

**Pricing Supplement dated 28 July 2017**

**OLAM INTERNATIONAL LIMITED**  
**Issue of S\$50,000,000 Subordinated Perpetual Securities**  
**to be consolidated and form a single series with the existing S\$300,000,000 Subordinated Perpetual**  
**Securities issued on 11 July 2017**  
**under the U.S.\$5,000,000,000 Euro Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Subordinated Perpetual Securities described herein (the "**Perpetual Securities**"). Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Perpetual Securities (the "**Conditions**") set forth in the Offering Circular dated 23 November 2016 (the "**Offering Circular**"). This Pricing Supplement contains the final terms of the Perpetual Securities and must be read in conjunction with such Offering Circular as so supplemented.

Assuming that the Perpetual Securities are regarded by the Inland Revenue Authority of Singapore (the "**IRAS**") as "debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore (the "**ITA**"), where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Perpetual Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the ITA, shall not apply if such person acquires such Perpetual Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Perpetual Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

If the Perpetual Securities are not regarded by the IRAS as "debt securities" for the purposes of the ITA and/or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ.

No assurance, warranty or guarantee is given on the tax treatment to holders of the Perpetual Securities in respect of the distributions payable to them (including Arrears of Distribution and Additional Distribution Amounts). Investors should therefore consult their own accounting and tax advisers regarding the Singapore income tax consequence of their acquisition, holding and disposal of the Perpetual Securities.

1.	Issuer	Olam International Limited.
2.	(i) Series Number:	16
	(ii) Tranche Number:	2
3.	Specified Currency or Currencies:	Singapore dollars ("S\$")
4.	Aggregate Principal Amount:	
	(i) Series:	S\$350,000,000
	(ii) Tranche:	S\$50,000,000
5.	(i) Issue Price:	100.25 per cent. of the Aggregate Principal Amount, plus accrued Distributions from, and including, the Distribution Commencement Date to, but excluding, the Issue Date.
	(ii) Net Proceeds:	Approximately S\$49,856,831 (excluding accrued Distributions payable as part of the Issue Price)

6.	(i)	Specified Denomination:	S\$250,000
	(ii)	Calculation Amount:	S\$250,000
7.	(i)	Issue Date:	4 August 2017
	(ii)	Distribution Commencement Date:	11 July 2017
8.		Distributions:	
	(i)	Distribution Rate:	5.50 per cent. Fixed Rate  (further particulars specified in paragraph 18 below)
	(ii)	Distribution Deferral:	Applicable, with a Look-Back Period of three (3) months.
	(iii)	Cumulative Deferral:	Applicable
	(iv)	Additional Distribution:	Applicable
	(v)	Dividend Stopper:	Applicable
9.		Redemption/Payment Basis:	Redemption for Taxation Reasons  Redemption for Accounting Reasons  Redemption for Tax Deductibility Reasons  Redemption in the case of Minimal Outstanding Amount  Call Option Redemption (further particulars specified in paragraph 12 below)
10.		Early Redemption Amount:	
	(i)	Early Redemption Amount(s) per Calculation Amount payable on redemption and/or the method of calculating the same:	S\$250,000
	(ii)	Make-Whole Amount:	Not Applicable
	(iii)	Reference Rate(s):	Not Applicable
11.		Change of Distribution or Redemption/Payment Basis:	Not Applicable
12.		Put/Call Option:	Call Option Applicable
		Optional Redemption Dates	
	(i)	First Call Date:	The Distribution Payment Date falling on 11 July 2022.
	(ii)	Additional Call Dates:	Each Distribution Payment Date following the First Call Date.
13.		Status of the Perpetual Securities:	Subordinated Perpetual Securities
14.		Parity Obligations:	Any instrument or security (including, without limitation, preference shares)

issued, entered into or guaranteed by the Issuer that ranks or is expressed to rank, whether by its terms or by operation or law, *pari passu* with the Perpetual Securities.

