agreement that arises as a result of the operation of Paragraph 6 of the Credit Support Annex.

**"Termination Cost Realisation Procedure"** means a Termination Costs dealer poll conducted by the Calculation Agent (the **"TC Dealer Poll"**) of three Poll Reference Banks for the calculation of the value of the Termination Costs in respect of the Related Agreement in accordance with the following procedure:

- (a) in respect of paragraph 79(B) (Replacement Option) only, the Instructing Noteholder may nominate one Poll Reference Bank in the Replacement Request Notice and the Issuer (or the Calculation Agent on its behalf) may nominate a second Poll Reference Bank. The third Poll Reference Bank will be the Calculation Agent. The TC Dealer Poll will be subject to the following:
  - (i) all Poll Reference Banks appointed must be acceptable to the Counterparty; and
  - (ii) Poll Reference Banks appointed to calculate the Termination Costs in respect of the Related Agreement may or may not be the same as the Poll Reference Banks appointed in respect of the purchase of the Underlying Assets (as set out in "Dealer Poll" at paragraph 59(a) (Final Redemption Amount) below.
- (b) other than in respect of a Replacement Option, the Calculation Agent shall conduct the TC Dealer Poll using such Poll Reference Banks that it determines in its sole discretion. For the avoidance of doubt, Poll Reference Banks appointed for the calculation of the Termination Cost may or may not be the same as the Poll Reference Banks appointed in respect of the purchase of the Underlying Assets.
- (c) The TC Dealer Poll will be carried out as soon as practicable after the occurrence of any Mandatory Redemption Event or the Replacement Request Cut-off Date, as applicable, but in any event prior to 11:00 a.m., London time on the Cut-off Date or Replacement Cut-off Date, as applicable, with notice of the firm bids in respect of the Related Agreement being provided to the Instructing Noteholder prior to 1:00 p.m., London time on the date that falls on the second business Day following the Cut-off Date or Replacement Cut-off Date, as applicable. The notice shall be given by or on behalf of the Issuer by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg, for communication by them to the Noteholders as soon as reasonably practicable after receipt thereof.
- (d) Once the bids of the Poll Reference Banks are obtained by the Calculation Agent, the Issuer will accept the bid of the Poll Reference Bank giving (i) in respect of any Termination Costs that would be payable by the Issuer to the Counterparty, the highest calculation of the value of the Termination Costs in respect of the Related Agreement; and (ii) in respect of any Termination Costs that would be payable by the Counterparty to the Issuer, an amount equal to the product of (x)-1 and (y) the lowest calculation of the value of the Termination Costs in respect of the Related Agreement.
- (e) If no firm bids are obtained in respect of the Related Agreement then the Calculation Agent shall continue to attempt to conduct the TC Dealer Poll on each successive Business Day up to, and including, 11:00 a.m., London time on the Cut-off Date or Replacement Cut-off Date, as applicable following which, if the Calculation Agent is still unable to obtain firm bids for the Termination Costs in respect of the Related Agreement, the Counterparty may terminate the Related Agreement in accordance with its terms and determine the Termination Costs in its sole discretion.

- (f) in respect of paragraph 79(B) (*Replacement Option*) only, if there is no Instructing Noteholder or the nominated Poll Reference Banks are not acceptable to the Counterparty, then the Calculation Agent shall conduct the TC Dealer Poll using such Poll Reference Banks that it determines in its sole discretion

**"Underlying Assets Liquidation Proceeds"** means the aggregate proceeds of sale of any Sale BTPs and Remaining Underlying Assets on the relevant date, as determined by the Calculation Agent in accordance with the Underlying Asset Realisation Procedure.

**"Underlying Assets Realisation Procedure"** has the meaning given to it in paragraph 59(a) (Final Redemption Amount).

**"Unwind Costs"** means, any fees, costs, charges, expenses and liabilities of the Trustee, Appointed Agents and any other creditors to the Issuer, plus (i) in the case of Notes for which Physical Delivery does not apply (or, Notes for which Physical Delivery does apply but for which a Physical Delivery Exception also applies), any associated legal costs and any costs of the Calculation Agent associated with the liquidation of the Underlying Asset (whether the Underlying Assets are actually liquidated or not), as determined by the Calculation Agent in good faith and (ii) in the case of Notes for which Physical Delivery applies (and, for which no Physical Delivery Exception applies), the Delivery Expenses (if any).

## **C FORM, DENOMINATION AND TITLE**

26	Form of the Notes	Bearer Notes
27	Authorised Denomination(s)	The Notes shall be issued in Authorised Denomination of €1,000,000

## **D STATUS OF THE NOTES**

28	Provisions relating to Prioritised Tranches of Notes	Not Applicable
29	Pre-enforcement Waterfall	As set out in (i) to (vii) of paragraph 36

## **E SECURITY**

30	Underlying Assets	As at the Issue Date, €53,693,000 in principal amount of Buoni Poliennali Del Tesoro sovereign bonds ("BTPs") issued by the Republic of Italy due 15 September 2032 (ISIN IT0005138828) (the " <b>Initial Underlying Assets</b> "), and in respect of each subsequent day during the term of the Notes, " <b>Underlying Assets</b> " means the (i) Initial Underlying Assets (ii) less any BTPs initially comprising the Initial Underlying Assets which have been transferred by the Issuer to the Counterparty pursuant to the terms of the Credit Support Annex (which for the avoidance of doubt, may comprise all the BTPs), (iii) together with any other cash, securities or assets then held by the Issuer received by the Issuer from the Counterparty relating to the Notes which have been delivered on the Issuer's behalf to the Custodian or credited to the Issuer's Account, including
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any Eligible Credit Support transferred to the Issuer pursuant to the Credit Support Annex time to time.

Source: press release of the Italian Ministry of Finance in respect of the Initial Underlying Assets dated 20 November 2015 describing the terms and conditions of the issuance of the Initial Underlying Assets (the "**Initial Underlying Assets Documentation**"). Available for inspection at the Italian Ministry of Finance website <http://www.dt.tesoro.it/en/>.

The Notes are secured on the Underlying Assets, the Related Agreement (including any Replacement Agreement) and the Account, as more particularly set out in the Supplemental Trust Deed.

On the Issue Date, the Issuer will apply the proceeds of the issue of the Notes to purchase the Initial Underlying Assets pursuant to the Initial Underlying Assets Purchase Agreement.

31	Additional Security	Not Applicable
32	Security Documents	Not Applicable
33	Additional Secured Parties	Not Applicable
34	Underlying Assets not held by the Custodian	Not Applicable
35	Circumstances in which Issuer is required to appoint replacement Custodian	Applicable subject to and in accordance with Clause 6.1 of the Supplemental Trust Deed.
36	Order of Priority	<p>The order of priority in which the net proceeds of enforcement of the security over the Charged Property is payable, is to be applied is as follows:</p> <ul style="list-style-type: none"> <li>(i) first, in or towards payment on a <i>pro rata</i> and <i>pari passu</i> basis of all fees, costs, charges, expenses and liabilities of the Trustee or any receiver of the Trustee;</li> <li>(ii) secondly, in or towards payment of all taxes due and owing by the sums to any tax authority in so far as they relate to the Notes;</li> <li>(iii) thirdly, in or towards payment on a <i>pro rata</i> and <i>pari passu</i> basis of all fees and expenses of the Appointed Agents and the Custodian together, in each case with interest, VAT and other tax payable in respect of such amounts;</li> </ul>

- (iv) fourthly, in or towards payment of all present and future sums amounts payable to the Counterparty under the Related Agreement;
- (v) fifthly, in or towards payment on a *pro rata* and *pari passu* basis of interest due or overdue and payable on the Notes;
- (vi) sixthly, in or towards payment on a *pro rata* and *pari passu* basis of principal due or overdue and payable on the Notes; and
- (vii) seventhly, any surplus (if any) after payment in full of all amounts referred to above shall be paid to or to the order of the Issuer.

