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Confidential Information Memorandum dated June 30, 2017

WLB Asset Pte. Ltd.

(Company Registration No. 201617511N)
(Incorporated in Singapore)

\$8,000,000 5.65% Women's Livelihood Bonds due 2021

WLB Asset Pte. Ltd., a corporation incorporated under the laws of Singapore (the “**Issuer**” or “**we**”), is offering \$8,000,000 in aggregate principal amount of 5.65% Women's Livelihood Bonds due 2021 (the “**Bonds**”). The Bonds will mature on July 6, 2021 (the “**Maturity Date**”). We will pay interest on the Bonds semi-annually in arrear on the interest payment dates falling on July 6 and January 6 of each year, commencing on January 6, 2018. The Bonds will be constituted by a trust deed (the “**Trust Deed**”) dated July 6, 2017 entered into between (i) the Issuer, (ii) Impact Investment Exchange (Asia) Pte. Ltd. (“**IIX**”), (iii) The Bank of New York Mellon, London Branch, in its capacity as the bonds trustee (the “**Bonds Trustee**”), and (iv) The Bank of New York Mellon, Singapore Branch, in its capacity as the security trustee (the “**Security Trustee**”). The obligations of the Issuer in respect of the Bonds are secured by a charge (the “**Security**”) made in favour of the Security Trustee over certain of the Issuer's bank accounts (the “**Charged Assets**”) maintained with Australia and New Zealand Banking Group Limited (“**ANZ**”, also the “**Account Bank**”), but will otherwise constitute unsecured and unsubordinated limited recourse obligations of the Issuer, ranking pari passu among themselves and pari passu with all other unsecured and unsubordinated obligations of the Issuer. For a discussion of the Security, see “*Terms and Conditions of the Bonds*”. The Issuer will use the proceeds from the issue of the Bonds to, *inter alia*, make loans (the “**Loans**”) evidenced by promissory notes (“**Promissory Notes**”) to each of (i) SAMIC PLC, (ii) Negros Women for Tomorrow Foundation, Inc. and (iii) Viet Phu Payment Services Support Corporation (together, the “**Borrowers**”) which are microfinance institutions (“**MFIs**”) and impact enterprises (“**IEs**”) located in Asia. The Issuer shall benefit from a partial guarantee provided by the United States Agency for International Development (“**USAID**”) of up to 50% of the net losses incurred by the Issuer as a result of non-payment of principal on the Loans (the “**Limited Guarantee**”, a copy of which is set out in Appendix D hereto). For the avoidance of doubt, the Bonds are not guaranteed by USAID or any other party and investors have no recourse to the Limited Guarantee or to USAID.

We intend to apply for the listing and quotation of the Bonds on the Official List of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Admission of the Bonds to the Official List of the SGX-ST and quotation of the Bonds on the SGX-ST are not to be taken as an indication of the merits of the Issuer or the Bonds. We cannot guarantee that the listing will be obtained.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any other jurisdiction. The Bonds are being offered and sold in the United States only to certain accredited and sophisticated investors in reliance on exemptions from the provisions of Section 5 of the Securities Act and to certain persons in offshore transactions in reliance on Regulation S under the Securities Act. Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this Information Memorandum constitutes an offer or an invitation by or on behalf of the Issuer, ANZ or DBS Bank Ltd. (DBS Bank Ltd. together with ANZ, the “**Placement Agents**”) to subscribe for or purchase any of the Bonds, and access has been limited so that it shall not constitute a general advertisement or solicitation in the United States or elsewhere. For further details about eligible offerees and resale restrictions, see “*Transfer Restrictions and Investor Representations*”.

The Bonds will be obligations of the Issuer only. In particular, the Bonds will not be obligations of, or the responsibility of, or guaranteed by, any of USAID, Impact Investment Exchange (Asia) Ptd. Ltd. (the “**Portfolio Manager**”), the Placement Agents, the Bonds Trustee, the Security Trustee, the Account Bank, the Principal Paying Agent, the Registrar and Transfer Agent, the Corporate Services Provider (each as defined or identified herein), any company in the same group of companies as the Portfolio Manager or the Placement Agents or any other party to the transaction documents. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Bonds shall be accepted by any of the Portfolio Manager, the Placement Agents, the Bonds Trustee, the Security Trustee, the Account Bank, the Principal Paying Agent, the Registrar and Transfer Agent, the Corporate Services Provider, any company in the same group of companies as the Portfolio Manager or the Placement Agents or any other party to the transaction documents.

Any subscription, purchase or acquisition of the Bonds is in all respects conditional on the satisfaction of certain conditions set out in each Subscription Agreement (as defined herein) and the issue of the Bonds by the Issuer to you pursuant to the relevant Subscription Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Bonds or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuer or the Placement Agents) lapse and cease to have any effect if (for any other reason whatsoever) the Bonds are not issued by the Issuer to you pursuant to the Subscription Agreement.

An investment in the Bonds involves certain risks. For a discussion of the risks affecting the Bonds that you should consider before buying the Bonds, see “*Risk Factors*” in this Information Memorandum.

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Portfolio Manager



Placement Agents



Impact Advisor and Impact Verification Agent



NOTICE TO INVESTORS

We are furnishing this Information Memorandum on a confidential basis in connection with an offering that is exempt from registration under, or not subject to, the Securities Act or the securities laws of any other jurisdiction solely to allow prospective investors to consider the purchase of the Bonds. Delivery of this Information Memorandum to any other person or any reproduction of this Information Memorandum, in whole or in part, without our or the Placement Agents' prior consent is prohibited. The information contained in this Information Memorandum has been provided by us and other sources identified in this Information Memorandum. To the best of our knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. The information in this Information Memorandum is accurate only as of the date of this Information Memorandum, regardless of the time of delivery of this Information Memorandum or any sale of the Bonds. You should rely only on the information contained in this Information Memorandum.

The Bonds and the Limited Guarantee described in this Information Memorandum have not been registered with, recommended by or approved by the U.S. Securities and Exchange Commission (the "SEC") or any other federal, state or provincial securities commission or regulatory authority, nor has the SEC or any such federal, state or provincial securities commission or regulatory authority passed upon the accuracy or adequacy of this Information Memorandum. Any representation to the contrary is a criminal offense. The contents of this document have not been reviewed by any regulatory authority in any jurisdiction.

You must comply with all applicable laws and regulations in connection with the distribution of this Information Memorandum and the offer or sale of the Bonds. See "*Transfer Restrictions and Investor Representations*". You are not to construe the contents of this Information Memorandum as investment, legal or tax advice. You should consult your own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the Bonds.

This Information Memorandum is being provided on a confidential basis to certain accredited and sophisticated purchasers in the United States and in offshore transactions complying with Rule 903 or Rule 904 of Regulation S under the Securities Act. Its use for any other purpose is not authorized. This Information Memorandum may not be copied or reproduced in whole or in part, nor may it be distributed or any of its contents disclosed to anyone other than the prospective investor to whom it is being provided.

In making your purchase, you will be deemed to have made certain acknowledgements, representations and agreements as indicated in this Information Memorandum under the caption "*Transfer Restrictions and Investor Representations*". The Bonds are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration or exemption therefrom. As a prospective purchaser, you should be aware that you may be required to bear

the financial risks of investing in the Bonds, which could include a complete loss of your investment. See *“Transfer Restrictions and Investor Representations”*.

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds may not be circulated or distributed, nor may the Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“MiFID II”); or (ii) a customer within the meaning of Directive 2002/92/EC (“IMD”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

This Information Memorandum does not constitute an offer to sell or a solicitation of an offer to buy the Bonds to any person in any jurisdiction where it is unlawful to make such an offer or solicitation. The distribution of this Information Memorandum and the offering of the Bonds in certain jurisdictions may be restricted by law. No action has been taken by the Issuer, the Portfolio Manager, the Placement Agents, the Bonds Trustee or the Security Trustee which is intended to permit a public offering of any Bonds or distribution of this Information Memorandum in any jurisdiction where action is required to do so. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Information Memorandum nor any advertisement, offering, publicity or other material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Information Memorandum comes are required by the Issuer, the Portfolio Manager, the Placement Agents, the Bonds Trustee or the Security Trustee to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on the offer and sale of the Bonds, see *“Transfer Restrictions and Investor Representations”*.

No representation or warranty, express or implied, is made or given by the Portfolio Manager, the Bonds Trustee, the Security Trustee or the Placement Agents or any of their respective affiliates, directors, employees or advisers as to the accuracy, completeness or sufficiency of the information contained in this Information Memorandum, and nothing

contained in this Information Memorandum is, or shall be relied upon as a promise, representation or warranty by the Portfolio Manager, the Bonds Trustee, the Security Trustee or the Placement Agents or any of their respective affiliates, directors, employees or advisers. To the fullest extent permitted by law, the Portfolio Manager, the Bonds Trustee, the Security Trustee and the Placement Agents and their respective affiliates, directors, employees and advisers do not accept any responsibility for the contents of this Information Memorandum and assume no responsibility for the contents, accuracy, completeness or sufficiency of any such information or for any other statement, made or purported to be made by the Portfolio Manager, the Bonds Trustee, the Security Trustee or the Placement Agents or on their behalf in connection with the Issuer or the issue and offering of the Bonds. Each of the Portfolio Manager, the Bonds Trustee, the Security Trustee and the Placement Agents and their respective affiliates, directors, employees and advisers accordingly disclaim all and any liability whether arising in tort or contract or otherwise which they might otherwise have in respect of this Information Memorandum or any statement herein. None of the Portfolio Manager, the Bonds Trustee, the Security Trustee or the Placement Agents or any of their respective affiliates, directors, employees or advisers undertakes to review the financial conditions or affairs of the Issuer after the date of this Information Memorandum nor to advise any investor or potential investor in the Bonds of any information coming to the attention of the Portfolio Manager, the Bonds Trustee, the Security Trustee or the Placement Agents. The Portfolio Manager, the Bonds Trustee, the Security Trustee and the Placement Agents and their respective affiliates, directors, employees and advisers have not independently verified any of the information contained in this Information Memorandum and can give no assurance that this information is accurate, truthful or complete. This Information Memorandum is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by any of the Issuer, the Portfolio Manager, the Bonds Trustee, the Security Trustee or the Placement Agents or any of their respective affiliates, directors, employees or advisers that any recipient of this Information Memorandum should purchase the Bonds. For the avoidance of doubt, none of the Issuer, the Portfolio Manager, the Bonds Trustee, the Security Trustee or the Placement Agents are providing any legal, financial, business or tax advice in this Information Memorandum. It is recommended that persons proposing to subscribe for or purchase any of the Bonds consult their own legal and other advisers before subscribing for or purchasing the Bonds. Prospective purchasers of the Bonds are advised to consult their own tax advisers concerning the tax consequences of the acquisition, ownership or disposition of the Bonds. In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the offering, including the merits and risks involved. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Bonds.

This Information Memorandum contains summaries of some of the terms of certain documents, but reference is made to the actual documents, copies of which will be made available upon request. In making an investment decision regarding the Bonds offered by this Information Memorandum, you must rely on your own examination of our company and the terms of the offering, including the merits and risks involved. The offering is being made on the basis of this Information Memorandum. Any decision to purchase Bonds in the offering must be based on the information contained in this Information Memorandum.

We reserve the right to withdraw the offering of the Bonds at any time, and we and the Placement Agents reserve the right to reject any commitment to subscribe for the Bonds, in whole or in part, and to allot to you less than the full amount of the Bonds subscribed for by you. We are making this offering subject to the terms described in this Information Memorandum and the Trust Deed.

The Bonds will be available in book-entry form only. We expect that the Bonds sold pursuant to this Information Memorandum will be issued in the form of one or more global certificates. Beneficial interests in the global certificates will be shown on, and transfers of the global certificates will be effected only through, records maintained by Euroclear Bank S.A./N.V. (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) and their respective direct and indirect participants. After the initial issuance of global certificates, notes in certificated form will be issued in exchange for the global certificates only as set forth in the Trust Deed.

Solely for the convenience of the reader, and except as otherwise stated, this Information Memorandum contains convenience translations of certain currencies into U.S. dollars. Unless otherwise indicated, such translations are calculated at the spot rate as at December 31, 2016 for balance sheet items for the financial year or period then ended, at the spot rate as at December 31, 2015 for balance sheet items for the financial year or period then ended, at the spot rate as at December 31, 2014 for balance sheet items for the financial year or period then ended, and at the mean spot rate for the relevant period for income statement items. The Issuer makes no representation that the local currency amounts referred to in this Information Memorandum could have been or could be converted into any currency at the above exchange rate, at any other rate, or at all.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This Information Memorandum includes forward-looking statements regarding, *inter alia*, our and the Borrowers' plans, strategies and prospects, both business and financial. Any statements made in this Information Memorandum that are not statements of historical fact, including statements concerning our expectations for future events, future financial performance or events or developments that management expects or anticipates will or may occur in the future, are forward-looking statements.

You should not place undue reliance on these forward-looking statements, which are based on currently available information and management's current expectations and beliefs about future events or future financial performance. We have attempted to identify forward-looking statements by words such as "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "should" or other comparable terminology. However, such terminology is not the exclusive means of identifying forward-looking statements and its absence does not mean that the statement is not forward-looking. Although we believe the expectations and beliefs reflected in the forward-looking statements are reasonable, such statements speak only as of the date of this Information Memorandum, and we disclaim any intent or obligation to update any of the forward-looking statements after such date unless required by law.

Forward-looking statements are not guarantees of future performance or results, and involve inherent risks and uncertainties such as those described below that could cause actual results to materially differ from those predicted in such forward-looking statements:

- our ability to manage risks associated with our international investments, including government regulation;
- the future performance of the Borrowers;
- the ability of the Borrowers to repay the Promissory Notes;
- the status of any Promissory Note to become and remain guaranteed under the Limited Guarantee;
- problems with, or loss of, our third-party service providers;
- the Portfolio Manager's ability to attract and retain skilled personnel and senior management, and to maintain the continued efforts of our management;
- the ability to achieve and maintain a listing of the Bonds on the Official List of the SGX-ST; and
- the other factors identified under the heading "*Risk Factors*" elsewhere in this Information Memorandum.

For more information on our risk factors that could cause our actual results to differ from the results predicted in these forward-looking statements, please see the section captioned “*Risk Factors*” in this Information Memorandum.

