

**SUPPLEMENT DATED 4 MARCH 2020**

**TO THE BASE PROSPECTUS DATED 24 MAY 2019**

**HOLMES MASTER ISSUER PLC**

*(incorporated in England and Wales with limited liability with registered number 5953811)*

**Legal entity identifier (LEI): 5493007HX9EKP3XR9846**

**Residential Mortgage Backed Note Programme**

**(ultimately backed by the mortgages trust)**

This supplement (the **supplement**) (including any documents incorporated by reference) is supplemental to the base prospectus dated 24 May 2019 (the **base prospectus**), which comprises a base prospectus for the purpose of Article 5.4 of Directive 2003/71/EC, as amended or superseded (the **Prospectus Directive**), constitutes a supplementary prospectus for the purposes of Section 87G of the Financial Services and Markets Act 2000 (the **FSMA**), as Section 87G stood immediately prior to 21 July 2019, and is prepared in connection with the above mentioned residential mortgage backed note programme (the **programme**) established by Holmes Master Issuer PLC (the **issuer**). Terms defined in the base prospectus have the same meaning when used in this supplement.

This supplement is supplemental to, and should be read in conjunction with, the base prospectus and any other supplements to the base prospectus issued by the issuer. The issuer accepts responsibility for the information contained in this supplement. To the best of the knowledge of the issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this supplement is in accordance with the facts and does not omit anything likely to affect the import of such information. To the extent that there is any inconsistency between (a) any statement in this supplement or any statement incorporated by reference into the base prospectus by this supplement and (b) any other statement in or incorporated by reference in the base prospectus, the statements in (a) above will prevail. Save as disclosed in this supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the base prospectus since the publication of the base prospectus.

This supplement has been approved by the United Kingdom Financial Conduct Authority (the **FCA**), which is the United Kingdom competent authority for the purposes of the Prospectus Directive and relevant implementing measures in the United Kingdom, for the purpose of giving information with regard to the issue of instruments under the programme.

Any notes issued pursuant to the Programme have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or the state securities laws of any state of the United States and may not be offered, sold or delivered in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)) except to persons that are qualified institutional buyers within the meaning of Rule 144A under the Securities Act who are also qualified purchasers within the meaning of the United States Investment Company Act of 1940, as amended, and the rules and regulations thereunder, or in transactions that occur outside the United States to persons other than U.S. persons in accordance with Regulation S or in other transactions exempt from registration under the Securities Act and, in each case, in compliance with applicable securities laws.

**PURPOSE**

The purpose of this supplement is to set out certain changes in order to update the Sterling Overnight Index Average calculations and the Secured Overnight Financing Rate calculations for any notes issued under the programme on or after the date of this supplement, and include base rate modification provisions applicable to any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR issued under the programme on or after the date of this supplement, in each case including consequential changes.

**The date of this supplement is 4 March 2020**

## AMENDMENTS

The following amendments are being made to the base prospectus in order to update the Sterling Overnight Index Average calculations and the Secured Overnight Financing Rate calculations for any notes issued under the programme on or after the date of this supplement, and include base rate modification provisions applicable to any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR issued under the programme on or after the date of this supplement.

### 1. Risk Factors

#### **a. The security trustee, the issuing entity security trustee and/or the note trustee may agree to modifications to the transaction documents without your prior written consent, which may adversely affect your interests**

The following paragraph shall be included before the last paragraph of the risk factor "*The security trustee, the issuing entity security trustee and/or the note trustee may agree to modifications to the transaction documents without your prior written consent, which may adversely affect your interests*" in the Risk Factors section of the base prospectus:

Moreover, if the master issuer (in its capacity as Designated Transaction Representative) determines that a Benchmark Transition Event has occurred with respect to USD-LIBOR or SOFR, then the Note Trustee shall be obliged, without the consent or sanction of the Noteholders or any confirmation from any Rating Agencies, to concur with the Designated Transaction Representative, and to direct the Master Issuer Security Trustee and the Security Trustee to concur with the Designated Transaction Representative, in making any modification to the Conditions or any of the Transaction Documents that the Designated Transaction Representative decides may be appropriate to give effect to the provisions set forth in Condition 12.5(b) (*Modifications and Determinations by Note Trustee*) under the section titled "*Effect of Benchmark Transition Event on USD-LIBOR or SOFR linked Floating Rate Master Issuer Notes*" in relation only to all determinations of the rate of interest payable on any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR and any related swap agreements. The Noteholders and the other Secured Creditors shall be deemed to have instructed the Note Trustee to (which shall instruct the Master Issuer Security Trustee to, and to instruct the Security Trustee to) concur with such amendments and shall be bound by them regardless of whether or not they are materially prejudicial to the interests of the Noteholders or the other Secured Creditors.