37 Principal Terms of Related Agreement(s)/Repurchase Agreements/the Credit Support Document(s)

Pursuant to the terms of the Related Agreement the Issuer has agreed to pay to the Counterparty (i) an amount equal to the interest amount payable under the Initial Underlying Assets on each date on which such interest falls due and (ii) on 15 September 2032 an amount in Euro equal to the redemption proceeds payable in respect of the Initial Underlying Assets on their scheduled maturity date, in each case in accordance with the terms of the Initial Underlying Assets as at the Trade Date.

In exchange, pursuant to the terms of the Related Agreement the Counterparty has agreed to pay to the Issuer (i) an amount equal to the product of (A) €50,000,000, (B) a fixed interest rate of 3.81 per cent. per annum and (C) a day count fraction of 30/360, payable annually on 15 September of each year (subject to adjustments as provided therein), commencing on, and including, 15 September 2019 to, and including 15 September 2032, (ii) an amount equal to €50,000,000 on 15 September 2032.

The Related Agreement terminates on 15 September 2032, unless terminated earlier in accordance with the terms of the Related Agreement.

The Related Agreement is governed by and construed in accordance with English law.

The Related Agreement may be terminated early, (either in whole or, in certain circumstances, in part only) among other circumstances:

- (i) at the option of one party, if there is a failure by the other party to pay any amounts due under the Related Agreement;
- (ii) if (subject as provided in the Related Agreement) withholding taxes are imposed on payments made by the Issuer or the

Counterparty under the Related Agreement or it becomes illegal for either party to perform its obligations under the Related Agreement; and  
(iii) upon the occurrence of certain other events with respect to either party to the Related Agreement, including, without limitation, insolvency,

provided, however, that the Counterparty has agreed in the Related Agreement to comply with the Termination Cost Realisation Procedure set out herein to the extent such procedure is applicable.

Upon any such early termination of the Related Agreement and the application of the Termination Cost Realisation Procedure, the Counterparty may be liable to make a termination payment to the Issuer and/or the Issuer may be liable to make a termination payment to the Counterparty.

The form of the Confirmation is set out in Appendix 1 to these Terms.

38	Additional Transaction Creditors and Transaction Documents	Not Applicable
39	Details of Asset Manager and Asset Management Agreement (if any)	Not Applicable
40	Substitution of Underlying Assets	Not Applicable
41	Person (if any) who may direct the Issuer as to exercise of rights in respect of Underlying Assets (Clause 6.6 of the Principal Trust Deed)	The Controlling Party
42	Instructing Creditors	

For the purposes of the Conditions, the Instructing Creditor shall be the party set out opposite the Condition below.

<b>Conditions</b>	<b>Instructing Creditor</b>
Condition 1(a) (Definitions) - Definition of Account Bank	Counterparty
Condition 5(a) (Security)	Counterparty

Condition 5(f) (Substitution of Underlying Assets)	Not Applicable
Condition 5(g) (Exercise of Rights in respect of Charged Property)	Counterparty
Paragraph (vii) of Condition 6(a) (Covenants of the Issuer)	Counterparty
Condition 6(b) (Restrictions on the Issuer)	Counterparty
Condition 7(g) (Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts)	Counterparty
Condition 8(p) (Purchases)	Counterparty
Condition 10 (Taxation)	Counterparty
Condition 12(a) (Events of Default)	Counterparty
Paragraph (ii) (Breach of Other Obligations) of Condition 12(a) (Events of Default)	Counterparty
Paragraph (iv) (Insolvency Proceedings) of Condition 12(a) (Events of Default)	Counterparty
Condition 13 (Enforcement)	Counterparty
Condition 14(b) (Modification and Waiver)	Counterparty
Condition 14(c) (Substitution)	Counterparty

	For the purposes of the Custody Agreement the Issuer may not consent to a change in the identity of the Custodian without the approval of	Counterparty
43	Account Bank	NatWest Market Plc of 250 Bishopsgate, London EC2M 4AA
44	Account:  NatWest Market Plc, in the name of Lunar Funding V PLC	Identification:  Receiving Bank Correspondent: Deutsche Bank AG, Frankfurt; Swift Code: DEUTDEFF; Bank Name: Deutsche Bank AG, London; Swift Code: DEUTGB2L; beneficiary account name: LUNAR FUNDING V PLC – SERIES 89; Account number: GB52DEUT40508125360507 or such other account as may replace such account from time to time and be notified to the Trustee.
45	Regulation of Payment Flows in and out of the Accounts	Not Applicable
<b>F</b>	<b>COVENANTS AND RESTRICTIONS</b>	
46	Additional Covenants	(i) As more fully described in the Trust Deed, for so long as any of the Notes remain outstanding, the Issuer will at all times procure that the Charged Property relating to the Notes and the proceeds thereof are at all times distinguishable from the Charged Property relating to each other Series of Notes and from the other assets of the Issuer (and their respective proceeds).  (ii) The Issuer hereby covenants to comply with the Termination Cost Realisation Procedure and Replacement Option set out herein.
47	Additional Restrictions	Not Applicable
<b>G</b>	<b>INTEREST AND OTHER CALCULATIONS</b>	
48	Fixed Rate Note Provisions	Applicable
	(a) Interest Rate	3.81 per cent. per annum payable on each Interest Payment Date

	(b)	Interest Payment Date(s)		15 September of each calendar year commencing from, and including, 15 September 2019, provided that (i) the final Interest Payment Date shall be the Maturity Date; (ii) in the event of the occurrence of a Mandatory Redemption Event, interest shall cease to accrue from, and including, the date on which such Mandatory Redemption Event occurs, and (iii) each as subject to adjustment in accordance with the Business Day Convention.
	(c)	Initial Broken Amount		EUR 1,000,125
49		Floating Rate Provisions	Note	Not Applicable
50		Zero Coupon Provisions	Note	Not Applicable
51		Variable Coupon Amount Note Provisions		Not Applicable
52		Calculation of Interest		
	(a)	Day Fraction	Count	30/360 (Adjusted)
	(b)	Business Day Convention	Day	As defined in paragraph 25 ( <i>Additional defined terms</i> ) above.