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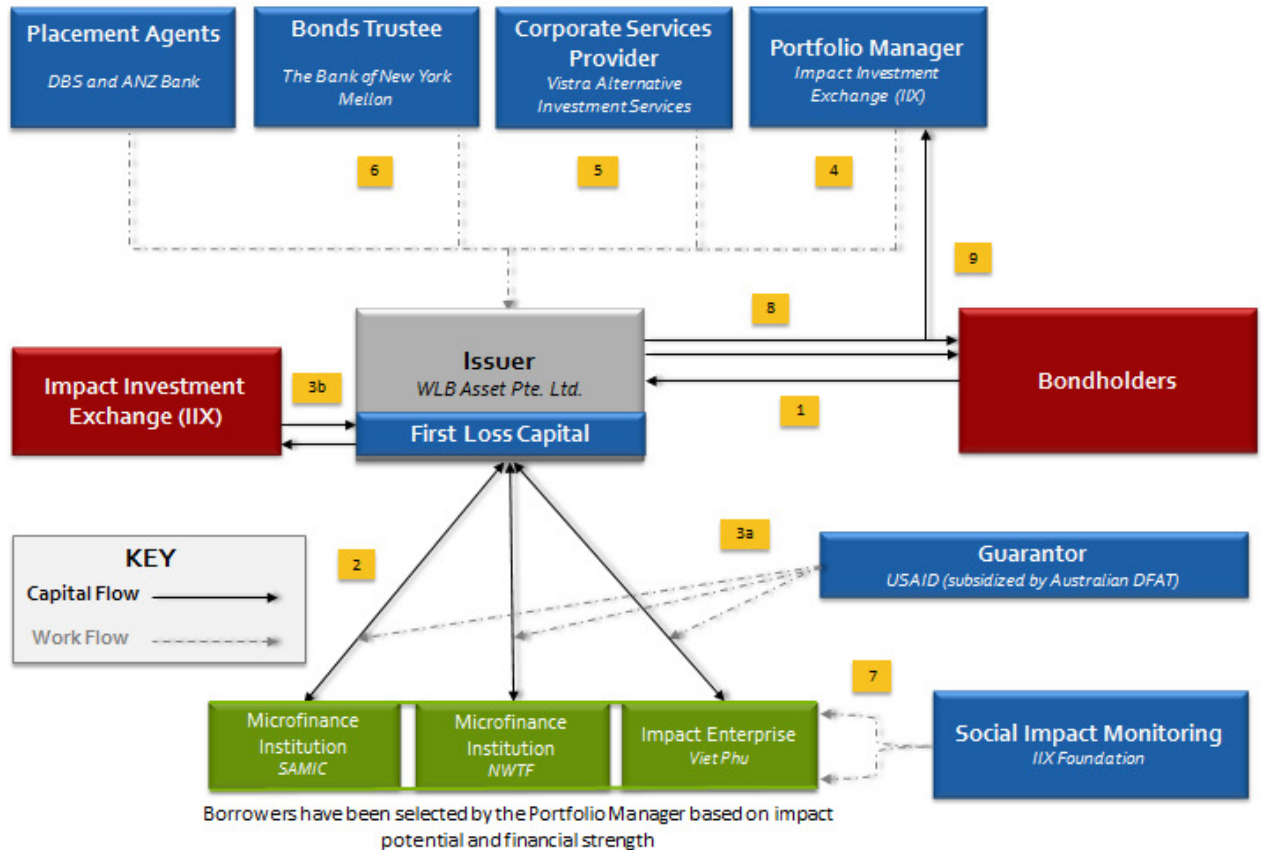
APPENDIX A – Microfinance Sector Overview

APPENDIX B – Retail Sector Overview

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APPENDIX D – Form of Loan Portfolio Guarantee Agreement, First Amendment and Side Letter

OVERVIEW OF BOND STRUCTURE AND OFFERING TERMS



- (1) The Issuer, which is wholly owned by the Portfolio Manager, issues US\$8.00 million in aggregate principal amount of Bonds to investors
- (2) Part of the issue proceeds will be lent to the Borrowers.
- (3) (a) USAID provides a *pari passu* limited guarantee of 50% of the principal amount of the Loans. See Appendix D hereto for a form of the Limited Guarantee.
(b) The Portfolio Manager provides US\$500,000 Subordinated Debt, serving as first-loss capital to the Bonds.
- (4) On an ongoing basis, the Portfolio Manager will be responsible for collecting payments under the Loans and monitoring compliance by the Borrowers with their obligations under the Promissory Notes.
- (5) The Corporate Services Provider will provide an independent board, serve as corporate secretary, and provide record keeping, administration and accounting services to the Issuer.
- (6) The Bonds Trustee will hold the Issuer's covenant to pay principal and interest on the Bonds on trust for the Bondholders and will act on behalf of the Bondholders in certain situations.
- (7) IIX Foundation will monitor the performance of the Borrowers and create periodic impact reports.
- (8) Bondholders are paid a semi-annual coupon and are repaid the principal at maturity of the Bonds.
- (9) Bondholders and Portfolio Manager split Surplus Funds at maturity of the Bonds.

The Offering

ISSUER	WLB Asset Pte. Ltd.
BONDS OFFERED	US\$8,000,000 aggregate principal amount of 5.65 per cent. Women's Livelihood Bonds due 2021.
ISSUE PRICE	100%
INTEREST RATE	Each Bond shall bear interest on its principal amount from and including the Closing Date to, but excluding, its date of redemption at the rate of 5.65 per cent. per annum, payable semi-annually in arrears on each date falling on the 6 th day of July and January of each year, commencing on January 6, 2018.
MATURITY DATE	The Bonds will mature on July 6, 2021 (the " Maturity Date ") unless previously redeemed or purchased and cancelled. On the Maturity Date and, without duplication, on the date falling three years after the Maturity Date (the " Long-Stop Date "), the Issuer shall pay to the Bondholders (i) the principal amount of the Bonds plus (ii) 50 per cent. of all amounts received by the Issuer (including proceeds from the issue of the Bonds and from the Subordinated Debt and any repayment from the Borrowers pursuant to the terms of the Loans) which exceed the aggregate of all amounts payable to Bondholders including principal and interest on the Bonds and any P&I Shortfall Amounts, net of (a) without double counting, any amount payable by the Issuer pursuant to items 3.2(a)(i) to 3.2(a)(xi) (both inclusive) of the Terms and Conditions of the Bonds (the " Conditions ") and/or items 3.2(c)(i) to 3.2(c)(vii) (both inclusive) of the Conditions; and (b) any amounts provided to the Borrowers as Loans (the " Surplus Funds "). At the Maturity Date and, if not, on the Long-Stop Date, the Issuer shall also pay to the Portfolio Manager 50 per cent. of any Surplus Funds.
USE OF PROCEEDS	Proceeds will be used to (i) extend loans in the form of promissory notes to selected microfinance institutions or "MFIs" and impact enterprises or "IEs" (together, the " Borrowers ") benefitting women in Cambodia, the Philippines and Vietnam (the " Promissory Notes "), (ii) fund costs, fees and expenses payable by the Issuer under the Limited Guarantee and to service providers (e.g., fees payable to the trustee, the corporate services provider, the Portfolio Manager, and other third parties) and (iii) fund the Debt Service Reserve Account.
PROMISSORY NOTES	The Promissory Notes will be extended to Borrowers benefitting women in Cambodia, the Philippines and Vietnam. The Promissory Notes are non-convertible debt instruments. They will have an initial term of just under four years and will contain customary provisions, including representations and

warranties, reporting obligations, and indemnification protections. In addition, the Promissory Notes will contain affirmative and negative covenants that will, among other things, limit each Borrower's ability to enter into certain business transactions, such as consolidations, mergers and sales of assets, restrict each Borrower's ability to incur indebtedness, and require each Borrower to maintain certain financial standards during the term of the Promissory Note.

PORTFOLIO MANAGER

Impact Investment Exchange (Asia) Pte. Ltd., the Portfolio Manager, will be responsible for, among other portfolio management activities, (i) the selection and evaluation of potential MFIs and IEs as Borrowers, including overseeing due diligence and credit review processes, (ii) negotiating terms and conditions of the Promissory Notes on behalf of the Issuer, (iii) monitoring Borrower compliance with their obligations under the Promissory Notes, including taking appropriate actions or initiating enforcement actions on behalf of the Issuer as necessary, (iv) the calculation and collection of interest payments from the Borrowers and passing payments to the Bonds Trustee, (v) the preparation of reports on behalf of the Issuer for Bondholders and for any exchange on which the Bonds may be listed, and (vi) all reporting, monitoring and compliance obligations of the Issuer under the terms of the Limited Guarantee. The Portfolio Manager (or a sub-servicer that it appoints) will also be responsible for collecting payments under the Promissory Notes and performing certain administrative and cash management services for the Issuer.

The Portfolio Manager shall receive 50 per cent. of any available Surplus Funds on the Maturity Date and, without duplication, (i) a one-time structuring fee of US\$159,000, (ii) on an annual basis, a total of US\$70,000 in annual fees, and (ii) reimbursement for reasonable out-of-pocket expenses.

DEBT SERVICE RESERVE
ACCOUNT

The Issuer shall open and maintain a US Dollar-denominated account with the Account Bank (the "**Debt Service Reserve Account**"). On the date that is 90 days after the Closing Date, the Issuer shall deposit into the Debt Service Reserve Account an amount equal to six months of interest payable by the Borrower under the largest Loan made by the Issuer.

SECURITY

The Bonds will be secured by a first-ranking charge over the Funding Account, the Debt Service Reserve Account, the Collection Account, the USAID Reserve Account and the Recovery Account (together the "**Accounts**") pursuant to the deed of charge dated July 6, 2017 (the "**Charge Over Accounts**") between (i) the Issuer, as chargor, and (ii) The Bank

of New York Mellon, Singapore Branch as security trustee (the “**Security Trustee**”).

MANDATORY SPECIAL
REDEMPTION.....

Certain circumstances, such as if a Loan is accelerated due to the occurrence of an event of default and is not eligible to be re-lent, shall constitute a Special Redemption Event.

(a) The Issuer shall, on each Special Redemption Date, apply amounts standing to the credit of the relevant sub-account of the Recovery Account in the following order of priority:

(i) first, if the relevant Accelerated Loan is a USAID Covered Loan, in or towards the payment of amounts due to USAID under Article VI of the Limited Guarantee in respect of that Accelerated Loan;

(ii) second, (except in the case of a Special Redemption Event occurring as a result of an event set out in limb (b) of that definition found in the Conditions) in or towards the payment of any accrued but unpaid interest on a principal amount of the Bonds equal to the Special Redemption Principal Amount, pari passu and rateably; and

(iii) third, in or towards repayment of the principal amount of the Bonds, pari passu and rateably, up to an aggregate amount equal to the Special Redemption Principal Amount.

(b) To the extent that the funds available for application are insufficient to satisfy in full the Issuer's obligations, the Issuer must, on the Special Redemption Date, apply any funds standing to the credit of the Debt Service Reserve Account in the following order of priority:

(i) first, (except in the case of a Special Redemption Event occurring as a result of an event set out in limb (b) of that definition found in the Conditions) in or towards the payment of any accrued but unpaid interest on a principal amount of the Bonds equal to the Special Redemption Principal Amount, pari passu and rateably; and

(ii) second, in or towards repayment of the principal amount of the Bonds, pari passu and rateably, up to an aggregate amount equal to the Special Redemption Principal Amount.

(c) To the extent that the funds available for application are insufficient to:

(i) pay all accrued but unpaid interest on a principal amount of the Bonds equal to the Special Redemption Principal Amount of the Bonds (except in the case of a Special Redemption Event occurring as a result of an event set out in limb (b) of that definition found in the Conditions) (such shortfall, the “**Interest Shortfall Amount**”); and

(ii) repay the principal amount of the Bonds in an aggregate amount equal to the Special Redemption Principal Amount (such shortfall, the “**Principal Shortfall Amount**” and, together with any Interest Shortfall Amount, the “**P&I Shortfall Amount**”),

any amount recovered in respect of any P&I Shortfall Amount after the relevant Special Redemption Date must be deposited by the Issuer into the relevant sub-account of the Recovery Account and shall be payable to the holders of the Bonds shown on the Register at the close of business on the fifteenth day before the applicable payment date.

(d) Any amount recovered in respect of any P&I Shortfall Amount;

(i) from (and including) the relevant Special Redemption Date shall be distributed by the Issuer to Bondholders on the Maturity Date;

(ii) from (and including) the Maturity Date to (but excluding) the Long-Stop Date shall be distributed by the Issuer to the Bondholders on the Long-Stop Date,

in each case, after deducting all amounts due and payable to USAID under the Limited Guarantee.

RANKING

The Bonds are direct, unconditional, unsubordinated and secured obligations of the Issuer and rank and will rank pari passu, without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds will at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

LIMITED GUARANTEE

The Bonds are not guaranteed. The United States Agency for International Development will guarantee up to 50 per cent. of the principal amount of each Loan resulting from losses incurred by the Issuer in respect of the Promissory Notes, subject to a cap of US\$4.05 million (the “**Limited Guarantee**”). The remaining 50 per cent. will be borne by the Issuer, to the extent it has sufficient funds and, to the extent it does not, such losses

will be for the account of the Bondholders. Bondholders have no direct recourse to the Limited Guarantee.

FIRST LOSS PROTECTION IIX will make a loan to the Issuer in the amount of US\$500,000, the principal of which cannot be repaid until such time as all obligations of the Bonds with respect to payments of principal or interest, when due, have been satisfied.

CERTAIN COVENANTS Covenants by the Issuer include a negative pledge, as well as covenants relating to restrictions on activities, non-disposal and creation of indebtedness.

OFFERING AND
TRANSFER RESTRICTIONS The Bonds have not been and will not be registered under the Securities Act of 1933 in the United States (the “**Act**”) or any other securities law of any state or country. The Bonds may not be offered or sold except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Act and other applicable laws.

The Bonds are being offered only to “accredited investors”, qualified purchasers in the United States and certain other investors in reliance on exemptions from the provisions of the Securities Act, the 1940 Investment Companies Act and other relevant securities law of any state or country and investors will be required to make representations to the Issuer to confirm such status. For a description of the selling restrictions on offers and sales of the Bonds, see “*Transfer Restrictions and Investor Representations*”.

EVENTS OF DEFAULT The occurrence and continuance of any of the following will constitute events of default (“**Events of Default**”) with respect to the Bonds: (a) any principal (including Principal Shortfall Amounts but not the creation thereof) or interest (including Interest Shortfall Amounts but not the creation thereof) on the Bonds has not been paid within 30 days following the due date for payment; (b) the Limited Guarantee with respect to any funded Loan is suspended, terminated or cancelled (in each case, whether in whole or in part) for any reason, or the maximum amount payable by USAID under the Limited Guarantee is less than 50 per cent. of the outstanding principal amount of the Loans; (c) the Issuer fails to perform or observe any of its other obligations under the Conditions or any Transaction Document, or the Portfolio Manager fails to perform or observe any of its obligations under the Management Agreement, and in each case the failure continues for a period of 60 days following the service by the Bonds Trustee on the Issuer or the Portfolio Manager, as applicable, of notice requiring the same to be

remedied; (d) any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer; (e) the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; (f) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to the whole or any part of the undertaking or assets of the Issuer or an encumbrancer takes possession of the whole or any part of the undertaking or assets of the Issuer, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of the Issuer, and in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the Issuer, is not discharged within 14 days; (g) the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally; (h) the Issuer ceases to be a subsidiary directly wholly owned and controlled by IIX or (i) any security and/or the security interest created or purported to be created under the Charge Over Accounts ceases to be, or is claimed by the Issuer or any other party not to be in full force and effect.

REPORTING OBLIGATIONS Usual and customary for transactions of this nature, including semi-annual loan performance reports, annual audited accounts, semi-annual unaudited accounts, semi-annual certificates of compliance to be provided by the Issuer to the Bonds Trustee. Additionally, each Borrower shall provide quarterly data to IIX Foundation Limited (“**IIX Foundation**”) to allow IIX Foundation to perform an annual assessment on the Borrower (as required under the terms of the Promissory Notes). The Issuer shall provide the Bonds Trustee with copies of the IIX Foundation semi-annual reports and annual reports in relation to the Borrowers.