#### **b. The market continues to develop in relation to SONIA as a reference rate for floating rate notes**

The risk factor entitled "*The market continues to develop in relation to SONIA as a reference rate for floating rate notes*" in the Risk Factors section of the base prospectus shall be replaced in its entirety with the following:

#### **The market continues to develop in relation to SONIA as a reference rate for floating rate notes**

Investors should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to sterling LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). Market terms for debt securities indexed to SONIA, such as the spread over the index reflected in interest rate provisions or the applicable observation method, may evolve over time, and trading prices of the notes may be lower than those of later-issued indexed debt securities as a result. The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the terms and conditions of the issuing entity notes and used in relation to floating rate notes that reference a SONIA rate issued under this base prospectus. In this respect, the Bank of England released a discussion paper in February 2020 entitled "Supporting Risk-Free Rate transition through the provision of compounded SONIA" pursuant to which the Bank stated its intention to publish a daily SONIA compounded index and its consideration whether to publish a set of compounded SONIA period averages, an approach similar to that already taken by the Federal Reserve Bank of New York in respect of SOFR. This

means that a screen rate based on an observable publicly available average rate or index may evolve over time but there is no guarantee of this.

Interest on notes which reference a SONIA rate is only capable of being determined at the end of the relevant observation period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in notes which reference a SONIA rate to reliably estimate the amount of interest which will be payable on such notes. Further, if the floating rate notes become due and payable under conditions 10 (Events of Default) or 11 (Enforcement of Master Issuer Notes) of the issuing entity notes, the rate of interest payable shall be determined on the date the notes became due and payable and shall not be reset thereafter. Investors should consider these matters when making their investment decision with respect to any such floating rate notes.

## 2. Terms and Conditions of the Notes

### a. Screen Rate Determination for Floating Rate Master Issuer Notes

#### i. SONIA

The section entitled "SONIA" under Condition 5.2(b)(ii) (*Interest of Floating Rate Master Issuer Notes—Rate of interest—Screen rate determination for Floating Rate Master Issuer Notes*) set out in the base prospectus shall be replaced in its entirety with the following:

#### **Compounded Daily SONIA**

Where **Screen Rate Determination** is specified for a Floating Rate Master Issuer Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for such note, and the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SONIA, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Compounded Daily SONIA** means the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average as the Reference Rate for the calculation of interest) and will be calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; (ii) (if "Index Determination" is specified as being applicable in the applicable Final Terms) by reference to the screen rate or index administered by the administrator of the Sterling Overnight Index Average reference rate that is published or displayed by such administrator or other information service from time to time at the relevant time on the Interest Determination Date, as further specified in the applicable Final Terms; or (iii) (if "Index Determination" is specified as being not applicable in the applicable Final Terms or "Index Determination" is specified as being applicable in the applicable Final Terms but such screen rate or index is not available at the relevant time on the Interest Determination Date) as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SONIA_{i-PLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

**d** means the number of calendar days in (where in the applicable Final Terms "Lag" or "Lock-out" is specified as the Observation Method) the relevant Interest Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the relevant SONIA Observation Period;

$d_o$  means (where in the applicable Final Terms “Lag” or “Lock-out” is specified as the Observation Method) for any Interest Period, the number of London Banking Days in the relevant Interest Period or (where in the applicable Final Terms “Shift” is specified as the Observation Method) for any SONIA Observation Period, the number of London Banking Days in the relevant SONIA Observation Period;

$i$  means a series of whole numbers from 1 to  $d_o$ , each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day (where in the applicable Final Terms “Lag” or “Lock-out” is specified as the Observation Method) in the relevant Interest Period or (where in the applicable Final Terms “Shift” is specified as the Observation Method) the SONIA Observation Period;

**London Banking Day** or **LBD** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

$n_i$ , for any day  $i$ , means the number of calendar days from and including such day  $i$  up to but excluding the following London Banking Day;

**SONIA Observation Period** means the period from and including the date falling  $p$  London Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling  $p$  London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling  $p$  London Banking Days prior to such earlier date, if any, on which the Floating Rate Master Issuer Notes become due and payable);

$p$  means (save as specified in the applicable Final Terms) the number of London Banking Days included in the **Observation Look-Back Period** specified in the applicable Final Terms;

**SONIA reference rate**, in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average (**SONIA**) rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such London Banking Day); and