15. Junior Obligations: Any class of the Issuer's share capital or any other instruments or securities ranking *pari passu* therewith other than (i) any Parity Obligations and (ii) any instruments or securities ranking in priority in payment and in all other respects to the ordinary shares in the capital of the Issuer.
16. Listing and admission to trading: Singapore Exchange Securities Trading Limited ("**SGX-ST**").
17. Method of distribution: Non-syndicated

#### **PROVISIONS RELATING TO DISTRIBUTIONS (IF ANY) PAYABLE**

18. Fixed Rate Note Provisions: Applicable
- (i) Distribution Rate: The rate of distribution (the "**Distribution Rate**") applicable to the Perpetual Securities shall be:
- (i) in respect of the period from, and including, the Distribution Commencement Date to, but excluding, the First Call Date, 5.50 per cent. per annum; and
- (ii) in respect of the period from, and including, the First Call Date and each Reset Date falling thereafter to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate.
- (further particulars specified in paragraph 18(vii) below)
- (ii) Distribution Payment Date(s): 11 January and 11 July in each year, from and including 11 January 2018
- (iii) Fixed Coupon Amount: Not Applicable
- (iv) Broken Amount(s): Not Applicable
- (v) Day Count Fraction: Actual/365 (Fixed)
- (vi) Distribution Determination Dates: The second Business Day prior to each Reset Date.
- (vii) Other terms (including step-up and reset mechanisms) relating to the method of calculating distribution for Fixed Rate Perpetual Securities: For the purposes of the Conditions:
- "**Initial Spread**" means 3.685 per cent.
- "**Reset Date**" means the First Call Date and each date falling every five (5) years after the First Call Date.
- "**Relevant Reset Distribution Rate**" means the Swap Offer Rate with respect to the

relevant Reset Date plus the Initial Spread plus the Step-Up Margin.

"**Step-up Margin**" means 2.00 per cent.

"**Swap Offer Rate**" means the rate in per cent per annum notified by the Calculation Agent to the Issuer and the Securityholders (in accordance with Condition 14) equal to the rate appearing under the column headed "Ask" for a maturity of five (5) years which appears on the Bloomberg Screen TPIS Page under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" published at the close of business on the day that is two Business Days preceding the relevant Reset Date. If such rate does not appear on the Bloomberg Screen TPIS Page, the rate for that Reset Date will be any substitute rate announced by the Association of Banks in Singapore, provided that, in each case, in the event such rate is zero or negative, the Swap Offer Rate shall be deemed to be zero per cent.

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| 19. | Floating Rate Note Provisions:             | Not Applicable |
| 20. | Index Linked Distribution Note Provisions: | Not Applicable |
| 21. | Dual Currency Note Provisions:             | Not Applicable |

#### **GENERAL PROVISIONS APPLICABLE TO THE PERPETUAL SECURITIES**

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|-----|---|---|
| 22. | Form of Perpetual Securities:   | Registered<br><br>Global Certificate exchangeable for definitive Perpetual Securities in the limited circumstances specified in the Global Certificate  |
| 23. | Financial Centre(s) or other special provisions relating to Payment Dates:                            | Singapore   |
| 24. | Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | No  |
| 25. | Redenomination renominalisation and reconventioning provisions:                                       | Not Applicable  |
| 26. | Consolidation provisions:   | The provisions in Condition 13 ( <i>Further Issues</i> ) apply  |
| 27. | Other terms or special conditions:  | The Trust Deed, the Perpetual Securities and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, except that the subordination provisions set out in Condition 3(b) ( - <i>Subordinated Perpetual Securities</i> ) applicable to the Issuer shall be |

governed by and construed in accordance with Singapore law.

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Perpetual Securities and accordingly any legal action or proceedings arising out of or in connection with any Perpetual Securities ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

## **DISTRIBUTION**

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|-----|---------------------------------------|--|
| 28. | (i) If syndicated, names of Managers: | Not applicable   |
|     | (ii) Stabilising Manager (if any):    | Not Applicable   |
| 29. | If non-syndicated, name of Dealer:    | Standard Chartered Bank  |
| 30. | U.S. selling restrictions:            | Reg. S Category 1; TEFRA Not Applicable. The Perpetual Securities are being offered and sold only in accordance with Regulation S.   |
| 31. | Additional selling restrictions:      | Not Applicable   |
| 32. | Commission and concession:            | The Issuer has agreed to pay the Dealer a management fee and a discretionary incentive fee based on 100.25 per cent. of the aggregate principal amount of the Perpetual Securities (comprised in Series 16 Tranche 2). |
| 33. | Private banking commission:           | Not Applicable   |

## **OPERATIONAL INFORMATION**

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|-----|---|--------------------------------------|
| 34. | ISIN Code:  | SG7DJ3000005                         |
| 35. | Common Code:  | 164496511                            |
| 36. | CMU Instrument Number:  | Not Applicable                       |
| 37. | Any clearing system(s) other than Euroclear Bank, Clearstream, Luxembourg, CDP and the CMU and the relevant identification number(s): | The Central Depository (Pte) Limited |
| 38. | Delivery:   | Delivery free of payment             |
| 39. | Additional Paying Agent(s) (if any):  | Not Applicable                       |