LISTING	We intend to apply for the listing of, and quotation for, the Bonds on the SGX-ST. However, we cannot assure you that such listing will be obtained or, if obtained, the Bonds will remain so listed. If a listing is obtained, the Bonds would be traded on the SGX-ST in a minimum board lot size of US\$200,000 for so long as such Bonds are listed on the SGX-ST.
CLOSING DATE	The date on which the Bonds are issued, which is expected to be July 6, 2017.
PLACEMENT AGENTS	ANZ and DBS Bank Ltd.
BONDS TRUSTEE	The Bank of New York Mellon, London Branch
SECURITY TRUSTEE	The Bank of New York Mellon, Singapore Branch
REGISTRAR AND TRANSFER AGENT	The Bank of New York Mellon SA/NV, Luxembourg Branch
PRINCIPAL PAYING AGENT	The Bank of New York Mellon, London Branch
ACCOUNT BANK	ANZ
AUDITOR	Grant Thornton Singapore
CORPORATE SERVICES PROVIDER	Vistra Alternative Investments (Singapore) Pte. Ltd.
RATING	The Bonds will not be rated.
GOVERNING LAW OF THE BONDS AND THE TRUST DEED.....	English law
GOVERNING LAW OF THE SECURITY.....	Singapore law

Selected Financial Information of the Borrowers

The presentation of the Borrowers' financial condition and results of operations for fiscal years 2013, 2014, 2015 and 2016 is based on audited financial statements provided by the Borrowers. This information involves a number of assumptions and limitations, and you are cautioned not to assume that future results will match the historical results set forth below. The industries in which we and the Borrowers operate are subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors" and elsewhere in this Information Memorandum. These and other factors could cause future results to differ materially from those expressed by the Borrowers or contained herein.

The Portfolio Manager, the Bonds Trustee, the Security Trustee and the Placement Agents and their respective affiliates, directors, employees and advisers have not independently verified any of the financial information set forth below and can give no assurance that this information is accurate, truthful or complete.

SAMIC PLC

Balance Sheet as at December 31 in US\$	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)
Cash on hand	21,102	10,761	44,916	6,318
Balances with other banks	888,892	138,190	111,934	1,015,766
Balances with the National Bank of Cambodia	152,225	152,326	152,339	162,596
Available-for-sale investments	19,220	19,220	19,220	19,220
Loans and advances to customers - net	8,788,720	11,940,888	13,919,878	14,345,018
Property and equipment	546,684	707,420	703,207	697,405
Software	-	101,454	103,572	103,572
Deferred tax assets - net	39,909	54,535	67,095	78,079
Other assets	86,521	95,202	107,940	133,942
Total Assets	10,543,273	13,219,996	15,230,101	16,561,916
Provision for income tax	150,738	135,723	147,743	114,663
Provision for severance pay	125,660	163,607	191,730	227,625
Borrowings	6,187,324	8,744,232	10,223,924	11,110,825
Other liabilities	323,837	427,369	396,514	584,487
Total Liabilities	6,787,559	9,470,931	10,959,911	12,037,600
Share capital	3,000,000	3,000,000	3,000,000	3,000,000
Reserves	88,816	185,265	269,835	111,356
Retained earnings	666,898	563,800	1,000,355	1,412,960
Total Shareholders' Equity	3,755,714	3,749,065	4,270,190	4,524,316
Total Liabilities and Shareholders' Equity	10,543,273	13,219,996	15,230,101	16,561,916

Income Statement for the year ended December 31 in US\$	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)
Interest income	2,778,126	3,242,017	3,743,901	4,081,652

Interest expense	(646,019)	(777,741)	(1,041,677)	(1,166,720)
Net interest income	2,132,107	2,464,276	2,702,224	2,914,932
Other operating income	104,963	99,800	93,768	129,330
Total operating income	2,237,070	2,564,076	2,795,992	3,044,262
General and administrative expenses	(1,420,837)	(1,801,287)	(1,891,327)	(2,154,920)
Provision for losses on loans & advances	(36,344)	(76,768)	(125,230)	(195,632)
Profit before income tax	779,889	686,021	779,435	693,710
Income tax expense	(166,402)	(146,125)	(164,746)	(138,849)
Net profit for the year	613,487	539,896	614,689	554,861

See also <http://www.samic.com.kh/report.php?performance=1>

Negros Women for Tomorrow Foundation, Inc.

Balance Sheet at December 31 in PHP	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)
Cash and cash equivalents	204,006,638	262,434,600	345,473,382	369,927,841
Receivables – net	1,011,360,334	1,395,668,573	1,725,340,814	2,368,041,212
Other current assets	24,931,070	33,924,855	43,680,207	66,142,537
Investment securities	23,350,186	25,962,718	24,299,759	25,164,969
Property and equipment – net	74,785,126	109,506,454	122,081,587	174,284,754
Real properties acquired – net	122,304	316,957	266,921	2,880,667
Deferred tax assets – net	3,020,883	3,736,779	6,391,075	6,049,375
Other noncurrent assets – net	709,848	697,053	3,006,615	-
Total Assets	1,342,286,389	1,832,247,989	2,270,540,360	3,015,377,355
Accounts payable and other current liabilities	291,936,320	331,661,154	421,420,584	446,766,434
Income tax payable	2,016,705	1,399,588	1,970,795	1,671,466
Deposits from customers	42,770,928	54,165,324	69,731,798	69,410,268
Due to members	476,224,701	728,852,367	973,117,366	1,376,702,017
Current portion of loans payable	62,066,609	77,678,737	37,873,417	38,628,790
Loans payable - net of current portion	36,045,422	5,173,418	-	7,954,543
Retirement liability – net	1,815,514	9,188,288	10,369,567	21,702,936
Total Liabilities	912,876,199	1,208,118,876	1,514,483,527	1,962,836,454
Fund Balances	429,410,190	624,129,113	756,056,833	1,052,540,901
Total Liabilities and Fund Balances	1,342,286,389	1,832,247,989	2,270,540,360	3,015,377,355

Income Statement for the year ended December 31 in PHP	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)
Net interest income	314,684,571	428,108,643	513,181,867	724,083,606
Interest expense	(19,076,153)	(22,606,992)	(23,678,990)	(27,802,785)
Net interest income before impairment losses	295,608,418	405,501,651	489,502,877	696,280,821

Impairment losses	(27,454,397)	(25,438,640)	(20,383,618)	(23,372,361)
Net interest income after impairment losses	268,154,021	379,963,011	469,119,259	672,908,460
Other income – net	64,792,167	169,199,780	171,358,092	271,072,109
Other expenses	(319,802,973)	(382,324,212)	(520,658,353)	(645,743,913)
Income tax expense	-	(2,762,364)	(1,929,886)	(4,509,260)
Net income	13,143,215	164,076,215	117,889,112	278,895,355
Other comprehensive loss	(5,236,170)	(2,907,753)	(2,143,938)	(7,446,294)
Total comprehensive income	7,907,045	161,268,462	115,745,174	288,957,329

See also <https://nwtf.org.ph/annual-reports/>

Viet Phu Payment Services Support Corporation

Balance Sheet as at December 31 in VND	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)
Cash and cash equivalents	7,818,453,030	12,760,809,486	80,950,794,246	13,649,097,952
Accounts receivable	30,847,446,212	183,863,057,873	449,001,511,013	339,882,727,046
Inventories	7,573,615,382	18,998,641,429	21,267,833,543	15,520,214,407
Other current assets	7,681,855,260	9,976,020,553	5,539,353,892	2,517,074,565
Accounts receivable – long term	1,215,844,150	1,688,846,634	1,305,041,150	1,625,611,150
Fixed assets	2,935,687,074	418,261,133	4,111,487,257	11,631,306,865
Long-term work in progress	86,775,000	18,375,000	16,990,798,748	22,183,384,393
Long-term financial investments	630,000,000	650,000,000	-	-
Other long-term assets	22,507,065,172	11,076,167,419	7,670,999,082	5,901,268,552
Total Assets	81,296,741,280	239,450,179,527	586,837,818,931	412,910,684,930
Short-term borrowings	-	96,929,727,200	435,081,969,016	217,464,646,033
Accounts payable to suppliers	9,139,043,115	10,290,764,719	29,497,416,135	61,255,431,596
Advances from customers	24,476,999	668,057,255	663,182,784	3,993,649,393
Taxes payable to State Treasury	121,340,495	169,609,664	3,566,228,353	1,127,666,192
Payable to employees	772,651,902	3,495,540,345	2,187,949,233	5,467,176,039
Accrued expenses	596,121,914	9,465,206,953	15,688,035,343	18,735,869,506
Other payables	7,720,912,176	3,819,009,750	2,827,141,194	4,705,874,005
Long-term borrowings	-	-	2,048,400,000	1,408,400,000
Other long-term liabilities	-	82,152,000	82,152,000	82,152,000
Total Liabilities	18,374,546,601	124,920,067,886	491,642,474,058	314,240,864,764
Share capital	36,723,990,000	50,000,000,000	50,000,000,000	169,647,500,000
Share premium	228,062,013,633	335,111,335,714	422,604,586,094	473,201,102,462
Treasury shares	-	(5,230,710,000)	(1,939,510,000)	-
Accumulated losses	(201,734,016,013)	(265,207,218,913)	(375,323,407,489)	(544,033,426,762)
Non-Controlling Interest	(129,792,941)	(143,295,160)	(146,323,732)	(145,355,534)
Owner's Equity	62,922,194,679	114,530,111,641	95,195,344,873	98,669,820,166
Total Liabilities and	81,296,741,280	239,450,179,527	586,837,818,931	412,910,684,930

Equity

Income Statement for the year ended December 31 in VND	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)
Total revenue	736,630,074,812	563,485,470,929	1,032,021,040,569	1,049,585,894,046
Revenue deductions	(58,350,977)	(64,544,879)	(128,279,391)	(305,988,841)
Net revenue	736,571,723,835	563,420,926,050	1,031,892,761,178	1,049,279,905,205
Cost of sales	(728,778,128,699)	(535,565,751,390)	(915,793,303,880)	(929,087,856,365)
Gross profit	7,793,595,136	27,855,174,660	116,099,457,298	120,192,048,840
Financial income	2,354,071,704	2,244,459,059	211,095,437	1,189,912,344
Financial expenses	(707,956,317)	(1,827,862,274)	(35,089,258,909)	(69,873,413,083)
Selling expenses	(33,995,938,177)	(48,286,153,630)	(133,292,731,026)	(118,990,556,003)
General and administration expenses	(40,084,039,376)	(44,007,080,985)	(58,669,989,368)	(102,735,323,126)
Net operating loss	(64,640,267,030)	(64,021,463,170)	(110,741,426,568)	(170,217,331,028)
Results of other activities	271,076,795	538,897,287	622,209,420	1,508,279,953
Loss before tax	(64,369,190,235)	(63,482,565,883)	(110,119,217,148)	(168,709,051,075)
Income tax expense	-	(6,720,324)	-	-
Net loss after tax	(64,369,190,235)	(63,489,286,207)	(110,119,217,148)	(168,709,051,075)

RISK FACTORS

Investing in the Bonds involves risk. In addition to the other information included in this Information Memorandum, including the matters addressed under “Cautionary statement regarding forward-looking statements,” you should review the following risks carefully before making a decision to invest in the Bonds. An investment in the Bonds is highly speculative and involves a substantial risk of loss, including a total loss of the investment. We cannot give you any assurance that you will be able to sell the Bonds at any time in the future or that, if you do so, you will receive a return on your investment. You should only participate in this offering if you can afford to lose your entire investment in the Bonds. We may experience risks, hazards and uncertainties not currently known to us; or, as a result of developments occurring in the future, conditions that we deem to be immaterial may also materially and adversely affect us. The order in which the risks appear is not intended as an indication of their relative weight or importance. In addition to any information regarding the Issuer contained in your due diligence, you should consider the following risks:

I. RISKS RELATED TO THE ISSUER AND OTHER TRANSACTION PARTIES

Risks Relating to the Organizational Structure of the Issuer

The Issuer is a special purpose vehicle established as a private company limited by shares under Singapore law. Generally, under Singapore law, claims against the Issuer by its investors will be limited to the net assets of the Issuer. Accordingly, all payments to be made by the Issuer in respect of the Bonds will be made only from, and to the extent there are, available assets. The Issuer is incorporated for the sole purposes of issuing the Bonds, the investment of the net proceeds of the issuance of the Bonds in the Promissory Notes, and certain related transactions described in this Information Memorandum. The management of the Issuer’s business will be under the control of its board of directors (the “**Board**”); however, the Issuer will not have any employees. As such, the Issuer has appointed the Portfolio Manager to, *inter alia*, manage and administer the Loans.

Limited Recourse of Bondholders

Recourse of Bondholders against the Issuer is limited to the assets of the Issuer, which is a special purpose vehicle with limited assets. The Issuer has no liability to make any payments under the Bonds where funds to make payments are not available to it from such assets. If there are insufficient amounts available to the Issuer to pay the claims of the Bondholders after the Charged Assets are realized and applied in accordance with the priorities of payments set out in the Terms and Conditions of the Bonds (the “**Conditions**”), the Bondholders have no further claim against the Issuer. Further, the Bonds are not secured by a security interest in the Promissory Notes and there is no third party which guarantees the performance of the Issuer's obligations under the Bonds. Consequently, the Bondholders have no rights as secured creditors in respect of the Promissory Notes and no recourse against any third party for amounts owed under the Bonds. Bondholders therefore bear the risk that the Issuer may not have sufficient funds available to it to make payments owed under the Bonds (and to competing creditors, if any, whose claims may rank in priority) and will not have any further recourse against the Issuer or any other party in such circumstances, but will suffer a corresponding (partial or total) loss on their investment.

Risks Resulting from the Non-petition Restrictions

Bondholders should be aware of non-petition restrictions in the transaction documents precluding any of them from instituting against the Issuer, or joining any other person in instituting against the Issuer, any reorganization, liquidation, bankruptcy, insolvency or similar proceedings. If, in respect of the Bonds, the net proceeds of the enforcement or liquidation of the Charged Assets and other assets are not sufficient to make all payments due in respect of the Bonds, no other assets of the Issuer will be available to meet such shortfall, and the claims of the Bondholders against the Issuer in respect of any such shortfall shall be extinguished. The Accounts will not be replenished after a withdrawal. Where amounts are due to be paid in priority to the Bonds in accordance with the Conditions, the net proceeds of the enforcement or liquidation of the Charged Assets and other assets may not be sufficient to pay such amounts or may only be sufficient to make all such payments due in priority to such Bonds, in which case no amounts will be available to make payments in respect of such Bonds. In all cases, neither the Bondholder nor any persons on its behalf shall have the right to petition for the winding-up of the Issuer as a consequence of any shortfall. Consequently, the Bondholders may be exposed to the risk of suffering a partial or total loss on their investment in the Bonds.