**SONIA<sub>i-pLBD</sub>** means:

- (a) where in the applicable Final Terms “Lag” is specified as the Observation Method, (save as specified in the applicable Final Terms) in respect of any London Banking Day  $i$  falling in the relevant Interest Period, the SONIA reference rate for the London Banking Day falling  $p$  London Banking Days prior to such day;
- (b) where in the applicable Final Terms “Lock-out” is specified as the Observation Method, (save as specified in the applicable Final Terms) during each relevant Interest Period, the SONIA reference rate determined in accordance with paragraph (a) above, except that in respect of each London Banking Day  $i$  falling on or after the “Lock-out date” specified in the applicable Final Terms (or, where no “Lock-out date” is specified, five London Banking Days prior to each relevant Interest Payment Date) until the end of each relevant Interest Period, the SONIA reference rate determined in accordance with paragraph (a) above in respect of such “Lock-out date”; or
- (c) where in the applicable Final Terms “Shift” is specified as the Observation Method, (save as specified in the applicable Final Terms)  $SONIA_i$ , where  $SONIA_i$  is, in respect of any London Banking Day  $i$  falling in the relevant SONIA Observation Period, the SONIA reference rate for such day.

## Average SONIA

Where **Screen Rate Determination** is specified for a Floating Rate Master Issuer Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for such note, and the Reference Rate is specified in the applicable Final Terms as being Average SONIA, the Rate of Interest for each Interest Period will, subject as provided below, be Average SONIA plus or minus (as indicated in the applicable Final Terms) the Margin (if any), as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms).

**Average SONIA**, in relation to any Interest Period, means the arithmetic mean of  $SONIA_i$  in effect during such Interest Period and will be calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \frac{\sum_{i=1}^{d_0} SONIA_i \times n}{d} \right] \times \frac{365}{d}$$

where:

**$d$ ,  $d_0$ ,  $i$ , London Banking Day,  $p$  and SONIA reference rate** have the meanings set out under the section entitled *Compounded Daily SONIA* above;

**$n$** , for any London Banking Day, means the number of calendar days from and including, such London Banking Day up to but excluding the following London Banking Day;

**$SONIA_i$**  means, for any London Banking Day  $i$

- (a) where in the applicable Final Terms “Lag” is specified as the Observation Method, (save as specified in the applicable Final Terms) the SONIA reference rate in respect of the London Banking Day  $i$  falling  $p$  London Banking Days prior to such day;
- (b) where in the applicable Final Terms “Lock-out” is specified as the Observation Method, (save as specified in the applicable Final Terms) during each relevant Interest Period, the SONIA reference rate determined in accordance with paragraph (a) above, except that in respect of each London Banking Day  $i$  falling on or after the “Lock-out date” specified in the applicable Final Terms (or, where no “Lock-out date” is specified, five London Banking Days prior to each relevant Interest Payment Date) until the end of each relevant Interest Period, the SONIA determined in accordance with paragraph (a) above in respect of such “Lock-out date”; or
- (c) where in the applicable Final Terms “Shift” is specified as the Observation Method, (save as specified in the applicable Final Terms) the SONIA reference rate on the London Banking Day  $i$ .

If, in respect of any London Banking Day in the relevant SONIA Observation Period or the relevant Interest Period (as the case may be), the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be: (i) the Bank of England’s Bank Rate (the **Bank Rate**) prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest

spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

Notwithstanding the paragraph above, in the event the Bank of England publishes guidance as to (i) how the SONIA reference rate is to be determined; or (ii) any rate that is to replace the SONIA reference rate, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to receiving written Instructions from the Master Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine SONIA<sub>t</sub> for the purpose of the relevant Floating Rate Master Issuer Notes for so long as the SONIA reference rate is not available or has not been published by the authorised distributors. To the extent that any amendments or modifications to the Conditions or the Transaction Documents are required in order for the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) to follow such guidance in order to determine SONIA<sub>t</sub>, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions and the Transaction Documents.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms), the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Floating Rate Master Issuer Notes for the first Interest Period had the Floating Rate Master Issuer Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Floating Rate Master Issuer Notes become due and payable in accordance with Conditions 10 (Events of Default) or 11 (Enforcement of Master Issuer Notes), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Floating Rate Master Issuer Notes became due and payable and the Rate of Interest on such Floating Rate Master Issuer Notes shall, for so long as any such Floating Rate Master Issuer Note remains outstanding, be that determined on such date.