## **GENERAL**

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|-----|--|----------------|
| 40. | The aggregate principal amount of Perpetual Securities in the Specified Currency issued has been translated into U.S. Dollars at the rate specified, producing a sum of: | Not Applicable |
|-----|--|----------------|

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|-----|---|--|
| 41. | In the case of Registered Notes, specify the location of the office of the Registrar:                                 | The Bank of New York Mellon, Singapore Branch<br>One Temasek Avenue<br>#03-01 Millenia Tower<br>Singapore 039192 |
| 42. | In the case of Bearer Notes, specify the location of the office of the Issuing and Paying Agent if other than London: | Not Applicable   |
| 43. | Ratings:  | The Perpetual Securities to be issued are unrated  |
| 44. | Supplemental Disclosure:  | See Appendix A   |

#### **USE OF PROCEEDS**

The net proceeds of the Perpetual Securities will be used for those purposes set out in the "*Use of Proceeds*" section of the Offering Circular.

#### **PURPOSE OF PRICING SUPPLEMENT**

This Pricing Supplement comprises the final terms required for issue and admission to trading on the SGX-ST of the Perpetual Securities described herein pursuant to the U.S.\$5,000,000,000 Euro Medium Term Note Programme.

#### **INVESTMENT CONSIDERATIONS**

There are significant risks associated with the Perpetual Securities including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Perpetual Securities, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Perpetual Securities unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Perpetual Securities.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.

#### **RESPONSIBILITY**


The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of

**OLAM INTERNATIONAL LIMITED**

By: .....

Duly authorised

  
Jayant Shrinivas Parande  
President & Global Head - Treasury & IR  
Group Treasurer



Aditya Renjen  
Vice President, Treasury & IR

## Appendix A

1. With effect from 10 July 2017, the Issuer's address will be changed from 9 Temasek Boulevard, #11-02, Suntec Tower Two, Singapore 038989 to 7 Straits View, Marina One East Tower, #20-01, Singapore 018936. Accordingly, all references to the address of the Issuer in the Offering Circular shall be updated accordingly.
2. The information appearing in the table on page 138 of the section of the Offering Circular entitled "*Directors and Management – Board of Directors*" shall be deleted in its entirety and replaced as follows:

### **"Board of Directors**

The name and position of each of the Directors are set out below:

<u>Name</u>	<u>Position</u>
Lim Ah Doo Director	Chairman and Non-Executive and Independent Director
Sunny George Verghese	Executive Director, Co-Founder and Group CEO
Jean-Paul Pinard	Non-Executive and Independent Director
Sanjiv Misra	Non-Executive and Independent Director
Nihal Vijaya Devadas Kaviratne, CBE	Non-Executive and Independent Director
Yap Chee Keong	Non-Executive and Independent Director
Marie Elaine Teo	Non-Executive and Independent Director
Rachel Eng Yaag Ngee	Non-Executive and Independent Director
Yutaka Kyoya	Non-Executive Director
Mitsumasa Icho	Non-Executive Director
Shekhar Anantharaman Officer"	Executive Director & Group Chief Operating Officer"

3. The information on the business experience of "*Kwa Chong Seng*", "*Lim Ah Doo*", "*Yutaka Kyoya*" and "*Katsuhiko Ito*" appearing in the Offering Circular on pages 138, 139 and 141 of the section entitled "*Directors and Management – Board of Directors*" shall be deleted in its entirety and replaced as follows:

### **"Lim Ah Doo**

#### ***Chairman and Non-Executive and Independent Director***

Mr. Lim Ah Doo was appointed to the Board as a Non-Executive and Independent Director and Chairman designate on 1 November 2016 and succeeded Mr. Kwa Chong Seng as the Chairman of the Board with effect from 1 January 2017. Mr. Lim had an 18-year banking career at Morgan Grenfell, which included being the Chairman of Morgan Grenfell (Asia) Limited from 1993 to 1995. He also chaired the Singapore Investment Banking Association in 1994. Between 2003 and 2008, he was President and then Vice Chairman of the RGE Group, a global resource



group. Mr. Lim was previously an Independent Director at EDB Investments and an Independent Commissioner and Chairman of the Audit Committee of PT Indosat (Indonesia).