## **H REDEMPTION, PURCHASE AND OPTIONS**

53	(a)	Final Redemption Amount		Unless previously redeemed as a result of the occurrence of (i) a Mandatory Redemption Event, (ii) an Event of Default or (iii) a Redemption for Taxation Reason under paragraph 56 ( <i>Redemption for Taxation Reasons</i> ), in respect of each Note, the Final Redemption Amount is an amount per Note, as determined by the Calculation Agent, equal to such Note's pro rata portion of: <ul style="list-style-type: none"> <li>(i) the Principal Amount of the Notes; plus</li> <li>(ii) any cash balance standing to the credit of the Account (which, for the avoidance of doubt will include any cash returned to the Issuer pursuant to the terms of the Credit Support Annex).</li> </ul>
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**"Physical Delivery Exception"** means in respect of a Noteholder the Calculation Agent determines as at the Cut-off Date: (a) the Issuer has not received a valid Asset Transfer Notice from such Noteholder by the Cut-off Date; (b) it is impossible, impractical or illegal for the Issuer to deliver the relevant proportion of the Underlying Assets to a Noteholder, or (c) such Noteholder has not, as at the Cut-off Date, either (i) paid to the Issuer its pro rata portion of all Unwind Costs and Termination Costs payable by the Issuer to the Counterparty (if any); or (ii) delivered an irrevocable payment instruction in favour of the Issuer to pay its pro rata portion of Unwind Costs and Termination Costs (if any) owed by the Issuer to the Counterparty on the second Business Day following the date of the delivery of its Asset Transfer Notice.

	(b) Maximum /Minimum Instalment Amounts (if applicable)	Not Applicable
54	Redemption by Instalments	Not Applicable
55	Mandatory Redemption Events	
	Mandatory Redemption Events to apply:	
	(a) Underlying Asset Payment Default	Applicable
	(b) Underlying Asset Acceleration	Applicable
	(c) Related Agreement Termination	Applicable, provided that if the Counterparty is the Defaulted Counterparty under and in respect of the Related Agreement and the Instructing Noteholder validly exercises the Replacement Option in accordance with paragraph 79(B) below, then the provisions of "Replacement Option" as set out in paragraph 79(B) shall apply and upon a Replacement Agreement being entered into by the Issuer, the Related Agreement Termination shall not constitute a Mandatory Redemption Event.
	(d) Repurchase Agreement Termination	Not Applicable
	(e) Credit Event	Not Applicable
	(f) Tax Event	Applicable

	(g) Additional Mandatory Redemption Events	One or both of Redenomination Event and Underlying Assets Credit Event, where "Redenomination Event" and "Underlying Assets Credit Event" are defined in paragraph 79(D) and 79(E), respectively, below.
	(h) Notes to be redeemed in part	Not Applicable
	(i) Early Redemption Date	As defined in paragraph 25 ( <i>Additional defined terms</i> ) above.
56	Redemption for Taxation Reasons	
	(a) Redemption for Taxation Reasons	Applicable. Condition 8(d) shall apply.
	(b) Redemption for Taxation Reasons permitted on days other than Interest Payment Dates	Yes
57	Redemption for Administrator/Benchmark Event	
	(a) Redemption for Administrator/Benchmark Event in respect of the Notes	Not Applicable
	(b) Redemption for Administrator/Benchmark Event in respect of the Underlying Assets	Applicable
58	Modifications upon a Regulatory Requirement Event or Sanctions Event	Applicable
59	Liquidation of Assets upon Redemption of Notes	
	(a) Arrangements for liquidation of assets in addition to the provisions of Condition 8(i) (if any)	Notwithstanding Condition 8(i), in the event that any net proceeds of sale are to be determined in respect of any Underlying Assets, such Underlying Assets shall be realised in accordance with the following procedure (the " <b>Underlying Assets Realisation Procedure</b> "). To the extent that the Underlying Assets on the relevant date include a class or series of securities in addition to BTPs (such securities together with the Sale BTPs, referred to herein as " <b>Remaining Underlying Assets</b> " and each a " <b>Remaining Underlying Asset</b> "), the Underlying Assets



Realisation Procedure shall be applied separately with respect to each such Remaining Underlying Asset. Accordingly, the bid prices obtained for each of the Remaining Underlying Assets including the Sale BTPs may be different, where:

“**Sale BTPs**” means such portion of the Initial Underlying Assets held by the Issuer as at the Cut-off Date which the Calculation Agent determines are not required to be physically delivered to the Noteholder(s) pursuant to paragraph 79(A). For the avoidance of doubt, in respect of any Remaining Underlying Assets other than the BTPs, 100 per cent. of such Remaining Underlying Assets shall be subject to the Underlying Asset Realisation Procedure set forth herein.

In the event an Early Redemption Amount is payable in respect of the Notes, the Calculation Agent shall conduct a dealer poll (the “**Dealer Poll**”) of three Poll Reference Banks in order to obtain a bid price for the purchase of each of the Sale BTPs and the other Remaining Underlying Assets, if any, from each such Poll Reference Bank.

Poll Reference Banks appointed for the calculation of the Termination Cost may or may not be the same as the Poll Reference Banks appointed in respect of the purchase of the Underlying Assets.

The Dealer Poll will be carried out as soon as practicable after an Early Redemption Amount is determined will be payable in respect of the Notes, but in any event prior to 11:00 a.m., London time on the Dealer Poll Cut-off Date.

Once the firm bids of the Poll Reference Banks in respect of the relevant Remaining Underlying Assets, if any, are obtained by the Calculation Agent, the Issuer will accept the bid of the Poll Reference Bank giving the highest bid (if there is more than one firm bid) for the relevant Remaining Underlying Assets. The Issuer will sell such Remaining Underlying Assets to such highest bidding Poll Reference Bank in respect of the relevant assets (or, as the case may be, the Instructing Noteholder).

On or prior to 5:00 p.m. London time on the Dealer Poll Cut-off Date, the Issuer shall make available to each Noteholder details of the highest bid for the relevant Remaining Underlying Assets by delivering the relevant notice in accordance with Condition 17 (Notices). If, on the Dealer Poll Cut-off Date, the Calculation Agent is unable to obtain firm bids for the relevant Remaining Underlying Assets, then the Calculation Agent shall determine the Underlying Assets Liquidation Proceeds attributable to such relevant Remaining Underlying Asset in its sole discretion.

The Calculation Agent shall conduct the Dealer Poll using such Poll Reference Banks that it determines in its sole discretion.

- (b) Person responsible for liquidation of assets if other than Trustee
- The Calculation Agent, acting on behalf of the Issuer, is hereby authorised by the Issuer to arrange for, and shall arrange for, the liquidation of the Underlying Assets in accordance with the provisions of and in the circumstances contemplated in Condition 8(i) (Realisation of Charged Property upon Redemption) as amended and supplemented by this paragraph 59.

The Issuer shall, in accordance with the Custody Agreement, give such instructions to the Custodian as may be necessary or desirable to enable the Calculation Agent to effect a sale or other liquidation of Underlying Assets hereunder.

In acting under this paragraph and Condition 8(i) (Realisation of Charged Property upon Redemption), the Calculation Agent shall not be liable to account for anything except actual receipts from the sale or other liquidation of the Underlying Assets nor shall it be liable for any loss or damage arising from the sale or other liquidation of the Underlying Assets or any part thereof nor shall the Calculation Agent have any liability in respect of the price at which the sale or other liquidation is effected nor if the such entity is unable, for any reason, to effect such sale or other liquidation.