Risks Related to Insolvency Proceedings

Although the Issuer will contract with the Bondholders on a “limited recourse” basis as noted above, there is a risk that the Issuer’s assets will become subject to insolvency proceedings commenced by any of its other creditors. If the Issuer is unable to pay its debts as they fall due, a creditor may be entitled to make an application for the commencement of insolvency proceedings against the Issuer. The Issuer is a private limited company incorporated under the laws of Singapore and managed by its board of directors. Accordingly, insolvency proceedings with respect to the Issuer would likely proceed under, and be governed by, the insolvency laws of Singapore, including judicial management, winding-up or liquidation order. The application of such laws and/or the commencement of any such proceedings may have a material adverse effect on the Bondholders. Without being exhaustive, below are some matters that could have a material adverse effect on the Bondholders.

The Issuer has granted a first floating charge over the Accounts in favour of the Security Trustee (the “**Charge Over Accounts**”). As a matter of law, certain claims would have priority over the claims of the Security Trustee in respect of the floating charge assets. In particular, for example, the remuneration, debts, liabilities and expenses of or incurred by any judicial manager or liquidator and the claims of certain preferential creditors would rank ahead of the claims of the Security Trustee. Also, creditors who would have priority in the case of winding-up over the claims of a floating chargee would continue to have such priority preserved if a receiver (which would include a receiver and manager) were appointed over the assets that are subject to the floating charge.

Where the Issuer is insolvent and undergoes certain insolvency procedures, there may be delays in the Security Trustee's ability to enforce the security provided by the Issuer. For one, there would be a moratorium against the enforcement of security once a judicial management application is made, and this moratorium may be extended if a judicial management order is made. The permission of the court or the judicial manager would be required to lift the moratorium and this may result in delays in the Security Trustee's ability to enforce the security provided by the Issuer. In addition, there is also a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Issuer. This moratorium can be lifted with the permission of the courts and in the case of judicial management, with the permission of the judicial manager. Accordingly, if there is any need for the Security Trustee to sue the Issuer in connection with the enforcement of the security, the need to obtain court permission may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

If a judicial manager is appointed, the judicial manager would be able to dispose of the Issuer's assets that are the subject of a floating charge and this could adversely affect the Issuer's ability to meet its payment obligations to the Bondholders.

Generally, the commencement of insolvency proceedings against the Issuer may in certain conditions, entitle creditors to terminate contracts with the Issuer and claim damages for any loss arising from such early termination. The commencement of such proceedings may result in the Issuer's assets being realized and applied to pay the fees and costs of the liquidator, debts preferred by law and debts payable in insolvency, before any surplus is distributed to the Bondholders. There can be no assurance that the Issuer will be able to pay amounts owed to the Bondholders on time and/or in full.

Additionally, under the insolvency laws of Singapore, certain transactions entered into by the Issuer may be set aside by the Singapore courts. These include transactions in situations of undue preferences and transactions at an undervalue. The relevant period for such transactions will depend on the type of transaction in question.

Should insolvency proceedings be commenced against the Issuer, Bondholders will bear the risk of a delay in the settlement of any claims they might have against the Issuer or receiving, in respect of their claims, the residual amount following realization of the Issuer's assets after preferred creditors have been paid, with the result that they may lose a part or the whole of their investment in the Bonds.

This Information Memorandum has been prepared on the basis of law, treaties, rules and regulations (and interpretations thereof) in force as at the date of this Information Memorandum. Such laws, treaties, rules and regulations (and interpretations thereof) may be subject to change or adverse interpretations after the Closing Date. Therefore, there can be no assurance that, as a result of any such change or adverse interpretations, the Issuer's ability to make payments under the Bonds or the interests of the Bondholders in general, might not in the future be adversely affected.

Risks Relating to the Non-Regulation of the Issuer by a Regulatory Authority

The Issuer is not required to be licensed or authorized under any current securities, commodities or banking laws of Singapore as the country of its incorporation or similar laws of other jurisdictions. Under the Moneylenders Act, Chapter 188 of Singapore, where the Issuer makes loans solely to borrowers that are all corporations, it is an excluded moneylender under the Moneylenders Act, and the provisions of the Act will not apply to it. There is no assurance that regulatory authorities in Singapore or in one or more other jurisdictions may subsequently take a contrary view regarding the applicability of any such laws to the Issuer. In such case, the Issuer may be subject to licensing or authorization requirements, fines or other measures imposed on the conduct of activities subject to license or authorization requirements in the relevant jurisdictions. Depending on the actual authorization requirement, the amount of fines or the impact and gravity of any other measure for the Issuer, the Issuer may not be able to comply with some or all of such requirements, fines or measures. In any such case, the Issuer may be subject to adverse impacts on its business, including also the requirement to cease its business activities or parts thereof, or on the fulfillment of its obligations under the Bonds. Bondholders are thus exposed to the risk of suffering a partial or total loss on their investment in the Bonds.

Risks Relating to Conflicts of Interest

The interests of the Issuer, the Portfolio Manager and the Bondholders may conflict. The Portfolio Manager, related entities or their respective management teams may engage in fund management,

financing, advisory or other businesses with or affecting microfinance institutions and impact enterprises and their affiliates that compete with the Borrowers and their affiliates, or may have other business with Borrowers and their affiliates unrelated to the Bonds and the related transactions. The Portfolio Manager will charge the Issuer certain fees which are payable and non-refundable regardless of whether or not the Loans are disbursed and the performance of the Borrowers, the Loans and the Bonds.

Risks Relating to the Absence of an Operating History of the Issuer

The Issuer is a recently established special purpose vehicle whose objects of business comprise solely the issue of the Bonds, the entering into the Promissory Notes, the entering into the Limited Guarantee with USAID and certain ancillary activities related to its participation in the transactions described in this Information Memorandum. The Issuer has no operating history.

Due to the lack of an operating history of the Issuer, Bondholders are not in a position to assess the past performance and operating activities of the Issuer or the operating experience of its Board to determine whether they shall invest in the Bonds. Moreover, in absence of an operating history of the Issuer, Bondholders are exposed to the risk that the Issuer fails to perform its objects of business and may, therefore, be unable to fulfill its obligations under the Bonds. In such case, Bondholders may suffer a partial or total loss on their investment in the Bonds.

Risks Relating to the Reliance on Third Parties

The Issuer will be a party to contracts with a number of third parties. The ability of the Issuer to meet its obligations under the Bonds will be dependent upon the performance by these third parties of their services in relation to the issue of Bonds and fulfillment of their respective obligations thereunder. In particular, the Issuer is dependent on the Portfolio Manager to select the Borrowers, verify their creditworthiness, their organizational structure or business, their standards of corporate governance and compliance with applicable laws and other factors to determine whether to extend Loans to the Borrowers, and to administer and manage the Promissory Notes on the Issuer's behalf. In addition, Vistra Alternative Investments (Singapore) Pte. Ltd or such other corporate services provider appointed by the Issuer from time to time (the “**Corporate Services Provider**”) will provide corporate and cash management services, and the Principal Paying Agent will provide payment services in connection with the Bonds. In the event that any of these third parties fails to perform their respective obligations under the respective agreements to which they are a party, Bondholders may be adversely affected and may suffer a partial or total loss on their investment in the Bonds. See also “*Risks Relating to the Portfolio Manager*” below.

Risks Relating to the Portfolio Manager

Notwithstanding the provision of information to potential investors for the purpose of investing in the Bonds, purchasers of the Bonds may not have an opportunity to evaluate for themselves all the relevant economic, financial and other information regarding the management decisions to be made by the Portfolio Manager acting on behalf of the Issuer and, accordingly, will be dependent upon the judgment and ability of the Portfolio Manager in making management decisions on behalf of the Issuer. No assurance can be given that the Portfolio Manager, acting on behalf of the Issuer, will be successful in making management decisions beneficial to the Bondholders.

The Portfolio Manager’s team comprises individuals having substantial investment banking experience as well as experience working with MFIs. However, the historical performance of the Portfolio Manager’s team members and/or the transactions that they managed and monitored may not be indicative of future

performance or its ability to perform its obligations under the Management Agreement. The Portfolio Manager does not have experience in managing assets and there can be no assurance that the Borrowers selected will perform their respective obligations under the Promissory Notes. There can be no assurance that an event of default under the relevant Promissory Note or another event that will allow the Issuer (or the Portfolio Manager on its behalf) to accelerate the relevant Loan will not occur. The Portfolio Manager does not have experience in managing loan defaults and there can be no assurance that the Portfolio Manager would be adequately prepared to manage such loan defaults to the benefit of the Bondholders or at all; the failure of the Portfolio Manager to effectively manage any default under a Promissory Note may adversely affect the Issuer's financial condition and, consequently, the Issuer's ability to fulfill its payment obligations under the Bonds.

A Change in Portfolio Manager May Adversely Affect Collections on the Promissory Notes

A change in Portfolio Manager or the key officers of the Portfolio Manager might result in a temporary disruption of the administration and servicing of the Promissory Notes. This may adversely affect the Issuer's financial condition and, consequently, the Issuer's ability to fulfill its payment obligations under the Bonds. There can be no assurance that a replacement portfolio manager would perform to the satisfaction of the Bondholders at a level equal to that of the Portfolio Manager. Similarly, if the Portfolio Manager were to fail to perform its duties, there can be no assurance that a replacement portfolio manager would be found and/or begin to perform its duties before the interests of the Bondholders are adversely affected.

No Person is Obligated to Update this Information Memorandum

The information and disclosure contained herein speaks only as of the date hereof. None of the Portfolio Manager, the Placement Agents or any of their respective affiliates nor any other party or governmental body has an obligation to update the information contained herein.

II. RISKS RELATING TO THE PERFORMANCE OF THE PROMISSORY NOTES

Risks Relating to the Credit Risk of the Borrowers

Any cash flows under the Bonds depend on the cash flows received by the Issuer under the Loans. In the event that the Issuer does not receive all or part of such cash flows expected, Bondholders may suffer a partial or total loss of their investment in the Bonds.

The Bonds represent a claim against the Issuer only. The Bonds do not represent a claim against the respective Borrowers of the Loans. However, as the ability of the Issuer to meet its payment obligations under the Bonds depends on its receipt of payments under the Loans, Bondholders will be exposed to the credit risks of the Borrowers. A default by one or more Borrowers will adversely affect the Issuer's ability to meet its payment obligations under the Bonds and Bondholders may suffer a partial or total loss of their investment in the Bonds.

Risks Arising from Activities of the Clients of the Borrowers

The activities undertaken by clients of the Borrowers, and the corporate governance and legal compliance standards that apply to those activities, may differ significantly from the activities and standards generally undertaken by clients of more mainstream financial institutions in developed and developing countries. While the Borrowers are subject to oversight and regulation by local regulatory authorities and the terms of the Loans will contain restrictions on the activities of the Borrowers and on the purposes for

which the Borrowers may make loans to clients, certain activities of a Borrower's clients that are legal and acceptable in the country in which that Borrower is located may not be legal or deemed acceptable in other jurisdictions, including countries in which prospective investors are located. Prospective investors should be aware that the proceeds of their Bonds may be used to finance such activities.

Risks Relating to the Regulatory Environment and Transparency of the Borrowers

Some of the Borrowers are non-governmental organizations (“NGOs”). NGOs typically are not subject to a specific regulatory regime, nor do they have reporting requirements to a particular regulatory authority. Other Borrowers that are not NGOs may be subject to materially less stringent regulatory requirements than in developed countries. The scope and content of such regulations vary by country and depends, *inter alia*, upon the type of legal existence that an MFI may take in a particular country. Adverse developments of the legal and regulatory frameworks applicable to a Borrower’s activities may have a negative impact on the future performance of the Borrower’s business and its ability to fulfill its obligations under the Promissory Notes.

Additionally, the “best practices” that are followed by entities in developed and other developing countries may differ from, and be significantly more developed and more stringently enforced than, the general business, internal controls and corporate governance practices in the countries where the Borrowers operate. In addition, the type and quantity of information collected and used by the Borrowers to assess potential new clients and to monitor current clients may be materially different, and significantly less, than such information as it is typically provided to credit and financial institutions in developed countries. Moreover, as part of its ongoing reporting and monitoring services, the Portfolio Manager may not have, and may not be able to obtain, detailed information regarding how the Borrowers' loan funds are used by the Borrowers. As a result of the above factors, there may be relatively more limited and less transparent information available regarding the Borrowers, and the clients of the Borrowers, than for more mainstream financial institutions and related entities in a potential investor's home country.

Risks Arising from the Credit Profile of the Micro-loans to be Extended by Certain of the Borrowers

Certain of the Borrowers will use the Loan proceeds to make loans to micro-entrepreneurs, most of whom have incomes below the applicable poverty level in the relevant jurisdiction and little or no previous credit history with commercial or other lenders, or to refinance other lendings to such micro-entrepreneurs. Such micro-loans have high credit risk and are typically not secured by any collateral or other type of traditional guarantee. There is no assurance that the micro-loans will be repaid and in the event they are not, the relevant Borrowers' financial condition may be adversely affected and this, in turn, will affect their ability to repay the Loans. Consequently, the Issuer's financial condition and its ability to fulfill its payment obligations under the Bonds may be adversely affected.

Risks Associated with the Due Diligence carried out in Relation to the Borrowers

The Portfolio Manager has conducted due diligence exercises, including onsite visits, in relation to the Borrowers prior to the issuance of the Promissory Notes. However, such due diligence was not of an exhaustive nature and was focused primarily on documents and information provided to the Portfolio Manager by the Borrowers as well as a consideration of searches and inquiries made in relation to the Borrowers. The Portfolio Manager has not conducted a comprehensive due diligence of all aspects and risks that may potentially affect the creditworthiness of the Borrowers, their organizational set-up, their compliance with applicable laws, the conduct of their lending business and other factors which may be

relevant for the fulfillment of their obligations under the Promissory Notes. Failure to identify such aspects or risks relevant for the Borrower's ability to fulfill their obligations under the Promissory Notes in the course of the Portfolio Manager's limited due diligence may have an impact on the recoverability of the Issuer's claims under the Promissory Notes and may eventually lead to a partial or total loss of the Bondholder's investment in the Bonds.

Risks Associated with the Due Diligence carried out in Relation to the Impact Assessment of the Borrowers

IIX Foundation, which is an affiliate of both the Issuer and the Portfolio Manager, has prepared a social impact assessment report on each of the Borrowers, a summary of which has been included in this Information Memorandum. However, there can be no assurance that such assessment is accurate or complete, since it was prepared based on information provided by each of the Borrowers and is subject to uncertainties relating to the implementation of the plans of each of the Borrowers. In addition, all of the conclusions regarding the assessments are those of IIX Foundation alone and have not been otherwise checked or verified by the Portfolio Manager, the Issuer or the Placement Agents. Such assessments constitute forward-looking statements and, to the extent such assessments prove to be inaccurate or incomplete, the Promissory Notes issued to the Borrowers may not have the social impact that was anticipated by IIX Foundation.