## ii. SOFR

The sections entitled "Compounded Daily SOFR" and "Weighted Average SOFR" under Condition 5.2(b)(ii) (*Interest of Floating Rate Master Issuer Notes—Rate of interest—Screen rate determination for Floating Rate Master Issuer Notes*) set out in the base prospectus shall be replaced in their entirety with the following:

### **Compounded Daily SOFR**

Where **Screen Rate Determination** is specified for a Floating Rate Master Issuer Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for such note, and the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SOFR, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SOFR plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

**Compounded Daily SOFR** means the rate of return of a daily compound interest investment (with the daily Secured Overnight Financing Rate as the Reference Rate for the calculation of interest) and will be calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date (i) as further specified in the applicable Final Terms; (ii) (if "Index Determination"

is specified as being applicable in the applicable Final Terms) by reference to the screen rate or index administered by the administrator of the Secured Overnight Financing Rate that is published or displayed by such administrator or other information service from time to time at the relevant time on the Interest Determination Date, as further specified in the applicable Final Terms; or (iii) (if "Index Determination" is specified as being not applicable in the applicable Final Terms or "Index Determination" is specified as being applicable in the applicable Final Terms but such screen rate or index is not available at the relevant time on the Interest Determination Date) as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SOFR_{i-pUSBD} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

***d*** means the number of calendar days in (where in the applicable Final Terms "Lag" or "Lock-out" is specified as the Observation Method) the relevant Interest Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the relevant SOFR Observation Period;

***d<sub>0</sub>*** means (where in the applicable Final Terms "Lag" or "Lock-out" is specified as the Observation Method) for any Interest Period, the number of U.S. Government Securities Business Days in the relevant Interest Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) for any SOFR Observation Period, the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

***i*** means a series of whole numbers from 1 to *d<sub>0</sub>*, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day (where in the applicable Final Terms "Lag" or "Lock-out" is specified as the Observation Method) in the relevant Interest Period or (where in the applicable Final Terms "Shift" is specified as the Observation Method) the SOFR Observation Period;

***n***, for any U.S. Government Securities Business Day, means the number of calendar days from and including, such U.S. Government Securities Business Day up to but excluding the following U.S. Government Securities Business Day;

***p*** means (save as specified in the applicable Final Terms) the number of U.S. Government Securities Business Days included in the **Observation Look-Back Period** specified in the applicable Final Terms;

***SOFR<sub>i-pUSBD</sub>*** means:

- (a) where in the applicable Final Terms "Lag" is specified as the Observation Method, (save as specified in the applicable Final Terms) in respect of any U.S. Government Securities Business Day *i* falling in the relevant Interest Period, the SOFR for the U.S. Government Securities Business Day falling *p* U.S. Government Securities Business Days prior to such day;
- (b) where in the applicable Final Terms "Lock-out" is specified as the Observation Method, (save as specified in the applicable Final Terms) during each relevant Interest Period, the SOFR determined in accordance with paragraph (a) above, except that in respect of each U.S. Government Securities Business Day *i* falling on or after the "Lock-out date" specified in the applicable Final Terms (or, where no "Lock-out date" is specified, five U.S. Government Securities Business Days prior to each relevant Interest Payment Date) until the end of each relevant Interest Period, the SOFR determined in accordance with paragraph (a) above in respect of such "Lock-out date"; or

- (c) where in the applicable Final Terms “Shift” is specified as the Observation Method, (save as specified in the applicable Final Terms)  $SOFR_i$ , where  $SOFR_i$  is, in respect of any U.S. Government Securities Business Day  $i$  falling in the relevant SOFR Observation Period, the SOFR for such day; and

**SOFR Observation Period** means in respect of each Interest Period, the period from and including the date falling  $p$  U.S. Government Securities Business Days preceding the first date in such Interest Period to but excluding the date  $p$  U.S. Government Securities Business Days preceding the interest payment date for such Interest Period.

### Average SOFR

Where **Screen Rate Determination** is specified for a Floating Rate Master Issuer Note in the applicable Final Terms as the manner in which the Rate of Interest is to be determined for such note, and the Reference Rate is specified in the applicable Final Terms as being Average SOFR, the Rate of Interest for each Interest Period will, subject as provided below, be Average SOFR plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

**Average SOFR**, in relation to any Interest Period, means the arithmetic mean of  $SOFR_i$  in effect during such Interest Period and will be calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the Interest Determination Date as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \frac{\sum_{i=1}^{d_o} SOFR_i \times n}{d} \right] \times \frac{360}{d}$$

where:

$d$ ,  $d_o$ ,  $i$ ,  $n$  and  $p$  have the meanings set out under the section entitled *Compounded Daily SOFR* above;