60 Forced Transfer or Redemption of Registered Notes

Not Applicable

61 Early Redemption Amount:

- (i) To the extent Physical Delivery does not apply to a Noteholder, or to the extent a Physical Delivery Exception applies to a Noteholder, an amount per Note, as determined by the Calculation Agent in its reasonable discretion, equal to such Note's pro rata proportion of:

(A) the net liquidation proceeds of the Sale BTPs,

plus

(B):

(1) any amount equal to the Termination Costs which are payable by the Counterparty to the Issuer; minus

(2) any amount equal to the Termination Costs which are payable by the Issuer to the Counterparty,

minus

(C) such Note's pro rata proportion of any Unwind Costs,

plus

(D) an amount equal to such Note's pro rata portion of the net liquidation proceeds of any Remaining Underlying Assets (other than the Sale BTPs); or

(ii) to the extent Physical Delivery applies to a Noteholder, payment of the Early Redemption Amount to such Noteholder shall be satisfied by:

(a) delivery by the Issuer to each relevant Noteholder of an amount per Note of the Initial Underlying Assets as determined by the Calculation Agent in its reasonable discretion, equal to such Note's pro rata proportion of such Initial Underlying Assets then held by the Issuer, rounded down to the nearest minimum transfer value of such Initial Underlying Asset;

(b) delivery by the Issuer to each relevant Noteholder of an amount per Note equal to such Note's pro rata portion of any cash balance standing to the credit of the Account;

(c) distribution by the Issuer to each relevant Noteholder of an amount per Note equal to such Note's pro rata proportion of a cash amount (if any) (the "**Residual Cash Amount**") equal to the net liquidation proceeds received in respect of that fraction of the Initial Underlying Assets that was the subject of such rounding down referenced in sub-paragraph (a) above (in the event that such rounding down causes the amount of the relevant Initial Underlying Assets to be delivered to a Noteholder to become zero (0), the Issuer's obligation to deliver such Initial Underlying Assets pursuant to (a) above shall be deemed to be satisfied by transfer of a pro rata portion of the Residual Cash Amount in accordance with (c) herein); determined by the Calculation Agent in its sole discretion; and

- (d) transfer of an amount per Note equal to such Note's pro rata portion of the net liquidation proceeds of any Remaining Underlying Assets (other than the Sale BTPs); and
- (e) if applicable, an amount per Note equal to such Note's pro rata proportion of the distribution of any amount equal to the Termination Costs which are payable by the Counterparty to the Issuer,

subject to:

- (f) receipt by the Issuer of a payment by the relevant Noteholder in respect of each Note of *any pro rata* portion of all Unwind Costs and/or Termination Costs payable by the Issuer to the Counterparty (if any) by the Cut-off Date; and
- (g) any transfer restrictions and/or minimum transfer amounts relating to such Initial Underlying Assets (as set out in the Initial Underlying Assets Documentation),

in each case in accordance with and subject to the provisions of paragraph 79(A) (Physical Delivery of Initial Underlying Assets) below, such amount referred to in this sub-paragraph (ii) being the "**Physical Delivery Amount**".

62	Options in respect of the Notes	Not Applicable
	(a) Terms of option	Not Applicable
	(b) Partial exercise of option	Not Applicable
63	Exercise of Noteholders' Option	Not Applicable
	(a) Noteholders' Option Period (if other than as set out in the Conditions)	Not Applicable
64	Exercise of Issuer's Option	Not Applicable
	(a) Issuer's Option Period	Not Applicable
65	Purchases	Purchases are permitted: Condition 8(p) applies.

66	Exchange	Not Applicable
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**I PAYMENT AND TALONS**

67	Pre-Payment Date	References to "Pre-Payment Date" in the Conditions means the date on which any payment of interest or principal becomes due in respect of the Notes.
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68	Unmatured Coupons to become void upon early redemption	Yes
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69	Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon (Bearer Notes)	No
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**J EVENTS OF DEFAULT AND ENFORCEMENT**

70	Amendment to grace periods in paragraph (a) to (I) of Condition 12 ( <i>Events of Default</i> )	None
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71	Additional Events of Default	None
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72	Additional Provisions relating to enforcement of Prioritised Tranches	None
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73	Circumstances in which security will become enforceable under paragraph (b) of Condition 13 ( <i>Enforcement</i> )	None
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74	Other circumstances in which security to become enforceable	No additional circumstances
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**K MEETINGS OF NOTEHOLDERS**

75	Steps requiring approval by an Extraordinary Resolution of Noteholders to which the special quorum provisions apply	Not Applicable
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**L CONFLICTS OF INTEREST AND PRIORITISED TRANCHES**

76	Trustee to have regard to interests of a Secured Party in preference to the	Not Applicable
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	Noteholders in the event of any conflict	
77	Additional provisions for Prioritised Tranches	Not Applicable
<b>M</b>	<b>FORM OF NOTES</b>	
78	Exchange	
	(a) Notes to be represented on issue by	Temporary Global Note exchangeable for Permanent Global Note in accordance with its terms.
	(b) Details of how Global Certificates to be held	Not Applicable
	(c) Applicable TEFRA exemption	D Rules
	(d) Temporary Global Notes exchangeable for Definitive Bearer Notes	No
	(e) Permanent Global Note exchangeable for Definitive Bearer Notes	Yes, in limited circumstances set out below.  For the avoidance of doubt, notwithstanding any provisions of the Permanent Global Note, the Permanent Global Note shall only be exchangeable for Definitive Bearer Notes (i) where, if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any Alternative Clearing System, any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so and no successor clearing system satisfactory to the Trustee is available or (ii) where an Event of Default has occurred and is continuing, and any other circumstances in which the Permanent Global Note may be exchangeable for Definitive Bearer Notes shall be disapplied.
	(f) New Global Note	No

**N                    OTHER CONDITIONS**

79                    Details of any other  
                         additions or variations to  
                         the Conditions

**A.                    Physical Delivery of Initial Underlying  
Assets**

- (i)                    Upon the occurrence of a Mandatory Redemption Event, a Mandatory Redemption Event Notice shall be provided in accordance with paragraph 79(C) (Mandatory Redemption Events) (in the case of a Mandatory Redemption Event). Upon receipt of such Mandatory Redemption Event Notice each Noteholder may elect for Physical Delivery to apply in respect of its holding of Notes, and, if such Noteholder elects so, such Noteholder shall complete an Asset Transfer Notice substantially in the form set out in Appendix 2 hereto (the "**Asset Transfer Notice**") and return such completed Asset Transfer Notice to the Issuer, the Calculation Agent and the Paying Agent on or prior to the Cut-off Date (a "**Physical Delivery Event**"). Such Asset Transfer Notice shall contain: (i) irrevocable payment instructions from the relevant Noteholder in favour of the Issuer to pay its pro rata portion of Unwind Costs and Termination Costs (if any) owed by the Issuer to the Counterparty on the second Business Day following the date of delivery of such Asset Transfer Notice, (ii) account details for delivery to the relevant Noteholder of the Initial Underlying Assets, (iii) contact details (including a complete postal address and telephone number) for the relevant Noteholder and (iv) confirmation that the relevant Noteholder is not a "U.S. Person" for the purposes of the relevant United States securities regulations