Risks Related to the Rapid Growth of Many of the Borrowers

Many of the Borrowers have experienced in recent years, and continue to experience, high rates of growth in, *inter alia*, number of clients, number of branches and/or agencies, number of micro-loans made, geographic scope of the Borrowers' activities and average micro-loan size per client. These rates of growth often exceed the rates of growth of other entities providing financial services in the countries in which the Borrowers are located and in other developed and developing countries. There is no assurance that any of the Borrowers have, or will have, sufficient manpower, skill levels and/or financial resources to sustain such growth in the future. This could adversely impact the ability of Borrowers to carry out sufficient due diligence procedures on new clients, monitor existing clients or make collections on micro-loans, which could adversely impact the ability of Borrowers to make payments on the Promissory Notes. The ability of the Issuer to make payments on the Bonds could therefore be adversely affected.

Risks Arising from Foreign Currency Exchange Laws

In times of economic, political or social crisis, there is a risk that governments may decide to suspend or postpone certain of their services or obligations for a fixed period of time or until the end of certain force majeure events, e.g. during war or natural disasters. Such moratoriums may in particular apply to banking transactions on foreign loans or foreign exchange transactions. It cannot be excluded that governments in jurisdictions where the Borrowers are domiciled or operate may impose such moratorium or similar actions, which may lead to a suspension or postponement of payments under the micro-loans to the Borrowers or of payments due under the Promissory Notes to the Issuer. Any foreign exchange or banking moratorium or actions with similar effects imposed in countries where Borrowers are domiciled may therefore lead to a default under the Promissory Notes and, eventually, to a partial or total loss of the Bondholder's investment in the Bonds.

Risks Relating to the Borrowers' Information

The information provided by the Borrowers regarding their business, operations, organizational structure, compliance with applicable laws and regulations and the micro-loans may be incomplete or misleading. The financial and other information concerning the Borrowers on which the Portfolio Manager relies in selecting and monitoring the Borrowers is provided primarily by the Borrowers themselves. There is no assurance that this information is or will be accurate and complete. The Portfolio Manager exercises normal care and diligence in assessing the accuracy and completeness of such information provided by the Borrowers, by, for example, conducting on-site visits, but makes no representation or warranty in this regard. The creditworthiness of the Borrowers may be poorer than the Portfolio Manager expects and there can be no assurance that the Borrowers will be able to fulfill their payment and other obligations under the Promissory Notes. Any failure of the Borrowers to do so may have an adverse impact on the Issuer's cashflows and financial condition which may in turn affect the Issuer's ability to fulfill its payment and other obligations under the Bonds. Bondholders may, as a result, lose the whole or part of their investment in the Bonds.

Risks Arising from Emerging Market Risks in Countries where the Borrowers are Domiciled

The Borrowers are located in emerging markets countries. Investing in emerging markets countries involves certain systemic, financial, political and other risks and special considerations which include (but are not limited to):

- risks associated with political, regulatory, economic and fiscal uncertainty, including the risk of nationalization or expropriation of assets and any risk of war and revolution and natural events;
- fluctuations of currency exchange rates, including significant devaluation of local currency;
- high rates of inflation;
- confiscatory taxation, taxation of income or other taxes or restrictions imposed with respect to investments in foreign nations; and
- economic and political risk, including potential foreign exchange controls (which may include suspension of the ability to transfer currency from a given country and repatriation of investment) and restrictions on the repatriation of funds.

In addition, the Borrowers operate in political, economic, social and business environments substantially different from and typically less favorable than those of the United States, the European Union (the “EU”) and other developed countries. Adverse developments in any of these environments may impair certain Borrowers' ability to make, analyze, supervise, record or collect on micro-loans or to function successfully in other businesses in which they operate to the extent that some or all of the Borrowers are unable to service their payment obligations under the Promissory Notes. In addition, other developed and/or developing countries may take military or political action against any of the countries in which the Borrowers are located, including the imposition of economic or other sanctions, that could have a negative impact on the operations, business and financial condition of the Borrowers, the value and/or enforceability of the Promissory Notes and/or the ability of an investor to hold or trade in the Bonds.

Specific economic risks in certain developing countries where the Borrowers are located include, but are not limited to, the following: decline in economic growth reducing the opportunities of the Borrowers' clients to service their micro-loan obligations; high inflation reducing the real value of investments; and sharp fluctuations in interest rates rendering uncertain or unfavorable the micro-loan terms. In addition, certain of the countries where the Borrowers are located have experienced high rates of inflation, devaluation of local currency and foreign exchange controls in the past, and there is no guarantee that similar events will not occur during the term of the Promissory Notes.

Additional specific government actions in certain developing countries that could elevate the risk of the Borrowers located there being able to service the Promissory Notes include foreign investment controls and adverse changes in regulatory structures and anti-usury laws. MFIs, including the Borrowers, typically charge higher interest rates than commercial banks due to higher operating costs. Governments have in the past, and may in the future, impose anti-usury laws or impose usury ceilings on interest rates that could lower the returns on the Promissory Notes, could make it financially unviable for the Borrowers to operate and/or could render some of the Promissory Notes unenforceable. Furthermore, the countries in which the Borrowers are located may have less certain and/or developing regulatory environments, with the corresponding risks of potential changes in law, less certain administration of law and/or less certain enforceability of judgments. There may be no treaty or agreement between a country in which a Borrower operates and Singapore or the United Kingdom stipulating the recognition and/or enforcement in one country of court rulings passed in the other country. As a result, it may be difficult or impossible to enforce the judgments of English courts, or Singapore courts following English law, in any country in which a Borrower operates that has no such treaty or agreement.

In addition, the value of the Promissory Notes could be adversely affected by generalized social and/or political instability in the home or neighboring countries of certain Borrowers and adverse relationships with neighboring countries. See the Appendix to this Information Memorandum for additional information about the countries in which the Borrowers operate.

Risks Arising from Force Majeure in Countries where the Borrowers are Domiciled

The Borrowers are domiciled and/or operate in countries which are relatively less equipped than more developed countries to deal with natural disasters such as floods, tsunamis, hurricanes, typhoons and earthquakes and pandemics such as avian influenza (bird flu) and some of the Borrowers are domiciled and/or operate in regions which have faced political and ethno-political conflicts, revolutions, terrorist acts or social unrest as well as severe economic downturns in the past. Such countries may not efficiently and quickly recover from such force majeure events, which could have a materially adverse effect on a Borrower's ability to fulfill their payment obligations under the Promissory Notes. In case of such force majeure events in one or more countries where the Borrowers are domiciled and/or operate, the micro-loans granted by the Borrowers are subject to substantial default risks. In particular, it cannot be excluded that local currencies will be subject to hyper-inflation or significant exchange losses. In such cases, borrowers under micro-loans granted to them by the Borrowers may not be able to meet their payment obligations when due or may decide to cease payments of interest or repayments of principal to the Borrowers. Further, Borrowers themselves may be subject to further losses resulting from hyper-inflation or adverse effects resulting in significant exchange losses. As a result, Borrowers may not have sufficient available funds to meet their own payment obligations and may eventually also default under the Promissory Notes. Any occurrence of a force majeure event in countries where the Borrowers are domiciled may therefore lead to a partial or total loss of the Bondholder's investment in the Bonds.

The Philippine Economy and Business Environment may be Disrupted by Political or Social Instability

The Philippines has from time to time experienced severe political and social instability, including acts of political violence. In particular, since the beginning of the term of President Rodrigo R. Duterte, more than 1,000 alleged drug dealers and users have been killed in police operations, and more than 1,300 drug dealers and drug users have been killed by supposed vigilantes. There is no guarantee that future events will not cause political instability in the Philippines. Further, there can be no assurance that the new administration will continue to implement the economic policies favored by the previous

administration. Such instability or policy change may disrupt the country and its economy and could materially and adversely affect our business, prospects, financial condition and results of operations.

Risks Relating to Default by the Borrowers

If any of the Borrowers default on its Loan, Bondholders are unlikely to recover the full amount of their principal amount. Recovery process may extend beyond Maturity Date until the Long-Stop Date and there can be no assurance that amounts recovered during this period, if any, will be sufficient to discharge the Issuer's payment obligations under the Bonds.

Risks Relating to the Maturity of the Promissory Notes

The Promissory Notes are on average of longer duration than most loans made to the Borrowers by banks. Promissory Notes of longer duration may carry more risk, due to the longer period of time during which an event of default under the relevant Loan or other event that will allow the Issuer (or the Portfolio Manager on its behalf) to accelerate the related Loan may occur. As a result, the Promissory Notes may carry more risk than previous loans made to the Borrowers. There can be no guarantee that the past performance of loans to the Borrowers is indicative of the performance of the Promissory Notes. In the event one or more Borrowers default under the Loans, the Issuer's cashflow and financial condition may be adversely affected and this, in turn, will affect the Issuer's ability to fulfill its payment obligations under the Bonds.

Loan Disbursements

Loan disbursements pursuant to the Promissory Notes will be made promptly upon receipt of the proceeds from the issue of the Bonds. However, if any Loan disbursements pursuant to the Promissory Notes have not been made by the date that is 90 days after the Closing Date, an amount corresponding to such undisbursed Loans shall be used to redeem an equivalent principal amount of Bonds at par without interest. Any such redemption may result in Bondholders forgoing interest on that portion of the Bonds until redemption.

Disclosure and Accounting Standards

Emerging markets entities may not be subject to uniform accounting, auditing and financial reporting standards and auditing practices and requirements, or such standards, practices and requirements may not be comparable to those applicable to companies in developed countries. Standards of financial reporting and disclosure in certain developing countries where Borrowers are located are or may be materially less stringent than those of the United States, the EU, Singapore or other similar developed countries. In addition, accounting principles and reporting standards adopted by the Borrowers may differ in significant respects from those applied in the United States, the EU, Singapore or other developed countries. The financial information of the Borrowers presented in this Information Memorandum has not been reconciled or adapted to accord or conform with the accounting and reporting standards applied in the United States, the EU, Singapore or other similar developed countries. Therefore, potential investors of the Bonds will need to take into account these differences and seek clarification and guidance from their financial and other advisors with respect to standards with which they may not be familiar when making their investment decisions.

III. RISKS RELATED TO THE BONDS

The Bonds May Not be a Suitable Investment for all Investors

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Information Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation and the investment(s) it is considering, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds (including the risk that the investor may lose the whole of its investment in the Bonds), including where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the Conditions and the contents of this Information Memorandum and seek independent advice if necessary; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Interest Rate Risk

Interest rate risk is one of the central risks of interest-bearing bonds. The interest rate level on the money and capital markets may fluctuate on a daily basis and cause the value of the bonds to change just as frequently. The interest rate risk is a result of the uncertainty with respect to future changes of the market interest rate level. As the market interest rate changes, the price of bonds also changes, but in the opposite direction. If the market interest rate increases, the price of bonds typically falls, until the yield of such bonds is approximately equal to the market interest rate. If the market interest rate falls, the price of bonds typically increases, until the yield of such bonds is approximately equal to the market interest rate. The market interest level is strongly affected by public budget policy, the policies of central banks, the overall economic development and inflation rates, as well as by foreign interest rate levels and exchange rate expectations. The importance of individual factors cannot be directly quantified and may change over time.

Risks Relating to Subordination of Bondholders' Claims

On each Bond Payment Date, Maturity Date, Long-Stop Date and/or Special Redemption Date (as defined in the Conditions), payments of interest and repayments of principal (if any) will be made to Bondholders in the manner and in the priorities set out in the Conditions described in this Information Memorandum. The Bonds are speculative and entail a high degree of risk.

Certain amounts payable by the Issuer to third parties such as various agents will rank in priority to, or *pari passu* with, payments of principal and interest on the Bonds, both before and after an enforcement of the Charged Assets. In case of insufficient funds of the Issuer for fulfilling all payment obligations when due, Bondholders are exposed to the risk of suffering a partial or total loss on their investment in the Bonds.

Book-Entry Interests

Unless and until definitive Bonds are issued in exchange for book-entry interests (the “**Book-Entry Interests**”), holders and beneficial owners of Book-Entry Interests will not be considered the legal owners or holders of Bonds under the Trust Deed. After payment to The Bank of New York Mellon, London Branch, as the principal paying agent (the “**Principal Paying Agent**”), the Issuer will not have responsibility or liability for the payment of interest, principal or other amounts to Euroclear or Clearstream, Luxembourg or to holders or beneficial owners of Book-Entry Interests.

The Bank of New York Depository (Nominees) Limited will be the registered holder of the Bonds represented by the Global Certificate and will be the sole legal Bondholder of the Global Certificate under the Trust Deed while such Bonds are represented by the Global Certificate.

Each person owning a Book-Entry Interest must rely on the relevant procedures of Euroclear and/or Clearstream, Luxembourg and, if such person is not a participant (“**Participant**”) in Euroclear and/or Clearstream, Luxembourg, on the procedures of the Participant through which such person owns its interest, to exercise any right of a Bondholder under the Trust Deed.

Payments of principal and interest on, and other amounts due in respect of, the Global Certificate will be made by the Principal Paying Agent to The Bank of New York Depository (Nominees) Limited (as nominee of the depository for Euroclear and Clearstream, Luxembourg). Upon receipt of any payment from the Principal Paying Agent, Euroclear and Clearstream, Luxembourg, as applicable, will promptly credit the relevant Participants' accounts with payment in amounts proportionate to their respective ownership of Book-Entry Interests as shown on their records. The Issuer expects that payments by Participants or indirect payments to owners of Book Entry Interests held through such Participants or persons that hold interests in the Book-Entry Interests through Participants (“**Indirect Participants**”) will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers registered in “street name”, and will be the responsibility of such Participants or Indirect Participants). None of the Issuer, the Bonds Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, the Book-Entry Interests or for maintaining, supervising or reviewing any records relating to such Book-Entry Interests.

Unlike Bondholders, holders of the Book-Entry Interests will not have the right under the Trust Deed to act upon solicitations by or on behalf of the Issuer for consents or requests by or on behalf of the Issuer for waivers or other actions from Bondholders. Instead, a holder of Book-Entry Interests will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg (as the case may be) and, if applicable, their Participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default (as defined in the Conditions) under the Bonds, holders of Book-Entry Interests will be restricted to acting through Euroclear and Clearstream, Luxembourg unless and until definitive Bonds are issued in accordance with the relevant provisions described herein under “*Terms and Conditions of the Bonds*”. There can be no assurance that the procedures to be implemented by Euroclear and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfers of Book-Entry Interests among Participants of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Bonds Trustee or any of their agents will have any

responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective Participants of their respective obligations under the rules and procedures governing their operations.

Certain transfers of Bonds or interests therein may only be effected in accordance with, and subject to, certain transfer restrictions and certification requirements.

Bondholders May Not be Able to Sell or Transfer the Bonds

The Bonds will be offered and sold within the United States to certain accredited and sophisticated investors in reliance on Regulation D of the Securities Act and outside the United States in offshore transactions primarily in reliance on Regulation S of the Securities Act. As such, the Bonds will not be registered with the SEC or any state securities commission or similar governing body. The Bonds cannot be resold in the United States by the holders of Bonds in the absence of such registration or an exemption therefrom. No Bond may be sold or transferred unless such sale or transfer is made to a qualified purchaser. The Trust Deed provides additional restrictions on the transfer of Bonds. See “*Transfer Restrictions and Investor Representations*” below.