$SOFR_i$  means, for any U.S. Government Securities Business Day  $i$

- (a) where in the applicable Final Terms “Lag” is specified as the Observation Method, (save as specified in the applicable Final Terms) the SOFR in respect of the U.S. Government Securities Business Day  $i$  falling  $p$  U.S. Government Securities Business Days prior to such day;
- (b) where in the applicable Final Terms “Lock-out” is specified as the Observation Method, (save as specified in the applicable Final Terms) during each relevant Interest Period, the SOFR determined in accordance with paragraph (a) above, except that in respect of each U.S. Government Securities Business Day  $i$  falling on or after the “Lock-out date” specified in the applicable Final Terms (or, where no “Lock-out date” is specified, five U.S. Government Securities Business Days prior to each relevant Interest Payment Date) until the end of each relevant Interest Period, the SOFR determined in accordance with paragraph (a) above in respect of such “Lock-out date”; or
- (c) where in the applicable Final Terms “Shift” is specified as the Observation Method, (save as specified in the applicable Final Terms) the SOFR on the U.S. Government Securities Business Day  $i$ .



## **b. Modifications and Determinations by Note Trustee**

The following language shall be included at the end of Condition 12.5(b) (*Modifications and Determinations by Note Trustee*) set out in the base prospectus to reflect the base rate modification provisions applicable to any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR and issued on or after 4 March 2020:

### **Effect of Benchmark Transition Event on USD-LIBOR or SOFR linked Floating Rate Master Issuer Notes**

Notwithstanding the provisions of Condition 5.2(b)(ii) (*Interest on Floating Rate Master Issuer Notes—Rate of interest—Screen rate determination for Floating Rate Master Issuer Notes*) and Condition 12.5(b) (*Modifications and Determinations by Note Trustee*), if the Designated Transaction Representative determines on or prior to the relevant determination date that a Benchmark Transition Event has occurred with respect to USD-LIBOR or SOFR, then the Note Trustee shall be obliged, without the consent or sanction of the Noteholders (including without the requirement to provide to noteholders an opportunity to object) or any confirmation from any Rating Agencies, to concur with the Designated Transaction Representative, and to direct the Master Issuer Security Trustee and the Security Trustee to concur with the Designated Transaction Representative, in making any modification (other than a Basic Terms Modification, provided that neither replacing the then-current Benchmark with the Benchmark Replacement nor any Benchmark Replacement Conforming Changes (each as defined below) shall constitute Basic Terms Modifications) of these Conditions or any of the Transaction Documents solely with respect to any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR and issued on or after 4 March 2020 that the Designated Transaction Representative decides may be appropriate to give effect to the provisions set forth under this section titled “*Effect of Benchmark Transition Event on USD-LIBOR or SOFR linked Floating Rate Master Issuer Notes*” in relation only to all determinations of the rate of interest payable on any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR (and any related swap agreements) and issued on or after 4 March 2020:

- I. If the Designated Transaction Representative determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date applicable to any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR in respect of such determination on such date and all determinations on all subsequent dates.
- II. In connection with the implementation of a Benchmark Replacement with respect to any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR, the Designated Transaction Representative will have the right to make Benchmark Replacement Conforming Changes with respect to any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR from time to time.
- III. Any determination, decision or election that may be made by the Designated Transaction Representative pursuant to this section titled “*Effect of Benchmark Transition Event on USD-LIBOR or SOFR linked Floating Rate Master Issuer Notes*”, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, in each case, solely with respect to any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR, will be conclusive and binding absent manifest error, may be made in the Designated Transaction Representative’s sole discretion, and, notwithstanding anything to the contrary in the documentation relating to any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR, shall become effective without consent, sanction or absence of objection from any other party (including Noteholders).
- IV. Notwithstanding the definitions of Business Day, Federal Reserve Bank of New York’s Website, OBFR, OBFR Index Cessation Date, OBFR Index Cessation Event, SOFR, SOFR Index

Cessation Date, SOFR Index Cessation Event, and U.S. Government Securities Business Day set out under Condition 13.4 (*Definitions*), the following definitions shall apply with respect to this section titled “*Effect of Benchmark Transition Event on USD-LIBOR or SOFR linked Floating Rate Master Issuer Notes*”:

**Benchmark** means, initially, (in respect of USD-LIBOR linked Floating Rate Master Issuer Notes) USD-LIBOR or (in respect of SOFR linked Floating Rate Master Issuer Notes) SOFR, as applicable; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to USD-LIBOR or SOFR, as applicable, or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement.