- (ii) If the Issuer receives a valid Asset Transfer Notice on or prior to the Cut-off Date and such Asset Transfer Notice complies with all requirements of the immediately preceding paragraph (i) and upon receipt by the Issuer from the relevant Noteholder of such Noteholder's *pro rata* proportion of all Unwind Costs and Termination Costs (if any) payable by the Issuer to the Counterparty from the relevant Noteholder, the Issuer will, on or prior to the Business Day which is five Business Days following the Cut-off Date (the "**Physical Delivery Date**") (subject to any restrictions on transfer applying to the Initial Underlying Assets) (A) deliver to such Noteholder an amount of Initial Underlying Assets as determined by the Calculation Agent in its reasonable discretion equal to such Noteholder's *pro rata* proportion of each Initial Underlying Asset then held by the Issuer rounded down to the nearest minimum transfer value of such Initial Underlying Asset; (B) such Noteholder's *pro rata* proportion of the cash balance standing to the credit of the Account; (C) such Noteholder's *pro rata* proportion of the net liquidation proceeds of any Remaining Underlying Assets (other than the Sale BTPs); (D) such Noteholder's *pro rata* proportion of the Residual Cash Amount (if any) and (E) if applicable, such Noteholder's *pro rata* proportion of the distribution of any amount equal to the Termination Costs which are payable by the Counterparty to the Issuer, provided that if a Physical Delivery Exception is applicable to one or more Noteholders, the Physical Redemption Date in respect of such Noteholder's Notes shall be the Early Redemption Date specified in paragraph (iii) below.
- (iii) In the event that a Physical Delivery Exception is applicable in respect of one or more Noteholders, the Notes held by such Noteholder(s) will be redeemed at the Early Redemption Amount on the Early Redemption Date in accordance with paragraph 59(a) (Final Redemption Amount) above.



## **B. Replacement Option**

In the event that a Mandatory Redemption Event occurs under Condition 8(c)(ii) (as amended by paragraph 55(c) above) as a result of the termination of the Related Agreement due to the Counterparty being the Defaulted Counterparty, the Instructing Noteholder may elect for the Issuer to enter into a Replacement Agreement with a Poll Reference Bank by delivering a replacement request notice (the "**Replacement Request Notice**") to each of the Issuer and the Calculation Agent by the date which is three Business Days following delivery of the Mandatory Redemption Event Notice (the "**Replacement Request Cut-off Date**").

If the Issuer receives a Replacement Request Notice from the Instructing Noteholder on or prior to the Replacement Request Cut-off Date, the Calculation Agent shall, on behalf of the Issuer, conduct a dealer poll of three Poll Reference Banks for the determination of the Termination Cost as set out in paragraph 25 (*Additional defined terms*) above under the definitions of "**Termination Cost**" and "**Termination Cost Realisation Procedure**".

If, in accordance with the provisions of "**Termination Cost Realisation Procedure**" as set out in paragraph 25 (*Additional defined terms*) above:

- (i) the Issuer accepts the bid provided by NatWest Markets Plc, the Calculation Agent shall inform the Instructing Noteholder, and the Notes shall be subject to Mandatory Redemption, and shall be redeemed in accordance with the provisions of Mandatory Redemption Event as set out in Condition 8(c), as amended herein, provided that any references to "**Cut-off Date**" in connection with the mandatory redemption of the Notes shall be replaced with "**Replacement Cut-off Date**"; or
- (ii) if the Issuer accepts the bid provided by a Poll Reference Bank other than NatWest Market Plc, then the Issuer and the relevant Poll Reference Bank shall enter into an agreement in substantially the same form as the Related Agreement, and which replicates for the Issuer as closely as possible the economic equivalent of the Related Agreement immediately prior to its termination (the "**Replacement Agreement**"). In such circumstances:

(A) if the Termination Cost arising as a result of the early termination of the Related Agreement is payable by the Issuer to the Counterparty, then the Poll Reference Bank shall pay such Termination Cost to the Issuer, who shall in turn pay such Termination Cost to the Counterparty; and

(B) if the Termination Cost arising as a result of the early termination of the Related Agreement is payable by the Counterparty to the Issuer, the Issuer shall (1) assign its claim against the Counterparty for the Termination Cost to the Poll Reference Bank (the value of which on the date of assignment shall be the "**Assigned Value**"), and (2) liquidate sufficient Underlying Assets to pay an amount equal to the Termination Cost less the Assigned Value to the Poll Reference Bank,

in each case, as soon as reasonably practicable and in any event no later than the date that falls on the tenth Business Day following the execution of the Replacement Agreement.

For the avoidance of doubt, if the Issuer does not receive a Replacement Request Notice from the Instructing Noteholder by the Replacement Request Cut-off Date, or if the Calculation Agent is unable to identify a Poll Reference Bank within the timeframes set out in this paragraph 79(B) to enter into a Replacement Agreement with the Issuer, then the Notes shall be redeemed in accordance with Condition 8(c), as amended herein, at their Early Redemption Amount, provided that all references in connection with the mandatory redemption of the Notes to "Cut-off Date" shall be replaced with "**Replacement Cut-off Date**".

### **C. Mandatory Redemption Events**

The Calculation Agent shall notify the Issuer promptly upon its first becoming aware of the occurrence of a Mandatory Redemption Event by delivering a Mandatory Redemption Event Notice and following the delivery of such notice, the Calculation Agent shall, (on behalf of the Issuer), send a copy of the Mandatory Redemption Event Notice to the Trustee, the Custodian, the Counterparty and to the Noteholders in accordance with the provisions of Condition 17 (*Notice*).

#### **D. Redenomination Event**

A “**Redenomination Event**” shall occur where the Calculation Agent determines that the Initial Underlying Assets are not denominated in Euro. Any date on which such Redenomination Event occurs shall be the “**Redenomination Event Determination Date**”.

Upon the occurrence of a Redenomination Event, an irrevocable written notice (the “Redenomination Event Notice”) will be given by the Calculation Agent to the Issuer as soon as reasonably practicable on the Redenomination Event Determination Date. The Calculation Agent shall also, on behalf of the Issuer, provide each of the Trustee, the Custodian, the Counterparty and each Noteholder with copies of the Redenomination Event Notice as soon as reasonably practicable on such Redenomination Event Determination Date. For the purpose of delivery of the Redenomination Event Notice to the Noteholders, Condition 17 (*Notices*) shall apply.

For the avoidance of doubt, upon the occurrence of an Additional Mandatory Redemption Event following a Redenomination Event, the liquidation proceeds of the Underlying Assets shall be converted into Euro at the relevant spot exchange rate as determined by the Calculation Agent acting in a commercially reasonable manner.

#### **E. Underlying Assets Credit Event**

An “**Underlying Assets Credit Event**” shall occur where the Calculation Agent determines that a Credit Event has occurred with respect to the issuer of the Initial Underlying Assets. Any date on which such Underlying Assets Credit Event occurs shall be the “**Underlying Assets Credit Event Determination Date**”.