Investment Company Act

The Issuer has not and will not be registered with the SEC as an investment company pursuant to the Investment Company Act. The Issuer has not so registered in reliance on Section 3(c)(7) of the Investment Company Act. Section 3(c)(7) of the Investment Company Act provides for an exemption from registration for issuers (a) whose outstanding securities (other than, with respect to non-U.S. issuers only, securities sold to non-U.S. persons under Regulation S) are beneficially owned only by “qualified purchasers” (within the meaning given to such term in the Investment Company Act and the rules thereunder) and (b) which do not make a public offering of their securities in the United States. No opinion or no action position has been requested of the SEC with respect to the Issuer's qualification for this exemption.

Each beneficial owner of a Bond will be required to represent that it understands and agrees that any purported transfer of such Bonds to a purchaser (including without limitation, the transfer of Bonds to such beneficial owner) that is not a “qualified purchaser” will be null and void *ab initia* and the Issuer retains the right to redeem or resell any Bonds sold to any purchaser (including, without limitation, such beneficial owner) unless such purchaser is a “qualified purchaser” at the time it purchases such Bonds.

If the SEC or a court of competent jurisdiction were to find that the Issuer is required, but in violation of the Investment Company Act, had failed, to register as an investment company, possible consequences include, but are not limited to, the following: (i) the SEC could apply to a district court to enjoin the violation; (ii) investors in the Issuer could sue the Issuer and recover any damages caused by the violation; and (iii) any contract to which the Issuer is party that is made in, or whose performance involves, a violation of the Investment Company Act would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. Should the Issuer be subjected to any or all of the foregoing, the business, financial condition and operations Issuer could be materially and adversely affected and this could affect its ability to fulfill its obligations under the Bonds with the result that Bondholders may lose a part or the whole of their investment in the Bonds.

Risks Associated with an Early Redemption and Possible Reinvestment

If the Bonds are redeemed early by the Issuer due to the occurrence of an Event of Default, a Special Redemption Event (as defined in the Conditions) or any other event specified in the Conditions which provide for redemption of the Bonds prior to the Maturity Date, all payments to be made by the Issuer in respect of the Bonds (including payments in case of an early redemption) will be made only from and to the extent that the Issuer has available assets and after the deduction of (i) any due and unpaid fees, costs and expenses of the Portfolio Manager and the Corporate Services Provider, the Bonds Trustee, the Security Trustee, the Account Bank, and the Agents; (ii) payments to The United States Agency for International Development; and (iii) certain fees, costs, expenses and taxes incurred by the Issuer in respect of the set up and operation of the Issuer, as well as the sale, unwinding, enforcement or liquidation of the Loans.

Accordingly, in case of an early redemption of the Bonds, Bondholders may receive less than the original amount invested in the relevant Bonds or may not receive any payment at all. In addition, Bondholders may not be able to reinvest the proceeds of such redemption on equivalent terms and may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Bonds. Potential investors should consider reinvestment risk in light of other investments available at that time.

Bondholders may be exposed to risks connected to the reinvestment of cash resources freed from the Bonds. The return the Bondholder will receive from the Bonds depends not only on the price and the nominal interest rate of the Bonds but also on whether or not the interest received during the term of the Bonds can be reinvested at the same or a higher interest rate than the rate provided for in the Bonds. The risk that the general market interest rate falls below the interest rate of the Bonds during their term is generally called reinvestment risk.

The Bonds may be written down if there are insufficient funds to redeem the Special Redemption Bonds.

Inflation Risk

The inflation risk is the risk of future money depreciation. The real yield from an investment is reduced by inflation. The higher the rate of inflation, the lower the real yield on the Bonds. If the inflation rate is equal to or higher than the nominal yield of the Bonds, the real yield on the Bonds is zero or even negative. In such case, payments under the Bonds would not outweigh the money depreciation, which would lead to a loss for Bondholders.

No Tax Gross-up for Payments on the Bonds

Payments to the Bondholders shall be made subject to any applicable withholding or other taxes that may apply and be required to be withheld on the Bondholders behalf by the Issuer. The Issuer will not gross up the amounts of such payments to account for any such taxes and the responsibility to bear such taxes will at all times rest with the Bondholders. The Bonds Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, the Bonds Trustee or any other person any indemnification or payment in respect of any tax consequence of any such payment upon individual Bondholders.

Risks relating to Change of Law

The Conditions, the Trust Deed, and certain other agreements related to the issue of the Bonds will be governed by English law in effect as at the date of this Information Memorandum. Furthermore, the Issuer is incorporated under, and the Security is governed by, Singapore law. No assurance can be given

as to the impact of any possible judicial decision or change to English or Singapore law, as the case may be (or law applicable in England or Singapore, as the case may be), or administrative practice in England or Singapore, as the case may be, after the date of this Information Memorandum.

Certain modifications to the Trust Deed and the Bonds do not require consent of various Bondholders

The Trust Deed allows the Bonds Trustee, in certain limited situations, without any consent or sanction of the Bondholders to agree with the Issuer in making modifications to the Trust Deed and the Bonds. In other cases where consent of Bondholders is required, such consent may be required from less than 100% of the Bondholders that would be materially and adversely affected by the modification. Non-consenting holders of the Bonds may be materially and adversely affected by a modification to the Trust Deed or the Bonds that is entered into following consent by the required percentage of Bondholders.

The Trustee may request holders of the Bonds to provide an indemnity and/or security and/or prefunding to its satisfaction

In certain circumstances, including without limitation giving of notice to the Issuer pursuant to Condition 10 and taking enforcement steps pursuant to Condition 15, the Trustee may, at its sole discretion, request the Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of the Bondholders. The Trustee shall not be obliged to take any such actions if not first indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed (as defined in the Terms and Conditions of the Bonds) or the Terms and Conditions of the Bonds and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable laws and regulations, it will be for the Bondholders to take such actions directly.

Modifications and waivers may be made in respect of the Terms and Conditions of the Bonds and the Trust Deed by the Trustee or less than all of the holders of the Bonds

The Conditions provide that the Trustee may, without the consent of the Bondholders, agree to any modification of the Trust Deed, the Terms and Conditions of the Bonds and/or the Agency Agreement which in the opinion of the Trustee will not be materially prejudicial to the interests of the Bondholders and to any modification of the Trust Deed, the Terms and Conditions of the Bonds or the Agency Agreement which in the opinion of the Trustee is of a formal, minor or technical nature or is to correct a manifest error or to comply with any mandatory provision of applicable law.

In addition, the Trustee may, without the consent of the Bondholders, authorize or waive any breach or proposed breach of the Trust Deed, the Terms and Conditions of the Bonds or the Agency Agreement (other than a proposed breach, or a breach relating to the subject of certain reserved matters) if, in the opinion of the Trustee, the interests of the Bondholders will not be materially prejudiced thereby.

Not All Events of Default With Respect to the Bonds May Result in an Acceleration of the Bonds

Under the Conditions, the Bonds may not be accelerated even if an event of default has occurred if the relevant event of default arose solely as the result of one or more breaches or defaults under one or more Loans, and neither the Portfolio Manager nor the Corporate Services Provider shall have consented or contributed (whether in whole or in part) to any such breaches or defaults and shall have taken such

commercially reasonable actions as are permitted or required under the Management Agreement, the Administration Services Agreement and the Limited Guarantee to enforce the rights and remedies of the Issuer under such Loans and the Limited Guarantee with respect to each such breach or default. Therefore, there may be circumstances in which an event of default with respect to the Bonds does not result in their acceleration, which could decrease the value of the Bonds to Bondholders and result in a failure to pay principal or interest on the Bonds.

The Bonds are Illiquid Investment Instruments and There Is Not Expected to be Any Active Trading Market

The expected final maturity of the Bonds is approximately four years following the Closing Date. Principal repayment of the Bonds will not occur until the principal is repaid on the Promissory Notes which will be paid in one lump sum. The Bonds will be a new issue of securities for which there is no existing trading market. Although we intend to apply for the listing of, and quotation for, the Bonds on the SGX-ST, there can be no assurance that such listing will be obtained or that any active trading market for the Bonds will develop or be sustained or whether, or at what price, holders of the Bonds will be able to sell or otherwise transfer their Bonds. Therefore, a market for the Bonds is not expected to develop at any time. If an active trading market for the Bonds does not develop or is not sustained, the market price and liquidity of the Bonds may be adversely affected and you may be unable to resell the Bonds or may only be able to sell them at a substantial discount. The Bonds are intended for investors who purchase and hold the Bonds to maturity. Under normal circumstances, Bondholders will be able to redeem their investment only upon the maturity of the Bond. Please refer to the section titled “*Transfer Restrictions and Investor Representations*” for restrictions on the sale and transfer of the Bonds.

Currency Risk

The Bonds are denominated in USD. If such currency represents a foreign currency to a Bondholder, such Bondholder is particularly exposed to the risk of changes in currency exchange rates which may affect the yield of such Bonds when considered in the Bondholder’s home currency. Changes in currency exchange rates result from various factors such as macroeconomic factors, speculative transactions and interventions by central banks and governments. In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable currency exchange rate. As a result, Bondholders may receive less interest or principal on the Bonds than expected, when considered in the Bondholder’s home currency.

The Bonds are Not Guaranteed

The Issuer's payment and other obligations under the Bonds are not guaranteed by USAID or any other party. There is no guarantee, insurance policy or standby letter of credit being issued to support the Issuer's payment and other obligations under the Bonds.

The Bonds are obligations of the Issuer only and do not represent an interest in or obligation of the Portfolio Manager, the Placement Agents, the Bonds Trustee, the Security Trustee, USAID or any of their respective affiliates or any other party or governmental body. The Issuer's rights, title and interest under the Promissory Notes have not been secured in favour of the Security Trustee, and the Borrower's rights, title and interest under the micro-loans have not been secured in favour of the Issuer or the Security Trustee.

The Issuer will depend primarily on receiving timely payments of principal and interest on the underlying Promissory Notes from the Borrowers in order to make payments due under the Bonds. However, the

Issuer shall have the benefit of the Limited Guarantee, under which USAID shall reimburse to the Issuer 50% of the net losses incurred by the Issuer in respect of non-payment of principal under the Promissory Notes, subject to certain qualification requirements and a maximum limit of US\$4.85 million as described in the Limited Guarantee. Any losses under the Promissory Notes not covered by the Limited Guarantee will be borne by the Issuer, and to the extent the Issuer does not have sufficient funds to bear such losses, such losses will be borne by the Bondholders with the result that Bondholders may lose a part or the whole of their investment in the Bonds. See “*The Transaction Documents*”. Bondholders have no direct recourse to the Limited Guarantee.

Risks Relating to the Limited Guarantee

The Issuer’s ability to recover funds under the Limited Guarantee may be limited in certain circumstances, and in any event is limited to the recovery of principal, not interest. Other limitations of the Limited Guarantee include the following:

- under the terms of the Limited Guarantee, USAID has the ability to suspend, reduce, cancel or terminate the Limited Guarantee in some circumstances at its sole discretion with respect to Loans that have not yet been placed under coverage of the Limited Guarantee;
- USAID may, under some conditions, also unilaterally remove a Loan from the coverage of the Limited Guarantee;
- the Issuer is obligated to accelerate the relevant Loan and take steps to recover amounts due under the Loan before it can claim for recovery under the Limited Guarantee;
- the Issuer is prohibited from making material amendments to the terms of the Loans without consent from USAID; and
- USAID, as an agency of the U.S. government, may also be entitled to claim sovereign immunity in the event of any action by the Issuer or the Portfolio Manager to enforce the terms of the Limited Guarantee against USAID.

Any of these factors may limit the value of the Limited Guarantee to the Issuer. In addition, USAID may not be obligated to make payments under the Limited Guarantee if the Issuer fails to take the required actions under the Limited Guarantee in the event of a default under one or more of the Loans. See “*Appendix D – Form of Loan Portfolio Guarantee Agreement, First Amendment and Side Letter*” for the detailed terms of the Limited Guarantee.

Taxation

Each Bondholder will assume and will be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Bonds. See “*Singapore Taxation*” in this Information Memorandum for additional information.

Withholding Taxes on Payments due under the Bonds

The Issuer expects that payments of principal and interest in respect of the Bonds will ordinarily not be subject to any withholding tax in Singapore as the Bonds are intended to qualify as “qualifying debt securities” in Singapore, subject to the fulfilment of certain conditions more particularly described in the section “*Singapore Taxation*”. However, there is no assurance that such Bonds will continue to enjoy the

tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time. Payments of Surplus Funds (as defined in the Conditions), however, are likely to be subject to withholding tax in Singapore. In the event that withholding or deduction of any taxes from payments of principal, interest or Surplus Funds in respect of the Bonds is required by law in any jurisdiction, the Issuer will not be under any obligation to make any additional payments to the holders of any Bonds in respect of such withholding or deduction.

Security

The Issuer will rely solely on monies received or recovered on the Promissory Notes (whether by way of scheduled payments, enforcement or otherwise) under the Limited Guarantee to enable it to make payments in respect of the Bonds. There can be no assurance that the amount payable on any early redemption or enforcement of the security for the Bonds will be equal to the original issue price or the outstanding principal amount of the Bonds. Any shortfall in payments due to the Bondholders will be borne in accordance with the priority of payments set forth in the Conditions, and any claims of the Bondholders remaining after a mandatory redemption of the Bonds shall be extinguished. The cash in the Accounts may be insufficient to pay all principal and interest due on the Bonds. The Portfolio Manager does not have any obligation to any Bondholder for payment of any amount owing by the Issuer in respect of the Bonds.

Expenses

To the extent that any unanticipated or extraordinary costs and expenses of the Issuer that are payable by the Issuer arise in connection with the Bonds or otherwise (including, for example, costs which may need to be incurred in the enforcement of the Promissory Notes in the relevant jurisdictions of the Borrowers), the Issuer may have insufficient or no available funds to pay such costs and expenses and there is a risk that payments to the Bondholders may be adversely affected thereby and that the Issuer might become insolvent as a result thereof.

USE OF PROCEEDS

The following table summarizes the anticipated use of the proceeds from the issuance of the Bonds:

Use of Proceeds	US\$
Promissory Notes	
SAMIC PLC	\$3,200,000
Negros Women for Tomorrow Foundation, Inc.	\$1,000,000
Viet Phu Payment Services Support Corporation	\$3,700,000
Less: Upfront Fees paid by Borrowers	(\$71,000)
Debt Service Reserve Account	\$277,500
Transaction Costs and Expenses (including legal fees and fees payable to the Bonds Trustee and other agents)	\$234,500
One-time structuring fee payable to the Portfolio Manager	\$159,000
Total	\$8,500,000

THE ISSUER

Introduction

The Issuer was incorporated on June 27, 2016 under the Companies Act, Chapter 50 of Singapore, as a private company limited by shares with company registration number: 201617511N, having its registered office at One Raffles Place, #13-01, Singapore 048616. As of the date of this Information Memorandum, the Issuer has a share capital of US\$100.00 represented by 100 ordinary shares of US\$1.00 per share. All the shares of the Issuer are held by the Portfolio Manager, having its registered office in Singapore.