**Benchmark Replacement** means (in respect of USD-LIBOR, if the Designated Transaction Representative can determine the interpolated benchmark as of the benchmark replacement date) the Interpolated Benchmark; or (in respect of USD-LIBOR if the Designated Transaction Representative cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date or in respect of SOFR), then the first alternative set forth in the order below that can be determined by the Designated Transaction Representative as of the Benchmark Replacement Date:

- (1) (in respect of USD-LIBOR) the sum of: (a) Term SOFR and (b) the Benchmark Replacement Adjustment;
- (2) (in respect of USD-LIBOR) the sum of: (a) Compounded SOFR and (b) the applicable Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (4) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;
- (5) the sum of: (a) the alternate rate of interest that has been selected by the Designated Transaction Representative as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR, as applicable, at such time and (b) the Benchmark Replacement Adjustment.

If a Benchmark Replacement in respect of USD-LIBOR is selected pursuant to paragraph (2) above, then on the first day of each calendar quarter following such selection, if a redetermination of the Benchmark Replacement on such date would result in the selection of a Benchmark Replacement under paragraph (1) above, then (x) the Benchmark Replacement Adjustment shall be redetermined on such date utilizing the Unadjusted Benchmark Replacement corresponding to the Benchmark Replacement under paragraph (1) above and (y) such redetermined Benchmark Replacement shall become the Benchmark on each Interest Determination Date on or after such date. If redetermination of the Benchmark Replacement in respect of USD-LIBOR on such date as described in the preceding sentence would not result in the selection of a Benchmark Replacement under paragraph (1), then the Benchmark shall remain the Benchmark Replacement as previously determined pursuant to paragraph (2) above.

**Benchmark Replacement Adjustment** means the first alternative set forth in the order below that can be determined by the Designated Transaction Representative as of the Benchmark Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been

- selected, endorsed or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;
  - (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Designated Transaction Representative giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR at such time.

**Benchmark Replacement Conforming Changes** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes with respect to any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR (including changes to the definition of “Interest Period”, timing and frequency of determining rates and making payments of interest, changes to the definition of “Corresponding Tenor” solely when such tenor is longer than the Interest Period and other administrative matters) and any related swap agreements that the Designated Transaction Representative decides may be appropriate to reflect the adoption of such Benchmark Replacement with respect to any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR in a manner substantially consistent with market practice (or, if the Designated Transaction Representative decides that adoption of any portion of such market practice is not administratively feasible or if the Designated Transaction Representative determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Designated Transaction Representative determines is reasonably necessary).

**Benchmark Replacement Date** means:

- (1) in the case of paragraph (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the relevant Benchmark permanently or indefinitely ceases to provide such Benchmark, or
- (2) in the case of paragraph (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information;

provided, however, that on or after the 60th day preceding the date on which such Benchmark Replacement Date would otherwise occur (if applicable), the Designated Transaction Representative may give written notice to holders of any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR in which the Designated Transaction Representative designates an earlier date (but not earlier than the 30th day following such notice) and represents that such earlier date will facilitate an orderly transition of any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR to the Benchmark Replacement, in which case such earlier date shall be the Benchmark Replacement Date.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

**Benchmark Transition Event** means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (1) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that the administrator has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

**Compounded SOFR** means, for purposes of determining a replacement benchmark for USD-LIBOR pursuant to this section titled “*Effect of Benchmark Transition Event on USD-LIBOR or SOFR linked Floating Rate Master Issuer Notes*”, the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which, for example, may be compounded in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period or compounded in advance) being established by the Designated Transaction Representative in accordance with:

- (1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:
- (2) if, and to the extent that, the Designated Transaction Representative determines that Compounded SOFR cannot be determined in accordance with paragraph (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Designated Transaction Representative giving due consideration to any industry-accepted market practice for similar U.S. dollar denominated securitisation transactions at such time.

Notwithstanding the foregoing, Compounded SOFR will be calculated in advance and be determined in accordance with the provision set out under “*Compounded Daily SOFR*” and “*Average SOFR*” under Condition 5.2(b)(ii) (*Interest on Floating Rate Master Issuer Notes—Rate of interest—Screen rate determination for Floating Rate Master Issuer Notes*).

**Corresponding Tenor** with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

**Designated Transaction Representative** means, with respect to any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR and a particular obligation to be performed in connection with the transition to a Benchmark Replacement, the Master Issuer (acting on the advice of the Master Issuer Cash Manager).

**Federal Reserve Bank of New York’s Website** means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org>, or any successor source (for the avoidance of doubt, this website (and/or any successor source) and the contents thereof do not form part of this supplement).

**Interpolated Benchmark** with respect to the Benchmark, means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor and (2) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

**ISDA Definitions** means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

**ISDA Fallback Adjustment** means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

**ISDA Fallback Rate** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

**Reference Time** with respect to any determination of the Benchmark means (1) if the Benchmark is USD-LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such determination, (2) if the Benchmark is SOFR, 2:00 p.m. (London time) on the day that is two London banking days preceding the date of such determination, and (3) if the Benchmark is not USD-LIBOR or SOFR, the time determined by the Designated Transaction Representative in accordance with the Benchmark Replacement Conforming Changes.