Upon the occurrence of an Underlying Assets Credit Event, an irrevocable written notice (the “**Underlying Assets Credit Notice**”) will be given by the Calculation Agent to the Issuer as soon as reasonably practicable on the Underlying Assets Credit Event Determination Date. The Calculation Agent shall also, on behalf of the Issuer, provide each of the Trustee, the Custodian, the Counterparty and each Noteholder with copies of the Underlying Assets Credit Event Notice as

soon as reasonably practicable on such Underlying Assets Credit Event Determination Date. For the purpose of delivery of the Underlying Assets Credit Event Notice to the Noteholders, Condition 17 (*Notices*) shall apply.

For the purpose of this paragraph 79(E) only:

“**Credit Event**” means each event specified as a “**Credit Event**” under the transaction type “Western European Sovereign” in the ISDA Physical Settlement Matrix and defined in the 2003 ISDA Credit Derivatives Definitions incorporating the May 2003 supplement and the July 2009 supplement thereto, in each case as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”).

“**ISDA Physical Settlement Matrix**” means the Credit Derivatives Physical Settlement Matrix dated 29 May 2012, as published by ISDA on its website ([www.isda.org](http://www.isda.org)) as at 07 March 2019 (*Trade Date*).

#### **F. Underlying Asset Information**

Upon receipt of a written request from any Noteholder, the Issuer shall deliver to the Noteholder as soon as reasonably practicable after receipt thereof, any notice or other communication received by the Issuer as holder of the Underlying Assets, subject to any obligations of confidentiality that the Issuer may have in relation to such notices or communications.

#### **G. Calculations**

For the purposes of calculating any amount payable or deliverable to any Noteholder, the number of Notes held by such Noteholder (and, if relevant, subject to the exercise of any option) shall be aggregated.

### **O PURCHASE AND SALE AND TRANSFER RESTRICTIONS**

80	Details of additional selling restrictions	Not Applicable
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### **P CLEARING AND SETTLEMENT**

81	Method of Issue	Individual Dealer
82	Dealer’s commission (if applicable)	Not Applicable
83	Net price payable to Issuer	€50,000,000
84	Settlement	Delivery free of payment

85	Applicable Clearing System(s)	Euroclear and Clearstream, Luxembourg
86	Common Code	195330441
87	ISIN	XS1953304414
88	Intended to be held in a manner which would allow Eurosystem eligibility (in respect of Lunar Funding V PLC only)	No

**Q PROHIBITION OF SALES TO EEA RETAIL INVESTORS:**

89	Prohibition of Sales to EEA Retail	Applicable
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**R RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in the Issue Memorandum.

## APPENDIX 1

### FORM OF SWAP CONFIRMATION

Date: 07 March 2019

To: Lunar Funding V PLC

From: NatWest Markets Plc

Re: Swap Transaction relating to Series 2019-89 €50,000,000 Limited Recourse Secured Asset-Backed Notes due 2032 (ISIN: XS1953304414) issued by Party B under its USD 10,000,000,000 Secured Asset Backed Medium Term Note Programme, as set out in the programme memorandum dated 05 March 2019 (the “**Notes**”).

Dear Sirs

The purpose of this communication (the “**Confirmation**”) is to confirm the terms and conditions of the transaction (the “**Transaction**”) entered into between us NatWest Markets Plc (“**Party A**”) and you Lunar Funding V PLC (“**Party B**”) on the Trade Date specified below. This Confirmation constitutes a “**Confirmation**” as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 2006 ISDA Definitions (the “**2006 Definitions**” or “**Definitions**” as published by published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”)), are incorporated herein. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern. For so long as Party B is Lunar Funding V PLC, terms used herein but not defined shall have the meaning given to them in the terms and conditions of the Notes, as set out in Part F of Schedule 2 (*Conditions of the Notes*) to the Principal Trust Deed dated 05 March 2019, as modified and supplemented by the specific terms of the Notes as set out in Schedule 1 (*Terms of the Notes*) to the supplemental trust deed dated 07 March 2019 in connection with the issuance of the Notes (the “**Conditions**”).

This Confirmation supplements, forms a part of, and is subject to, the ISDA Master Agreement and the Schedule thereto (together with the credit support annex to the Schedule thereto (the “**CSA**”), each dated as of 07 March 2019, as amended and supplemented from time to time (the “**Agreement**”), between you and us. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

#### 1 General Terms of the Transaction

The general terms of each Transaction to which this Confirmation relates are as follows:

Trade Date:	12 February 2019
Effective Date:	07 March 2019
Calculation Agent:	Party A
Calculation Agent City:	London
Business Days:	London and TARGET Settlement Date,

where “**TARGET Settlement Date**” means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system is open for settlement of payments in Euro.

Business Day Convention: Modified Following

Termination Date: 15 September 2032, subject to adjustment in accordance with the Business Day Convention.

**Fixed Amounts:**

Fixed Rate Payer: Party A

Fixed Rate Payer Payment Dates: 15 September in each calendar year, commencing on and including 15 September 2019 and ending on, and including, 15 September 2032, each as subject to adjustment in accordance with the Business Day Convention.

Fixed Rate Payer Notional Amount: EUR 50,000,000

Fixed Rate: 3.81 per cent. per annum

Fixed Rate Day Count Fraction: 30/360

Fixed Amount payable on the first Fixed Rate Payer Payment Date: EUR 1,000,125

**Floating Amounts:**

Floating Rate Payer: Party B

Floating Rate Payer Payment Dates: 15 March and 15 September in each calendar year, commencing on, and including, 15 March 2019 and ending on and including, 15 September 2032.

Floating Rate Payer Notional Amount: EUR 53,693,000

Floating Amount: An amount equal to the amount payable in respect of the Initial Underlying Assets, in accordance with the terms of the Initial Underlying Assets as at the Trade Date, on each Floating Rate Payer Payment Date in respect of a principal amount equal to the Floating Rate Payer Notional Amount.

The initial Calculation Period for Party B will commence on, and include, 15 September 2018 and end on, but exclude, the first Floating Rate Payer Payment Date falling in March 2019.

**Final Exchange:**

Party A Final Exchange Date: 15 September 2032

Party B Final Exchange Date: 15 September 2032

Party A Final Exchange Amount: An amount equal to the outstanding Principal Amount of the Notes shall be payable by Party A on the Party A Final Exchange Date.

Party B Final Exchange Amount: An amount equal to the principal proceeds of redemption of the Initial Underlying Assets payable on such Party B Final Exchange Date, in accordance with the terms of the Initial Underlying Assets as at the Trade Date, excluding any amounts which represent interest on the Initial Underlying Assets.

To the extent that Party B is required to make a payment pursuant to the above, such payment shall be deemed paid and the payment obligation on Party B discharged to the extent that Party A has received an equivalent amount by means of a distribution arising from the Eligible Credit Support transferred to it by and held by Party B as at the date of such payment obligation.