Mr. Lim currently chairs the Board of Singapore Technologies Marine Ltd, a subsidiary of the main-board listed Singapore Technologies Engineering Ltd and is a Non-Executive and Independent Director and Audit Committee Member of Singapore Technologies Engineering Ltd. He sits on the Board of SembCorp Marine Ltd as Non-Executive and Independent Director as well as Chairman of its Risk Committee and Special Committee, is the lead Non-Executive and Independent Director and Audit Committee Chairman of ARA-CWT Management (Cache) Limited, the manager of Cache Logistics Trust and GP Industries Ltd, and a Non-Executive and Independent Director and Audit Committee Chairman of GDS Holdings Limited, STT GDC Pte Ltd and U Mobile Sdn Bhd. He is also a Non-Executive and Independent Director of SM Investments Corporation.

He is a member of the Issuer's Human Resource and Compensation, Governance and Nomination and Capital and Investment Committees.

Mr. Lim also chairs the Issuer's Human Resource and Compensation and Governance and Nomination Committees.

### **Yutaka Kyoya**

#### ***Non-Executive Director***

Mr. Yutaka Kyoya is a Non-Executive Director and was appointed to the Board in 2015. He is an Executive Vice President and Group CEO of Living Essentials Group of Mitsubishi Corporation. He joined Mitsubishi Corporation in 1984 and has since been engaged in the food business. Mr. Kyoya has held various roles in Mitsubishi Corporation, in Tokyo as well as in its overseas offices, including the USA, Malaysia and Singapore. Prior to his current position, Mr. Kyoya was the Deputy General Manager of Living Essentials Group CEO's Office in 2011 before he was promoted to General Manager of the Global Consumer Business Development Unit in 2012. He is currently the Non-Executive Director of Mitsubishi Shokuhin Co., Ltd. and Lawson, Inc. Mr. Kyoya holds a degree in Commerce from Waseda University Tokyo. He is a member of the Issuer's Audit, Corporate Responsibility and Sustainability and Governance and Nomination Committees.

### **Mitsumasa Icho**

#### ***Non-Executive Director***

Mr. Mitsumasa Icho was nominated by Mitsubishi Corporation to replace Mr. Katsuhiro Ito who stepped down as a Non-Executive Director of the Issuer with effect from 1 May 2017. Mr. Mitsumasa Icho is currently the Senior Vice President of Mitsubishi Corporation's Risk Management function. He has been with the Mitsubishi Group since 1982 and has held senior positions within the Mitsubishi Group in Houston and New York as well as other key Mitsubishi Group functional roles in Finance, Tax and Administration. He was the Executive Vice President of Mitsubishi Motors North America, Inc. from 2006 to 2008 and subsequently Mitsubishi Motors Corporation from 2008 to 2012. Prior to assuming his current role, Mr. Icho was appointed General Manager of Mitsubishi Corporation's Machinery Group Administration Department from 2012 to 2014. He was promoted to General Manager of Risk Management Department which is the advisory organisation for the President office from 2014. He holds a Bachelor of law from the University of Tokyo. He is a member of the Issuer's Risk, Capital and Investment and Human Resource and Compensation Committees."

4. The information appearing in the Offering Circular on pages 146-149 of the section entitled "Taxation – Singapore" shall be deleted in its entirety and replaced as follows:

## "SINGAPORE

### *Interest and Other Payments*

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent. The applicable rate for non-resident individuals is currently 22.0 per cent.. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

Notwithstanding the above, with effect from 29 December 2009, the said deeming provisions of Section 12(6) of the ITA would not apply to payments for any arrangement, management, service or guarantee relating to any loan or indebtedness, where: (i) the arrangement, management or service is performed outside Singapore; or (ii) the guarantee is provided, for or on behalf of a person resident in Singapore or a permanent establishment in Singapore by a non-resident person who:

- (i) is not an individual, is not incorporated, formed or registered in Singapore; and
- (ii) (A) does not by himself or in association with others, carry on a business in Singapore and does not have a permanent establishment in Singapore; or  
(B) carries on a business in Singapore (by himself or in association with others) or has a permanent establishment in Singapore, but (a) the arrangement, management or service is not performed through; or (b) the giving of the guarantee is not effectively connected with, that business carried on in Singapore or that permanent establishment.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (i) interest from debt securities derived on or after 1 January 2004;
- (ii) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

- (iii) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

The terms “**break cost**”, “**prepayment fee**” and “**redemption premium**” are defined in the ITA as follows:

“**break cost**” means, in relation to debt securities and qualifying debt securities, any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

“**prepayment fee**” means, in relation to debt securities and qualifying debt securities, any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

“**redemption premium**” means, in relation to debt securities and qualifying debt securities, any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to “**break cost**”, “**prepayment fee**” and “**redemption premium**” in this Singapore tax disclosure have their same meaning as in the ITA.