**Relevant Governmental Body** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

**SOFR** with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

**Term SOFR** means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body.

**Unadjusted Benchmark Replacement** means the Benchmark Replacement excluding the applicable Benchmark Replacement Adjustment.

- V. To the extent that there is any inconsistency between the conditions set out in this section titled "*Effect of Benchmark Transition Event on USD-LIBOR or SOFR linked Floating Rate Master Issuer Notes*" and any other Condition, the statements in this section shall prevail with respect to any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR.
- VI. Nothing in this section titled "*Effect of Benchmark Transition Event on USD-LIBOR or SOFR linked Floating Rate Master Issuer Notes*" affects the rights of the Noteholders of Master Issuer Notes other than any U.S. dollar denominated Floating Rate Master Issuer Notes calculated by reference to USD-LIBOR or SOFR.
- VII. Notwithstanding anything to the contrary in this section titled "*Effect of Benchmark Transition Event on USD-LIBOR or SOFR linked Floating Rate Master Issuer Notes*" or any Transaction Document, when implementing any replacement of the then-current Benchmark with the Benchmark Replacement or any Benchmark Replacement Conforming Changes pursuant to this section:

- a. the Note Trustee shall not consider the interests of the Noteholders, any other Secured Creditor or any other person and shall act and rely solely, and without further enquiry or liability, on any certificate or evidence provided to it (including but not limited to any certificate which is required to be provided pursuant to the Master Issuer Trust Deed) by the Master Issuer or the Master Issuer Cash Manager acting on behalf of the Master Issuer and shall not be liable to the Noteholders, any other Secured Creditor or any other person for so acting or relying, irrespective of whether any such replacement of the then-current Benchmark with the Benchmark Replacement or any Benchmark Replacement Conforming Changes is or may be materially prejudicial to the interests of any such person; and
- b. the Note Trustee shall not be obliged to agree to any modification which, in the sole opinion of the Note Trustee, would have the effect of (i) exposing the Note Trustee to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction and/or (ii) increasing the obligations or duties, or decreasing the rights or protections, of the Note Trustee in the Master Issuer Transaction Documents and/or these Conditions.

VIII. For the avoidance of doubt, the Master Issuer (or the Master Issuer Cash Manager, acting on behalf of the Master Issuer) may propose that a Benchmark Replacement replace the then-current Benchmark and any Benchmark Replacement Conforming Changes on more than one occasion provided that the conditions set out in this section titled “*Effect of Benchmark Transition Event on USD-LIBOR or SOFR linked Floating Rate Master Issuer Notes*” are satisfied.

### 3. Form of Final Terms

The following items in the Form of Final Terms set out in the base prospectus shall be amended and replaced or added, as appropriate, as follows:

23	(f) Screen Rate Determination:	[Applicable/Not Applicable]	[Applicable/Not Applicable]	
	• Reference Rate:	[[●] month/ [●] LIBOR/ [●] EURIBOR/ [●] USD-LIBOR/ Compounded Daily SONIA/ Average SONIA/ Compounded Daily SOFR/ Average SOFR/ [●] AUD-BBR-BBSW/ [●] JPY LIBOR/ [●] CDOR] [or, in respect of the first interest period, [the linear interpretation of [●] month and [●] month], [●] LIBOR/ [●] EURIBOR/ [●] USD-LIBOR/ [●] AUD-BBR-BBSW/ [●] JPY LIBOR/ [●] CDOR]] [or, following [the Step-Up Date] [and/or] [a Trigger Event] [and/or] [the enforcement of the issuing entity security] [and/or] [enforcement of the Funding security] [●] LIBOR/ [●] EURIBOR/ [●] USD-LIBOR/ [●] AUD-BBR-BBSW/ [●] JPY LIBOR/ [●] CDOR]] [where Compounded Daily [SONIA / SOFR] means [●]]	[[●] month/ [●] LIBOR/ [●] EURIBOR/ [●] USD-LIBOR/ Compounded Daily SONIA/ Average SONIA/ Compounded Daily SOFR/ Average SOFR/ [●] AUD-BBR-BBSW/ [●] JPY LIBOR/ [●] CDOR] [or, in respect of the first interest period, [the linear interpretation of [●] month and [●] month], [●] LIBOR/ [●] EURIBOR/ [●] USD-LIBOR/ [●] AUD-BBR-BBSW/ [●] JPY LIBOR/ [●] CDOR]] [or, following [the Step-Up Date] [and/or] [a Trigger Event] [and/or] [the enforcement of the issuing entity security] [and/or] [enforcement of the Funding security] [●] LIBOR/ [●] EURIBOR/ [●] USD-LIBOR/ [●] AUD-BBR-BBSW/ [●] JPY LIBOR/ [●] CDOR]] [where Compounded Daily [SONIA / SOFR] means [●]]	