**2 Office, Notice and Account Details:**

The Office of Party A London  
for these Transactions is:

The Office of Party B Dublin  
for these Transactions is:

Telephone, Telex and/or Facsimile Numbers and Contact Details for Notices:

Party A NatWest Markets Plc  
250 Bishopsgate  
London EC2M 4AA

Telephone Numbers: Kevin Wakefield +44 (0)  
2076784474

Arjun Bains +44 (0) 207 085 9121

E-mail: repackmo2@natwestmarkets.com

Attention: RCST Middle Office, FAO Kevin Wakefield and  
Arjun Bains

Party B: Lunar Funding V PLC  
Block A  
Georges Quay Plaza  
Georges Quay



Dublin 2  
Ireland  
Telephone Number: +353 1 963 1030  
Facsimile Number: +353 1 686 4879  
Attention: The Directors

Account Details:

Account Details of Party A      to be advised

Account Details of Party B      to be advised

### **3      Derivatives Contracts**

It is the intention of the parties that this Transaction be characterised as a derivative contract (and not a surety bond, guarantee, insurance contract or similar contract) for all legal, regulatory and tax purposes. Further, each of the parties shall treat this Transaction accordingly for all legal, regulatory and tax reporting purposes and each party waives any right to assert any claim or defence that is inconsistent with this intention of the parties.

### **4      Third Parties' Rights**

A person who is not a party to this Confirmation has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of this Confirmation, but this does not affect any right or remedy of a third party which exists or is available apart from this Act.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us.

Yours sincerely,

**NATWEST MARKETS PLC**

By: \_\_\_\_\_  
Name:  
Title:

Confirmed as of the date first above written:

Signed by a duly authorised attorney of

**LUNAR FUNDING V PLC**

By: \_\_\_\_\_  
Name:  
Title:

## APPENDIX 2

### FORM OF ASSET TRANSFER NOTICE

*When completed, this Asset Transfer Notice should be delivered (if the Note to which this Notice relates is represented by a Global Note) in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, (which is expected to be by authenticated SWIFT message or by tested telex) to Euroclear or Clearstream, Luxembourg (as applicable) with a copy to the Issuer, the Paying Agent and the Calculation Agent or (if the Note to which this Notice relates is in definitive bearer form) should be delivered in writing or by tested telex with the Note\* to any Paying Agent with a copy to the Issuer, as the case may be, in each case not later than the close of business in each place of reception on the Cut-Off Date.*

### ASSET TRANSFER NOTICE

#### NATWEST MARKETS PLC

**€50,000,000 Series 2019-89 Limited Recourse Secured Asset-Backed Note due 2032  
issued by Lunar Funding V PLC pursuant to the  
US\$10,000,000,000 Secured Asset-Backed Medium Term Note Programme  
of Lunar Funding I Limited and Lunar Funding V PLC (ISIN: XS1953304414)  
(the "Notes")**

- |      |     |   |      |     |   |
|------|-----|---|------|-----|---|
| (1.) | To: | Lunar Funding V PLC (the<br>"Issuer")<br>Block A<br>Georges Quay Plaza<br>Georges Quay<br>Dublin 2<br>Ireland                                     | (2.) | cc: | Deutsche Bank AG, London<br>Branch (the "Paying<br>Agent")<br>Winchester House<br>London EC2N 2DB                       |
|      |     | Fax: +353 1 686 4879<br>Attention: The Directors  |      |     | Fax: + 44 (0) 20 7547 0916<br>Attention: Trust & Agency<br>Services   |
| (3.) | To: | [Euroclear Bank S.A./N.V.<br>(as operator of the Euroclear<br>System) ("Euroclear")<br>1 Boulevard du Roi Albert II<br>B-1210 Brussels<br>Belgium | (4.) | or: | [Clearstream Banking,<br>S.A. ("Clearstream,<br>Luxembourg")<br>42 Avenue JF Kennedy<br>L-1855 Luxembourg<br>Luxembourg |
|      |     | Attention: Custody Processing<br>Department<br>Telex: 61025 MGTEC B]  |      |     | Attention: OCE<br>Department<br>Telex: 2791]  |
| (5.) | cc. | NatWest Markets Plc<br>(the "Calculation Agent")<br>250 Bishopsgate<br>London EC2M 4AA  |      |     |   |

E-mail: repackmo2@natwestmarkets.com  
Attention: Kevin Wakefield and Arjun Bains

**\* *The Paying Agent with whom any Notes in definitive form are deposited will not in any circumstances be liable to the depositing Noteholder or any other person for any loss or damage arising from any act, default or omission of such Paying Agent in relation to the said Notes in definitive form or any of them unless such loss or damage was caused by the fraud or negligence of such Paying Agent or its directors, officers or employees.***

Failure properly to complete and deliver this Notice (in the determination of [Euroclear/Clearstream, Luxembourg\*]<sup>1</sup>/the relevant Paying Agent<sup>2</sup> or the Issuer) may result in this Notice being treated as null and void.

Expressions defined in the terms and conditions of the Notes as amended and/or supplemented by the Issue Memorandum dated on about 07 March 2019 in respect of the Notes (as may be amended from time to time) (the "Issue Memorandum") shall bear the same meanings herein.

[I/We\*], the [Accountholder<sup>1</sup>/Noteholder<sup>2</sup>] specified in 1 below, being the holder of the Notes, request that the Issuer deliver the Underlying Assets to which [I am/we are\*] entitled in relation to such Notes, all in accordance with the Conditions of the Notes.

[Insert Date]

PLEASE USE BLOCK CAPITALS

**1.1 Name(s) and Address(es) of [Accountholder<sup>1</sup>/Noteholder<sup>2</sup>]**

.....  
.....  
.....  
.....

**1.2 Details of person who may be contacted in relation to this Asset Transfer Notice:**

Name:.....  
Telephone no:.....  
Fax no:.....  
e-mail:.....

**1.3 Noteholder Confirmation**

**1** \_\_\_\_\_

\* Delete as appropriate

<sup>1</sup> Include if the Note to which this Notice relates is represented by a Global Note.

<sup>2</sup> Include if the Note to which this Notice relates is represented by a Note in definitive form.

[I/We\*] confirm that [*Name of Noteholder*] is as at the date hereof the holder of Notes in the aggregate principal amount of €[●].

#### 1.4 Instructions to Euroclear/Clearstream, Luxembourg

[I/We\*] hereby irrevocably authorise and instruct [Euroclear/Clearstream, Luxembourg\*] to debit the Note(s) referred to above from [my/our\*] account at Euroclear/Clearstream, Luxembourg (the details of which are set out below) on or before the date of delivery of the relevant proportion of the Underlying Assets in accordance with the Terms of the Notes:

Account Number:.....

Account Name:.....

#### 1.5 Termination Costs and Unwind Costs

[I/We\*] hereby undertake to pay any *pro rata* portion of the Termination Costs (if any) payable by the Issuer to the Counterparty in respect of the Notes and all Unwind Costs in respect of the delivery of the relevant assets and undertake to indemnify any party against any such Unwind Costs or similar charges or expenses incurred by such party. [I/We\*] hereby irrevocably authorise [Euroclear/Clearstream, Luxembourg\*] to debit [my/our\*] account at [Euroclear/Clearstream, Luxembourg\*] specified above in respect thereof and to pay such Unwind Costs and Termination Costs]<sup>1</sup>.