Since the date of the Issuer's incorporation, the Issuer has not commenced operations other than in respect of entering into transactions relating to the origination of the Loan Portfolio, and no financial statements have been made up for the Issuer. The Issuer will have no material assets other than the Loans and any cash, including cash in the accounts that it holds.

Corporate Purpose of the Issuer; Restrictions on Activities

The Issuer has been established as a special purpose vehicle for the purpose of the issue of the Bonds, the investment with the net proceeds of the issuance of the Bonds in the Promissory Notes and certain related transactions described in this Information Memorandum.

In the Trust Deed, the Issuer undertakes that, so long as any of the Bonds remains outstanding, it will not, amongst other things:

- (1) Create or have outstanding any mortgage, charge, lien, pledge or other security interest other than the security interests created under the Charge Over Accounts or any lien over an asset arising by operation of law and in the ordinary course of the Issuer's business;
- (2) Carry on any business other than as described in this Information Memorandum;
- (3) Transfer, sell, lend part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire, any of its assets, revenues or undertaking or any interest, right or benefit in respect of any of them or agree or purport to do so other than the security over the accounts created under the Charge Over Accounts, and in the reasonable judgment of the Portfolio Manager, any Loan; and
- (4) Create, incur or permit to subsist any indebtedness of the Issuer, other than the Subordinated Debt, or give any guarantee or indemnity in respect of indebtedness or of any other obligation of any person.

For more information about the covenants given by the Issuer, please see Condition 5.

Directors and Governance

In accordance with the Issuer's constitution, for so long as any of the Bonds are outstanding, a majority of the Issuer's board of directors will be comprised of independent directors nominated by the Corporate Services Provider. Pursuant to the Administrative Services Agreement dated July 13, 2016, Vistra Alternative Investments (Singapore) Pte. Ltd has been

appointed as the Corporate Services Provider to provide corporate and secretarial services to the Issuer.

As at the date of this Information Memorandum, the directors of the Issuer and their respective business addresses and business and working experience are:

Name	Business Address
Caroline Baker (Independent Director)	One Raffles Place, #13-01, Singapore 048616
Lye Nah Chan (Independent Director)	One Raffles Place, #13-01, Singapore 048616

Caroline Baker started her career at PricewaterhouseCoopers (“**PwC**”) in Montreal, and has worked with PwC in Sydney, London, and Singapore. She was a central member of PwC's global Asset Management Practice, working with international Asset Managers, Real Estate and Private Equity Funds, as well as FTSE listed REITS. Prior to joining Vistra Alternative Investments (Singapore) Pte. Ltd as Managing Director of Alternative Investments Asia, Caroline was the CFO of a large investment firm with US\$5bn of listed, private equity and real estate investments in Vietnam, China, India, Indonesia and many other jurisdictions. Caroline is a Chartered Professional Accountant, with a bachelor’s degree and post graduate diploma, majoring in accounting from Concordia University, Montreal. She is a member of Canadian Association of Chartered Professional Accountants. Caroline is a native English speaker, fluent in French and some German.

Lye Nah Chan has over 10 years of experience within the financial services industry. Her fund accounting career started with Custom House Fund Services. She later joined National University of Singapore’s Treasury Department providing accounting and operational support for the University Endowment Fund. Prior to joining Vistra Alternative Investments (Singapore) Pte. Ltd, as Manager of Fund Services, Alternative Investments she was working for State Street Alternative Investment Solutions in Singapore with focus on Real Estate and Private Equities funds. Lye Nah is a chartered accountant and a member of the Institute of Singapore Chartered Accountants (ISCA). She holds a BSc (Hons) in Applied Accounting from Oxford Brookes University and B.Arts (Statistics and Chinese Studies) from National University of Singapore. She is fluent in English and Mandarin.

The Issuer may carry out any operation or transaction which it considers necessary or useful in the accomplishment and development of its corporate objects to the largest extent permitted under Singapore law. Notwithstanding the foregoing, the Issuer’s constitution provides that for so long as any of the Bonds is outstanding, the following matters may only be undertaken with the prior approval of at least one independent director:

- (1) amendment or modification of the Issuer’s constitution;
- (2) commencement of any voluntary proceeding seeking liquidation, appointment of a judicial manager or receiver with respect to the Issuer;
- (3) transfer of shares by the Portfolio Manager, or the issuance of shares to any other party;
- (4) creation of security over the Issuer’s assets, save in favour of the Bondholders;
- (5) the undertaking of any merger, amalgamation or reconstruction exercise; or

(6) the removal of any independent director.

Fiscal Year

The first fiscal period of the Issuer will commence on its date of incorporation and end on December 31, 2016, and thereafter each fiscal year will end on December 31 of each year.

Borrowings

The Bonds	\$8,000,000
The Subordinated Debt	\$500,000

Financial Statements

The first fiscal period of the Issuer will end on December 31, 2016. The Issuer will publish its first audited financial statements in respect of the period ending on December 31, 2017. The Issuer will not prepare interim financial statements.

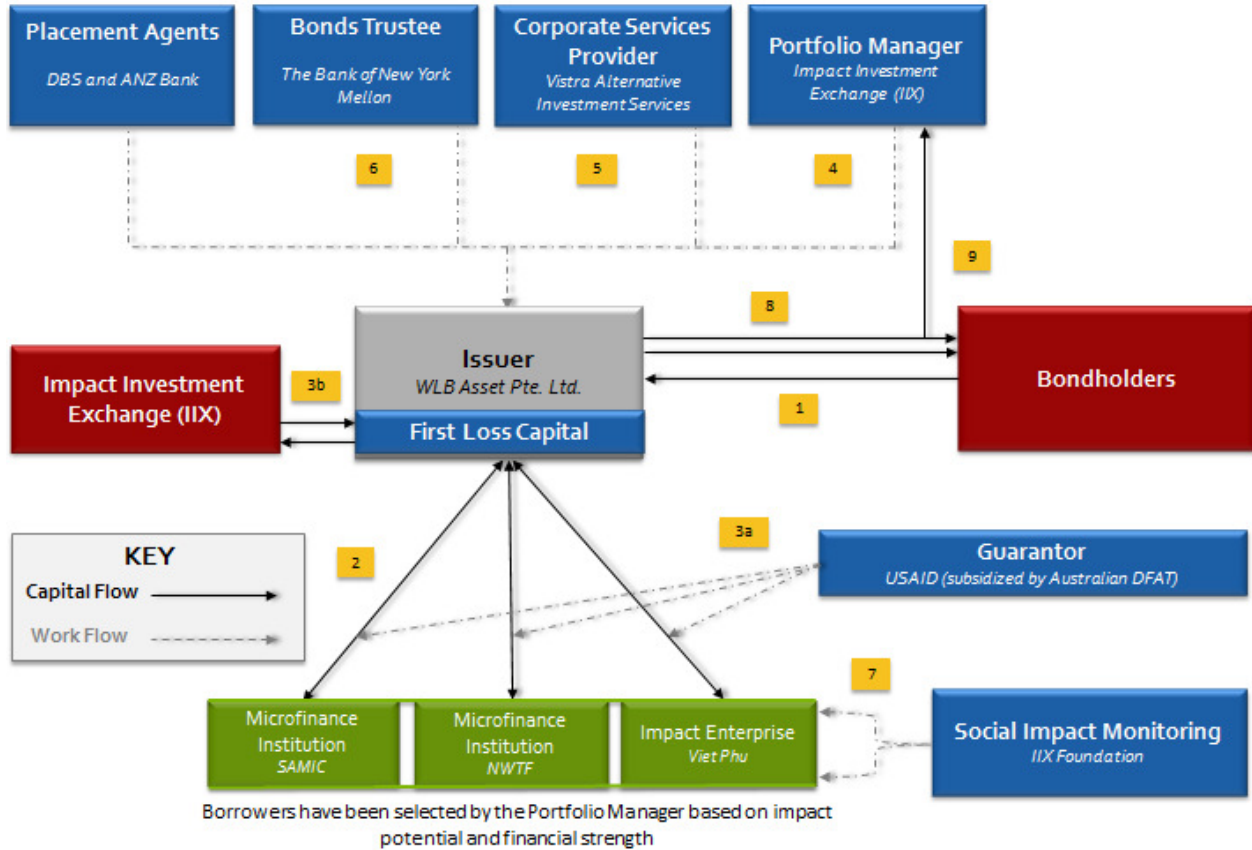
In accordance with Singapore law, the Issuer is obligated to publish its annual financial statements on an annual basis following approval of such financial statements by the annual general meeting of the shareholders. The first annual general meeting must take place within 18 months of the Issuer's date of incorporation, or within six months of the end of its first financial period, whichever is earlier. Thereafter, each annual general meeting of shareholders takes place within six months of the end of each financial year of the Issuer, at such place as may be specified in the convening notice.

Any future published annual audited financial statements prepared for the Issuer will be obtainable free of charge from the specified office of the Issuer and the Portfolio Manager.

Auditors

The external auditors of the Issuer are Grant Thornton Singapore.

STRUCTURAL DIAGRAM



- (1) The Issuer, which is wholly owned by the Portfolio Manager, issues US\$8.00 million in aggregate principal amount of Bonds to investors.
- (2) Part of the issue proceeds will be lent to the Borrowers.
- (3) (a) USAID provides a *pari passu* limited guarantee of 50% of the principal amount of the Loans. See Appendix D hereto for a form of the Limited Guarantee.
 (b) The Portfolio Manager provides US\$500,000 Subordinated Debt, serving as first-loss capital to the Bonds. On an ongoing basis, the Portfolio Manager will be responsible for collecting payments under the Loans and monitoring compliance by the Borrowers with their obligations under the Promissory Notes.
- (4) The Corporate Services Provider will provide an independent board, serve as corporate secretary, and provide record keeping, administration and accounting services to the Issuer.
- (5) The Bonds Trustee will hold the Issuer's covenant to pay principal and interest on the Bonds on trust for the Bondholders and will act on behalf of the Bondholders in certain situations.
- (7) IIX Foundation will monitor the performance of the Borrowers and create periodic impact reports.
- (8) Bondholders are paid a semi-annual coupon and are repaid the principal at maturity of the Bonds.
- (9) Bondholders and Portfolio Manager split Surplus Funds at maturity of the Bonds.

THE BORROWERS

Unless otherwise indicated, information contained in this Information Memorandum concerning the Borrowers or their industries is based on information provided by the Borrowers, as well as various other sources, including independent industry publications, reports, surveys and forecasts. We have not independently verified the accuracy or completeness of the information provided by the Borrowers or contained in these industry publications, reports, surveys and forecasts. Unless we state otherwise, our presentation of the Borrowers' financial condition and results of operations is based on audited financial statements provided by the Borrowers. Information is provided for the fiscal years 2013, 2014, 2015 and 2016. The Borrowers and any publications, reports, surveys and forecasts on which information is based generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. The industries in which we and the Borrowers operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in "Risk Factors" and elsewhere in this Information Memorandum. These and other factors could cause results to differ materially from those expressed by the Borrowers or contained in these publications, reports, surveys and forecasts.

Aggregate assets and shareholders' equity of the three Borrowers were approximately US\$95 million and US\$30 million, respectively, as of December 31, 2016. With total indebtedness of approximately US\$22 million as of December 31, 2016, aggregate debt-to-equity ratio was approximately 0.7x and the weighted debt-to-equity ratio was approximately 2.0x. The two MFIs have an aggregate gross loan portfolio of approximately US\$58 million among approximately 314,000 borrowing clients as of December 31, 2016. Aggregate borrowing clients increased by 12.7% from approximately 278,000 borrowers as of December 31, 2015. The weighted average loan size per client was approximately US\$697 with a weighted average portfolio at risk (loans with payments greater than 30 days in arrears) of approximately 3.2%. The weighted averages in this paragraph are weighted based on the size of the Loan to be provided to each Borrower and are based on information as of December 31, 2016 provided to the Portfolio Manager by the Borrowers.

Additional information about the industries and countries in which the Borrowers operate is provided in the Appendices A, B, C and D to this Information Memorandum.

Participating MFIs and IEs	Country of Origin	SROI	Direct Beneficiaries*	Projected % of Women Beneficiaries	Direct Women Beneficiaries
SAMIC PLC	Cambodia	1.67	9,386	80%	7,509
Negros Women for Tomorrow Foundation, Inc.	Philippines	2.05	14,906	99%	14,831
Viet Phu Payment Services Support Corporation	Vietnam	3.14	507,226	70%	355,058

Total		2.41	531,518		377,398
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(1) *Social Return on Investment; the calculation methodology is further discussed in the “Description of the Authorized Impact Representative and Impact Assessment Framework”*

(2) *Projected beneficiary figures presented in the table represent the projected number of beneficiaries to be impacted by the Borrowers with the proceeds of the Loans during the term of the Loans. In addition, the total projected number of direct beneficiaries of all of the Borrowers collectively between 2016 and 2020 is 4,373,766 and the corresponding projected number of direct women beneficiaries is 3,234,717.*

SAMIC PLC

Business Overview

SAMIC PLC, or SAMIC, founded in 1994, is a mid-sized microfinance institution serving the indigent market in Cambodia with both individual and group loans. SAMIC ranked twelfth among licensed MFIs in Cambodia by number of borrowers based on data compiled by the Microfinance Information Exchange as of December 31, 2015. As of December 31, 2016, nearly 80% of its clients were women.

SAMIC—short for “Samaki Microheranvatho”—started its operations as a rural credit program of the Cambodia Health Committee, or CHC, an NGO founded in 1994 with the objective of addressing public health issues in rural areas. The program was transformed into a limited liability company in 2005 and SAMIC received its license to operate as an MFI in the same year. SAMIC obtained its permanent license from the National Bank of Cambodia (NBC) in 2008 and was transformed into a public limited company in 2012. Major institutional shareholders include Catalyst Microfinance Investors, or CMI, CHC, and the Center for Agricultural and Rural Development NGO, or CARD NGO.

As of December 31, 2016, SAMIC operated a network of 19 branches in 9 Cambodian provinces. As of December 31, 2016, SAMIC served 16,667 borrowers—of which 79.5% were women—with a total outstanding gross loan portfolio of US\$14.5 million. As of December 31, 2015, SAMIC ranked twelfth in terms of active borrowers and eleventh in terms of portfolio size among licensed MFIs in Cambodia according to data compiled by Microfinance Information Exchange. As of December 31, 2016, 56% of SAMIC’s borrowers had a loan size of less than US\$500.

From December 31, 2013 to December 31, 2016, SAMIC’s active borrowers slightly decreased from 17,015 to 16,667 due to an increased focus on larger loans as well as a consolidation of clients in 2016 in response to guidance from the National Bank of Cambodia (NBC) to temper growth plans and rate of adoption of new clients. From December 31, 2013 to December 31, 2016, SAMIC’s total loan portfolio grew at a compound annual growth rate of 18.3%. From December 31, 2013 to December 31, 2016, its average loan size increased from US\$515 to US\$869. Over the same period, adjusted PAR30 remained below 2.0% for the twelve months ended December 31, 2013 and 2014, but increased to 2.4% as of December 31, 2015 and 3.1% as of December 31, 2016 as the NBC curtailed unlicensed moneylending. SAMIC reported net income of US\$554,861 for the twelve months ended December 31, 2016, a

decrease of 9.7% from net income of US\$614,689 for the twelve months ended December 31, 2015.