- |   |  |  |
|---|--|--|
| <ul style="list-style-type: none"> <li>Observation Method:</li> </ul> | <p>[Not Applicable/Lag/Lock-out/Shift] / [Lock-out date: [●]] / [unless otherwise agreed with the [Principal Paying Agent] / [such other party responsible for the calculation of the Rate of Interest, as specified in the Final Terms], (being no less than [●] [London Banking Days] / [U.S. Government Securities Business Days] prior to each relevant Interest Payment Date) / [where [●] means [●]]</p> | <p>[Not Applicable/Lag/Lock-out/Shift] / [Lock-out date: [●]] / [unless otherwise agreed with the [Principal Paying Agent] / [such other party responsible for the calculation of the Rate of Interest, as specified in the Final Terms], (being no less than [●] [London Banking Days] / [U.S. Government Securities Business Days] prior to each relevant Interest Payment Date) / [where [●] means [●]]</p> |
|---|--|--|
  
- |   |  |  |
|---|--|--|
| <ul style="list-style-type: none"> <li>Observation Look-back Period p:</li> </ul> | <p>[●]/ [Not Applicable] [unless otherwise agreed with the [Principal Paying Agent] / [such other party responsible for the calculation of the Rate of Interest, as specified in the Final Terms], (being no less than [●] [London Banking Days] / [U.S. Government Securities Business Days]) / [where [●] means [●]]</p> | <p>[●]/ [Not Applicable] [unless otherwise agreed with the [Principal Paying Agent] / [such other party responsible for the calculation of the Rate of Interest, as specified in the Final Terms], (being no less than [●] [London Banking Days] / [U.S. Government Securities Business Days]) / [where [●] means [●]]</p> |
|---|--|--|
  
- |  |                                    |                                    |
|--|------------------------------------|------------------------------------|
| <ul style="list-style-type: none"> <li>Index Determination:</li> </ul> | <p>[Applicable/Not Applicable]</p> | <p>[Applicable/Not Applicable]</p> |
|--|------------------------------------|------------------------------------|

## INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The section “*Incorporation of Certain Information by Reference*” of the base prospectus shall be supplemented as follows:

The audited financial statements of Funding for the period up to and including the year ended 31 December 2018, which appear on pages 7 to 22 of Funding's Annual Report and Accounts for the year ended 31 December 2018, are incorporated by reference into this base prospectus. Copies of these financial statements may be obtained at Funding's registered office at 2 Triton Square, Regent's Place, London NW1 3AN, United Kingdom and may be viewed online at <http://www.santander.co.uk/uk/about-santander-uk/investor-relations/holmes-master-trust>. PricewaterhouseCoopers LLP, members of the Institute of Chartered Accountants in England and Wales, have issued unqualified audit opinions on the financial statements of Funding for the period ended 31 December 2018.

The audited financial statements of the issuing entity for the period up to and including the year ended 31 December 2018, which appear on pages 10 to 29 of the issuing entity's Annual Report and Accounts for the year ended 31 December 2018, are incorporated by reference into this base prospectus. Copies of these financial statements may be obtained at the issuing entity's registered office at 2 Triton Square, Regent's Place, London NW1 3AN, United Kingdom and may be viewed online at <http://www.santander.co.uk/uk/about-santander-uk/investor-relations/holmes-master-trust>. PricewaterhouseCoopers LLP, members of the Institute of Chartered Accountants in England and Wales, have issued unqualified audit opinions on the financial statements of the issuing entity for the period ended 31 December 2018.

## **SIGNIFICANT OR MATERIAL CHANGE**

The section "*Listing and General Information—Significant or Material Change*" of the base prospectus shall be replaced in its entirety with the following:

Since 31 December 2018 (being the date of the most recent financial reports of the issuing entity and of Funding), 29 December 1998 (being the date of incorporation of Holdings) and 28 April 2000 (being the date of incorporation of the mortgages trustee), there has been (a) no material adverse change in the financial position or prospects of the issuing entity, Funding, Holdings or the mortgages trustee and (b) no significant change in the financial or trading position of the issuing entity, Funding, Holdings or the mortgages trustee.

## **GENERAL**

This supplement will be published on the website of the London Stock Exchange at the following link:

<http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>