In addition, as the Programme as a whole is arranged by DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch and Standard Chartered Bank, Singapore Branch, each of which was, at the time of establishment of the Programme, a Financial Sector Incentive (Bond Market) Company (as defined in the ITA), any tranche of the Notes issued as debt securities under the Programme during the period from the date of this Offering Circular to 31 December 2018 (the “**Relevant Notes**”) would be “qualifying debt securities” for the purposes of the ITA, to which the following treatment shall apply:

- (I) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require to the MAS and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person’s operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “**Specified Income**”) from the Relevant Notes, derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (II) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may

require to the MAS), Specified Income from the Relevant Notes derived by any company or a body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10.0 per cent.; and

- (III) subject to:
- (a) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Specified Income) derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and
  - (b) the Issuer, or such other person as the MAS may direct, furnishing to the MAS a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

Specified Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

- (1) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four (4) persons and 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as “qualifying debt securities” (unless otherwise approved by the Minister of Finance or such person as he may appoint); and
- (2) even though a particular tranche of Relevant Notes are “qualifying debt securities”, if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of the issue of such Relevant Notes which are outstanding at any time during the life of their issue is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Specified Income derived from such Relevant Notes held by:
  - (a) any related party of the Issuer; or
  - (b) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax described above.

The term “**related party**”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

Notwithstanding that the Issuer is permitted to make payments of Specified Income in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose Specified Income (whether it is interest, discount income, prepayment fee, redemption premium or break cost) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

The Qualifying Debt Securities Plus Scheme (“**QDS Plus Scheme**”) has also been introduced as an enhancement of the Qualifying Debt Securities Scheme. Under the QDS Plus Scheme, subject

to certain conditions having been fulfilled (including the furnishing by the issuer or such other person as the MAS may direct, of a return on debt securities in respect of the qualifying debt securities in the prescribed format within such period as the MAS may specify and such other particulars in connection with the qualifying debt securities as the MAS may require to the MAS), income tax exemption is granted on Specified Income derived by any investor from qualifying debt securities (excluding Singapore Government Securities) which:

- (a) are issued during the period from 16 February 2008 to 31 December 2018 (both dates inclusive);
- (b) have an original maturity of not less than 10 years;
- (c) cannot have their tenure shortened to less than 10 years from the date of their issue, except where
  - (i) the shortening of the tenure is a result of any early termination pursuant to certain specified early termination clauses which the issuer included in any offering document for such QDS; and
  - (ii) the QDS do not contain any call, put, conversion, exchange or similar option that can be triggered at specified dates or at specified prices which have been priced into the value of the QDS at the time of their issue; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even though a particular tranche of the Relevant Notes are “qualifying debt securities” which qualify under the QDS Plus Scheme, if at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of the issue of such Relevant Notes which are outstanding at any time during the life of their issue is held beneficially or funded, directly or indirectly, by any related party(ies) of the Issuer, Specified Income derived by:

- (a) any related party of the Issuer; or
- (b) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

### ***Capital Gains***

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard 39 — Financial Instruments: Recognition and Measurement (“**FRS 39**”) for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal. Please see the section below on “*Adoption of FRS 39 Treatment for Singapore Income Tax Purposes*”.

### ***Adoption of FRS 39 Treatment for Singapore Income Tax Purposes***

The IRAS has issued a circular entitled “Income Tax Implications Arising from the Adoption of FRS 39 — Financial Instruments: Recognition and Measurement” (the “**FRS 39 Circular**”) (last revised on 16 March 2015). Legislative amendments to give effect to the FRS 39 Circular have been enacted in Section 34A of the ITA.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

The Accounting Standards Council has issued a new financial reporting standard for financial instruments, FRS 109 – Financial Instruments, which will become mandatorily effective for annual periods beginning on or after 1 January 2018. It is at present unclear whether, and to what extent, the replacement of FRS 39 by FRS 109 will affect the tax treatment of financial instruments which currently follows FRS 39.

### ***Estate Duty***

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008."