#### 1.6 Certification

[I/We\*] the [Accountholder<sup>1</sup>/Noteholder<sup>2</sup>] specified in 1 above hereby certify that this Asset Transfer Notice is conclusive evidence of the holding of the Notes specified in 1.3 above and the Issuer is authorised to deliver the relevant proportion of the Underlying Assets in accordance with the instructions set out in this Asset Transfer Notice.

#### 1.7 U.S. Person certification

The undersigned hereby certifies that it is the beneficial owner of the Notes deposited herewith and is:

(a) ☐ a U.S. person (as defined in Regulation S under the Securities Act)

(b) ☐ not a U.S. person (as defined in Regulation S under the Securities Act)

By: .....  
[*Name of Noteholder*]

Date: .....

## INFORMATION RELATING TO THE COUNTERPARTY

NatWest Markets Plc (the '**Bank**') is a wholly-owned subsidiary of The Royal Bank of Scotland Group plc (the '**holding company**'), a banking and financial services group. The Bank provides corporate and institutional customers with financing and risk management solutions, with a focus on rates, currencies and financing products.

The '**NWM Group**' comprises the Bank and its subsidiary and associated undertakings. The '**RBS Group**' comprises the holding company and its subsidiary and associated undertakings, including the NWM Group.

As at 31 December 2018, the NWM Group had total assets of £247.8 billion and owners' equity of £9.0 billion and the Bank had a total capital ratio of 21.5% and a CET1 capital ratio of 15.6%. Full financial information relating to the NWM Group can be found in its latest financial results release (<https://investors.rbs.com/~media/Files/R/RBS-IR/results-center/15-02-2019/natwest-markets-annual-report-15-02-2019.pdf>).

The long-term, unsecured and unsubordinated debt obligations of the Bank are rated BBB+ by Standard & Poor's, A by Fitch and Baa2 by Moody's. The Bank's counterparty risk assessment is A3(cr) by Moody's.

As at the date of this Issue Memorandum, the Bank has securities admitted to trading on the regulated market of the London Stock Exchange.

## DESCRIPTION OF THE INITIAL UNDERLYING ASSETS

The following information has been produced on the basis of information available to the Issuer from public sources. Such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading. The issuer of the Initial Underlying Assets does not accept any responsibility or liability for the accuracy or completeness of the information set out below. The following information and other information contained in this Issue Memorandum relating to the Initial Underlying Assets is a summary only of certain terms and conditions.

Initial Underlying Assets:	EUR 53,693,000 principal amount of 1.25 per cent. bonds due 15 September 2032 (ISIN: IT0005138828)
Issuer of the Initial Underlying Assets:	Republic of Italy
Registered Office:	Banca d'Italia, via Nazionale 91, 00184 Roma, Republic of Italy
Country of Incorporation:	Republic of Italy
Description of business/principal activities:	Sovereign
Method of Origination:	The Initial Charged Assets were issued by auction through the Italian Ministry of Finance ( <i>Ministerio dell'Economia e delle Finanze</i> ).
Listing:	The Initial Underlying Assets are admitted to trading on the regulated market of the EuroTLX (ETLX), the MTS S.p.A (MTSC), the Hi-MTF (HMTF) and the MOT (MOTX).
Governing Law:	Italian law.

## **GENERAL INFORMATION**

### **1. Authorisations**

The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer on 5 March 2019.

The Issuer has obtained all other consents, approvals and authorisations (if any) which are necessary in Ireland at the date of this Issue Memorandum in connection with the issue and performance of the Notes.

### **2. Litigation**

There are no legal, governmental litigation or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had during the 12 months prior to the date of this Issue Memorandum, a significant effect on the Issuer's financial position.

### **3. Documents Available for Inspection**

From the date of the Programme Memorandum and so long as the Programme remains in effect or any Note remains outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) in physical form for inspection at (and, in the case of the term referred to in paragraph (c), collection from) the registered office of the Issuer, from the specified office of the Irish Listing Agent and the specified office of the Paying Agent for the time being in London:

- (a) the Programme Memorandum;
- (b) the Issue Memorandum (which together with the Programme Memorandum constitutes the prospectus for the Notes);
- (c) the Trust Deed;
- (d) the Agency Agreement;
- (e) the Dealer Agreement;
- (f) the Constitution of the Issuer;
- (g) the Management Agreement;
- (h) the financial statements of Lunar Funding V PLC for the period ending 31 December 2016 and the period ending 31 December 2017;
- (i) the unaudited financial statements of Lunar Funding V PLC for the half year ending 30 June 2018;
- (j) in the case of a syndicated issue of Listed Notes, the Subscription Agreement (or equivalent document);
- (i) the Custody Agreement;
- (j) Related Agreement; and



- (k) any other documents referred to in the Programme Memorandum as being available for inspection.

4. **Legend**

Each Temporary Global Note, Permanent Global Note, Definitive Bearer Note and Coupon will bear a legend to the effect that any US person holding the same will be subject to limitations under the United States income tax laws including those under Sections 165(j) and 1287(a) of the United States Internal Revenue Code.

5. **Significant Change**

There has been no significant change in the trading position or financial position or prospects of the Issuer since the date of its last published audited financial statements.

6. **Clearing Systems**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code and ISIN for the Notes allocated by Euroclear and Clearstream, Luxembourg are specified in this Issue Memorandum.

7. **Form of Notes**

The Bearer Notes will initially be represented by a Temporary Global Note which will be deposited with a common depositary, or as the case may be a Common Safekeeper, on the date hereof on behalf of Euroclear or Clearstream, Luxembourg and interests therein will be credited to the accounts of the Noteholders with Euroclear and/or Clearstream, Luxembourg. Interests in the Temporary Global Note will be exchangeable (a) for interests in a Permanent Global Note not earlier than 40 days after the completion of distribution of the Notes and upon certification as to non-US beneficial ownership and (b) for Definitive Bearer Notes in the limited circumstances set out therein.

8. **Estimated Listing Expenses**

The estimated total expenses of listing the Notes on the Euronext Dublin is €3,200.

9. **Post-Issuance Reporting**

The Issuer does not intend to provide post-issuance transaction information.

***ISSUER***

**LUNAR FUNDING V PLC**

Block A  
Georges Quay Plaza  
Georges Quay  
Dublin 2  
Ireland

***TRUSTEE***

**DEUTSCHE TRUSTEE COMPANY  
LIMITED**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB

***ISSUING AND PAYING AGENT AND  
TRANSFER AGENT***

**DEUTSCHE BANK AG, LONDON  
BRANCH**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB

***COUNTERPARTY,  
DEALER***

**NATWEST MARKETS PLC**

250 Bishopsgate  
London EC2M 4AA

***CUSTODIAN***

**DEUTSCHE BANK AG, LONDON BRANCH**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB

**LEGAL ADVISERS**

*to the Dealer and the Trustee  
as to English law*

**SIMMONS & SIMMONS LLP**

Citypoint  
One Ropemaker Street  
London EC2Y 9SS

*to the Issuer  
as to the Laws of Ireland*

**ARTHUR COX**

Ten Earlsfort Terrace  
Dublin 2  
Ireland

***LISTING AGENT***

**A&L LISTING**

International Financial Services Centre  
Dublin 1  
Ireland