

Supplement dated 27 December 2023 to the base prospectus dated 15 May 2023

## LANARK MASTER ISSUER PLC

(incorporated in England and Wales with limited liability under registered number 6302751)

### £20 billion Residential Mortgage Backed Note Programme (ultimately backed by the mortgages trust)

This supplement (this "**supplement**") is supplemental to and must be read and construed in conjunction with the base prospectus dated 15 May 2023 (the "**base prospectus**") prepared in connection with the £20 billion residential mortgage backed note programme (the "**programme**") established by Lanark Master Issuer plc (the "**issuer**"). Terms defined in the base prospectus shall, unless the context otherwise requires, have the same meaning when used in this supplement.

This supplement has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), which is the United Kingdom competent authority under Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 as amended (the "**UK Prospectus Regulation**"), as a base prospectus supplement issued in compliance with the UK Prospectus Regulation.

The issuer accepts responsibility for the information contained in this supplement. The information contained in this supplement is, to the best of the knowledge of the issuer, 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 into, the base prospectus, the statements in item (a) above will prevail.

Save as disclosed in this supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the base prospectus which is capable of affecting the assessment of the notes issued under the programme has arisen or been noted, as the case may be, since publication of the base prospectus.

#### Purpose of this supplement

The purpose of this supplement is to update the existing information included in the base prospectus and to reflect and disclose to investors: (a) incorporation by reference of the latest audited annual accounts of the issuer and Funding; (b) updates to the sections of the base prospectus entitled "*Transaction Parties*" and "*Clydesdale Bank and YBHL*"; (c) amendments to the section of the base prospectus entitled "*Material Legal Aspects of the Mortgage Loans and the Related Security*"; and (d) amendments to the sections of the base prospectus entitled "*The Issuer*", "*Funding*", "*The Mortgages Trustee*" and "*Listing and General Information*".

With effect from the date of this supplement the information appearing in, or incorporated by reference into, the base prospectus shall be amended and/or supplemented in the manner described below:

1. paragraph (b) of the section entitled "**DOCUMENTS INCORPORATED BY REFERENCE**" on page xiv of the base prospectus shall be deleted and replaced with with the following:

"(b) the audited annual accounts of each of the issuer and Funding for the year ended 30 September 2023 which have previously been published and filed with Companies House, the notes thereto and the audit report prepared in connection therewith;"
2. the section entitled "**TRANSACTION PARTIES**" beginning on page 68 of the base prospectus shall be updated so that any reference in that section to "30 St. Vincent Place, Glasgow G1 2HL" is replaced with "177 Bothwell Street, Glasgow G2 7ER".
3. the second sentence of the first paragraph under the heading "*Clydesdale Bank*" in the section entitled "**CLYDESDALE BANK AND YBHL**" beginning on page 143 of the base prospectus shall be replaced with the following:

"The registered office of Clydesdale Bank is 177 Bothwell Street, Glasgow G2 7ER."

4. the first paragraph under the heading "*Capitalisation and Financial Statements*" in the section entitled "**THE ISSUER**" beginning on page 136 of the base prospectus shall be replaced with the following:

"Each financial period of the issuer will end on 30 September of each year. The current financial period of the issuer will end on 30 September 2024. The auditors of the issuer are Ernst & Young, 144 Morrison Street, Edinburgh, EH3 8EX. As at the date of this base prospectus, the issuer has produced and published financial statements for the year ended 30 September 2023."

5. the first paragraph under the heading "*Capitalisation and Financial Statements*" in the section entitled "**FUNDING**" beginning on page 138 of the base prospectus shall be replaced with the following:

"Each financial period of Funding will end on 30 September of each year. The current financial period of Funding will end on 30 September 2024. The auditors of Funding are Ernst & Young, 144 Morrison Street, Edinburgh, EH3 8EX. As at the date of this base prospectus, Funding has produced and published financial statements for the year ended 30 September 2023."

6. the second sentence of the first paragraph under the heading "*Capitalisation and Financial Statements*" in the section entitled "**THE MORTGAGES TRUSTEE**" beginning on page 141 of the base prospectus shall be replaced with the following:

"The current financial period of the mortgages trustee will end on 30 September 2024."

7. the section entitled "**MATERIAL LEGAL ASPECTS OF THE MORTGAGE LOANS AND THE RELATED SECURITY**" beginning on page 379 of the base prospectus shall be updated as follows:

- (i) the following paragraphs shall be inserted on page 393 of the base prospectus at the end of the section beginning on page 384 with the heading "**Mortgage Regulation**" as follows:

***The Mortgage Charter***

On 26 June 2023, HM Treasury published the 'Mortgage Charter' in light of the current pressures on households following interest rate rises and the cost-of-living crisis (the "**Mortgage Charter**"). The Mortgage Charter states that the UK's largest mortgage lenders and the FCA have agreed with the Chancellor a set of standards that they will adopt when helping their regulated residential mortgage borrowers worried about high interest rates. Clydesdale is a signatory to the Mortgage Charter to support regulated residential mortgage borrowers impacted by higher mortgage interest rates, in particular borrowers whose existing fixed rate deal is due to end in the immediate future. As a signatory to the Mortgage Charter, Clydesdale has agreed that, among other things, a borrower will not be forced to leave their home without their consent unless in exceptional circumstances for at least a year from their first missed payment. In addition, lenders will permit borrowers who are up to date with their payments to: (i) switch to interest-only payments for six months; and/or (ii) extend their mortgage term to reduce their monthly payments and give borrowers the option to revert to their original term within six months by contacting their lender. These options can be taken by borrowers who are up to date with their payments without a new affordability check or affecting their credit score.

The FCA has amended MCOB to allow (rather than require) lenders to give effect to the provisions in the Mortgage Charter. The FCA announced that it intends to review the impact of the rule changes within 12 months."

- (ii) the following paragraphs shall be inserted after the new sub-section "**The Mortgage Charter**" under the heading "**Mortgage Regulation**" on page 393 of the base prospectus as follows

***FCA Consumer Duty***

In 2022 the FCA published final rules on the introduction of a consumer duty on regulated firms (the "**Consumer Duty**"), which aims to set a higher level of consumer protection in retail financial markets and to improve competition between firms in the interests of consumers. The FCA published its final rules on the Consumer Duty in July 2022, which provided that the Consumer Duty applied from 31 July 2023 for products and services that remain open to sale or renewal and will apply from 31 July 2024 for closed products and services.

The Consumer Duty applies to the regulated activities and ancillary activities of all firms authorised under the FSMA.

The Consumer Duty introduced a new consumer principle that requires firms to act to deliver good outcomes for retail consumers. The FCA's expectations under this new principle are explained through its three cross-cutting rules: (i) to act in good faith; (ii) to avoid causing foreseeable harm; and (iii) to enable and support retail consumers to pursue their financial objectives. The Consumer Duty also sets rules that aim to drive good outcomes for consumers, related to the following four criteria: (i) the quality of firms' products and services; (ii) the price and value; (iii) consumer understanding; and (iv) consumer support.

The Consumer Duty applies not only at origination of a product but throughout its subsistence (so in the case of a mortgage loan, throughout the period the mortgage loan is outstanding). The cross-cutting rules include an obligation to avoid causing foreseeable harm to the consumer and the outcomes include an obligation to ensure that the product (for example, a mortgage loan) provides fair value to the retail customer. These obligations (as with the remainder of the Consumer Duty) must be assessed on a regular basis throughout the life of the product.

The Consumer Duty applies, inter alia, in respect of regulated mortgage contracts (as well as loans falling within the consumer credit regime) as the application of the Consumer Duty follows the position in the MCOB. The Consumer Duty applies to product manufacturers and distributors, which include purchasers of in scope mortgage loans, as well as firms administering or servicing those mortgage loans. Although the Consumer Duty does not apply retrospectively, the FCA requires firms to apply the Consumer Duty to existing products on a forward-looking basis."

- (iii) paragraph (a) entitled "*FCA Consumer Duty*" under the heading "***Proposed changes to UK mortgage regulation***" on page 393 of the base prospectus shall be deleted and paragraphs (b) and (c) under such heading shall be renumbered accordingly.
8. the section entitled "***LISTING AND GENERAL INFORMATION***" beginning on page 420 of the base prospectus shall be updated as follows:
- (i) the first sentence of the first paragraph under the heading "*Accounts*" shall be updated so that the reference to 30 September 2022 shall be replaced with 30 September 2023; and
  - (ii) the first two paragraphs under the heading "*Significant or material change*" shall be updated so that the references to 30 September 2022 shall be replaced with 30 September 2023.
9. the last page of the base prospectus under the heading "***SELLER AND SERVICER***" shall be updated so that the reference to "30 St. Vincent Place, Glasgow G1 2HL" is replaced with "177 Bothwell Street, Glasgow G2 7ER".