SAMIC received a “BB” Microfinance Institutional Rating from Microfinanza Rating in 2013. It also received the Micro Business Award organized by Living in Peace (Japan) in 2012 for its clients who have successfully managed businesses.

Selected Operational Data	Dec 31, 2013	Dec 31, 2014	Dec 31, 2015	Dec 31, 2016
Number of Provinces in which SAMIC has Offices	9	9	9	9
Number of Offices	17	17	18	19
Number of Active Borrowers	17,015	20,597	19,387	16,667
Number of Staff	193	210	236	248
Number of Loan Officers	79	80	91	94
Gross Loans Outstanding (US\$)	8,758,777	11,950,298	13,995,504	14,484,200
Adjusted PAR30	1.90%	0.91%	2.37%	3.09%

Strategic Direction

According to SAMIC, it intends to focus on the following strategies:

- (i) *Increase productivity and operating efficiency.* SAMIC intends to increase credit officer and staff productivity without compromising quality. Management intends to decrease group lending and increase individual lending, as well as increasing the average loan size for its individual loans. With this shift, SAMIC intends to reduce operational costs and improve its adjusted PAR30. SAMIC also intends to strengthen its systems, policies and procedures as well as continue to recruit and train required staff with an emphasis on credit officer competency.
- (ii) *Grow and retain loyal customer relationships via the provision of high quality professional customer services.* SAMIC intends to increase its network by opening new branches and grow its loan portfolio. It intends to promote the SAMIC brand as a preferred and unique MFI by analysing customer surveys to build, repair and improve relationships and standards, and also monitoring complaints and responding in a timely manner.
- (iii) *Engage best practice human resource management; recruit, train and retain a highly motivated skilled workforce.* To reduce staff turnover, SAMIC intends to enhance its human resources function to provide opportunities to grow, relevant trainings, and benchmark pay scales to peer MFIs or industry leaders. It also intends to increase staff skills and support learning at all levels with both internal and external ongoing trainings. SAMIC also intends to review effectiveness of key performance indicators and strengthen systems, policies and procedures.
- (iv) *Deliver programs empowering communities to become environmentally and economically efficient and self-sustainable.* SAMIC intends to develop its clients’ business and financial acumen to increase their earning capacity and improve their health, safety and wellbeing. It intends to promote business development workshops, provide ongoing social and environmental projects, such as solar panel partnerships, as well as encourage use of natural resources and other green initiatives.

- (v) *Obtain diversified internal or external funding for expansion.* SAMIC intends to review its funding strategy for portfolio growth and diversify its funding sources. It intends to pursue equity and debt financings, including from commercial or specialised banks and social investors, and grant funding. SAMIC also intends to introduce staff savings accounts and member savings accounts, and establish an asset and liability committee. SAMIC also intends to manage its risk and liquidity, including controlling its leverage ratio.

In March 2017, the NBC announced that it would introduce a maximum annual interest rate of 18 percent on loans made by MFIs effective 1st of April, 2017. Subsequently, SAMIC has updated its operational and strategic planning to account for this interest rate cap. According to SAMIC, it plans to compensate for most of the expected loss of income from interest by generating additional income from fees. In particular, SAMIC plans to introduce a monthly administration fee, an annual processing fee and an annual credit risk fee to each of its loans. SAMIC further plans to address the decreased interest rates by focusing on more profitable customer segments as well as attempting to reduce its operating and financing costs.

Target Market and Products

SAMIC primarily targets the indigent market in Cambodia and currently offers two loan products:

- (i) *Micro Loans* are targeted to lower income borrowers in rural and urban areas, and are offered through village bank loans, solidarity group loans and individual loans. Micro Loans can be disbursed in KHR or USD, with most borrowers of village bank and group solidarity loans receiving KHR. Micro Loans range from KHR100,000 to KHR2 million (US\$25 to US\$500) with a maximum loan term of 24 months, or 12 months for group loans. Micro Loans comprised 16.4% of SAMIC's total loan portfolio and 56.0% of active borrowers as of December 31, 2016.
- (ii) *Small Business Loans* are offered through individual lending only and range from US\$500 to US\$10,000, with KHR-denominated loans capped at KHR4 million (US\$1,000). Small Business Loans are secured by collateral and have a maximum loan term of 36 months. Small Business Loans comprised 83.6% of SAMIC's loan portfolio and 44% of active borrowers as of December 31, 2016.

In general, SAMIC does not require collateral for group loans but does require collateral of at least three times the loan amount, usually in the form of land titles, for individual loans. For all loans, borrowers can choose to repay the principal either in monthly installments or as a balloon payment depending on the nature of their income and cash flow.

SAMIC also offers two types of microinsurance, credit and life, to its members on a voluntary basis through MeadaRabrong.

Competitive Positioning

SAMIC faces competition from various sources depending on the type of borrower. It considers TPC, Prasac, Amret, AMK, Ly Hour and KREDIT as its principal competitors because they provide similar products to a similar borrower base. Amret, AMK, VisionFund and TPC also compete with SAMIC in group lending. SAMIC believes that its competitors

enjoy stronger brand recognition, can leverage larger branch networks and coverage and offer more diversified services.

SAMIC believes that its main competitive advantages are its field collection for individual loans and its provision of complementary micro-insurance, trainings and credit with education to borrowers and non-borrowers. SAMIC believes that its pricing is higher than that of its competitors, and borrowers with higher financing needs will move on to other MFIs. SAMIC plans to introduce SME loans with a maximum loan amount of US\$15,000 as a new product in 2017.

Portfolio Management and Collection

SAMIC does not consider concentration among borrowers to be material. The top ten borrowers as of December 31, 2016 accounted for less than 1% of the total outstanding loan portfolio. Individual loans comprised 86.4% of the total loan portfolio and group loans comprised 13.6% of the total loan portfolio as of December 31, 2016. As of December 31, 2016, 84.6% of the total loan portfolio was denominated in USD and 15.4% of the total loan portfolio was denominated in KHR.

Geographically, SAMIC's largest branch, Kampong Trach, represented 10.4% of the total loan portfolio as of December 31, 2016. The largest province, Kampot, represented 33.1% of the total loan portfolio as of December 31, 2016.

The largest three sectors—agriculture, household/family and construction—represented 34.5%, 19.8% and 19.4%, respectively, of the total loan portfolio as of December 31, 2016. SAMIC's credit policy limits SAMIC's total loan portfolio to a maximum of 40% for agriculture and 20% for non-income generating activities.

As of December 31, 2016, SAMIC reported an overall adjusted PAR30 of 3.1%. Under SAMIC's credit policy, loans can only be rescheduled in case of natural disasters. SAMIC also makes a general provision of 1% on its net incremental portfolio.

Liquidity, Funding and Foreign Currency Position

As of December 31, 2016, SAMIC owed an aggregate of US\$11.1 million under its outstanding loans. 66.7% of SAMIC's total borrowings are provided by three lenders: 31.5% from Frankfurt School Financial Services, 22.5% from Incofin, and 12.7% from Oikocredit.

As of December 31, 2016, SAMIC's debts have remaining terms between three months and three years, with an average interest rate of 12.7% for its KHR-denominated facilities and 10.2% for its USD-denominated facilities. Approximately 41.6% of its total borrowings were long-term (>12 months of remaining maturity) as of December 31, 2016. USD-denominated loans represented 82.9% of total borrowings while 17.1% of total borrowings were denominated in local currency as of December 31, 2016. According to its report to the NBC for December 2016, SAMIC holds an adjusted net foreign currency exposure position (short) in US\$ of US\$408,687, which corresponds to a foreign currency exposure ratio of 10% of net worth. SAMIC reported a CAR of 24.0% in its report to the NBC for December 2016, significantly above the requirements of 15% imposed by the NBC.

Shareholding and Governance

CMI International Holding is SAMIC's largest shareholder, holding 60.9% of SAMIC's share capital. Since joining SAMIC as a shareholder in 2007, CMI has significantly contributed to the institution's capitalization, including an equity investment of US\$1.3 million in 2012, reflecting its long-term commitment and alignment with SAMIC's goals and development stage. CMI was established in 2006 as a private equity fund and invests in emerging, high potential MFIs, and is supported by ASA in Bangladesh and Sequoia in the Netherlands. Sequoia and Gray Ghost Microfinance Fund are CMI's cornerstone investors, and other institutional investors include ABP, TIAA-CREF, CDC Group and responsAbility.

CHC and CARD NGO of the Philippines hold minority interests in SAMIC, with 11.7% and 9.0% of share capital, respectively. Established in 1986 as a foundation, CARD NGO is one of the largest MFIs in the Philippines according to data compiled by Microfinance Information Exchange and is part of the CARD group of mutually reinforcing institutions including CARD Rural Bank, CARD Development Bank, CARD Training Center, CARD Development Institute, CARD Mutual Benefit Association, and CARD Insurance Company.

In its Shareholder Assembly Meeting in October 2015, SAMIC approved plans to further increase capital by US\$5 million by 2019. According to SAMIC's management, SAMIC has recently received approval by the NBC for a capital increase for an amount of US\$2 million to be funded by existing shareholders. The funds are expected to be paid in by July 2017.

Dividend Policy

SAMIC's articles of association provides that SAMIC must distribute 8% of its net income to its management and board of directors and 7% to its staff annually. Apart from a requirement to also maintain a reserve account and general provision account, there is no limit to the amount SAMIC can distribute to its shareholders. For the twelve months ended December 31, 2013, 2014, 2015, and 2016, SAMIC declared dividends of US\$516,165, US\$546,545, US\$93,564, and US\$142,256, respectively, which represents 79.7%, 89.1%, 17.3%, and 25.6% of net income for each of the previous financial years, respectively.

Financial & Operational Results

Net interest income increased by 7.9% from US\$2.7 million for the twelve months ended December 31, 2015 to US\$2.9 million for the twelve months ended December 2016. Operating expenses increased by 13.9% from US\$1.9 million for the twelve months ended December 31, 2015 to US\$2.2 million for the twelve months ended December 2016. According to SAMIC, increasing expenses were due to the opening of a new branch, hiring of additional branch staff and an increase in other administrative costs. Provisions for losses on loans and advances increased by 56.2% from US\$0.1 million for the twelve months ended December 31, 2015 to US\$0.2 million for the twelve months ended December 31, 2016. Net profit was US\$554,861 for the twelve months ended December 31, 2016, decreasing by 9.7% from US\$614,689 for the twelve months ended December 16, 2015.

Total assets increased by 8.7% from US\$15.2 million as of December 31, 2015 to US\$16.6 million as of December 31, 2016. The gross loan portfolio grew by 3.1% from US\$14.0 million

as of December 31, 2015 to US\$14.4 million as of December 31, 2016. The share capital remained constant and was US\$3 million as of December 31, 2016. Total shareholders' equity increased by 6.0% from US\$4.3 million as of December 31, 2015 to US\$4.5 million as of December 31, 2016. PAR30 stood at 3.1% as of December 31, 2016.

Selected Consolidated Financial Information

SAMIC's audited consolidated financial statements as of and for each of the twelve months ended December 31, 2013, 2014, 2015 and 2016 included in this Information Memorandum have been prepared in accordance with Cambodian Accounting Standards and relevant regulations and guidelines issued by the NBC. SAMIC's audited consolidated financial statements as of and for the twelve months ended December 31, 2013, 2014 and 2015 have been audited by Ernst & Young (Cambodia) Ltd., who expressed an unqualified opinion on such financial statements. SAMIC's audited consolidated financial statements as of and for the twelve months ended December 31, 2016 have been audited by KPMG (Cambodia) Ltd., who also expressed an unqualified opinion on such financial statements.

Balance Sheet as at December 31 in US\$	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)
Cash on hand	21,102	10,761	44,916	6,318
Balances with other banks	888,892	138,190	111,934	1,015,766
Balances with the National Bank of Cambodia	152,225	152,326	152,339	162,596
Available-for-sale investments	19,220	19,220	19,220	19,220
Loans and advances to customers – net	8,788,720	11,940,888	13,919,878	14,345,018
Property and equipment	546,684	707,420	703,207	697,405
Software	-	101,454	103,572	103,572
Deferred tax assets - net	39,909	54,535	67,095	78,079
Other assets	86,521	95,202	107,940	133,942
Total Assets	10,543,273	13,219,996	15,230,101	16,561,916
Provision for income tax	150,738	135,723	147,743	114,663
Provision for severance pay	125,660	163,607	191,730	227,625
Borrowings	6,187,324	8,744,232	10,223,924	11,110,825
Other liabilities	323,837	427,369	396,514	584,487
Total Liabilities	6,787,559	9,470,931	10,959,911	12,037,600
Share capital	3,000,000	3,000,000	3,000,000	3,000,000
Reserves	88,816	185,265	269,835	111,356
Retained earnings	666,898	563,800	1,000,355	1,412,960
Total Shareholders' Equity	3,755,714	3,749,065	4,270,190	4,524,316
Total Liabilities and Shareholders' Equity	10,543,273	13,219,996	15,230,101	16,561,916

Income Statement for the year ended December 31 in US\$	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)
Interest income	2,778,126	3,242,017	3,743,901	4,081,652
Interest expense	(646,019)	(777,741)	(1,041,677)	(1,166,720)

Net interest income	2,132,107	2,464,276	2,702,224	2,914,932
Other operating income	104,963	99,800	93,768	129,330
Total operating income	2,237,070	2,564,076	2,795,992	3,044,262
General and administrative expenses	(1,420,837)	(1,801,287)	(1,891,327)	(2,154,920)
Provision for losses on loans & advances	(36,344)	(76,768)	(125,230)	(195,632)
Profit before income tax	779,889	686,021	779,435	693,710
Income tax expense	(166,402)	(146,125)	(164,746)	(138,849)
Net profit for the year	613,487	539,896	614,689	554,861

Impact Analysis

Selected Indicators	Data (2015)
Number of direct beneficiaries (people with active borrowing accounts)	19,387
Number of direct women beneficiaries	15,684
Percentage of direct women beneficiaries	80.9%
Number of direct and indirect beneficiaries	75,850

WLB Indicators	Data (Year 1-4)
Number of direct beneficiaries (people with active borrowing accounts)	9,386
Number of direct women beneficiaries	7,509
Percentage of direct women beneficiaries	80%
Number of direct and indirect beneficiaries	36,417
SROI	1.67

Primary & Secondary Outcomes of SAMIC's Activities

Utilizing IIX Foundation's assessment framework, SAMIC generates the following key outputs for its beneficiaries:

- Use of Financial Instruments
- Financial Literacy
- Accumulation of Income-Generating Assets
- Exposure to Technical Training and Information Sharing

By creating the key outputs above, SAMIC generates the following major primary outcomes for its beneficiaries:

(1) *Improved Financial Resilience* – SAMIC's products allow its beneficiaries to access working capital, grow their businesses and increase their incomes. Access to these financial products along with SAMIC's financial literacy training sessions builds financial resilience, as clients are better equipped to manage their household finances. The micro-insurance services offered by Meada also provide a significant buffer in the event of economic shocks. Clients will not have to resort to selling their assets in case of accidents or death in the family and will be better equipped to recover from such shocks.

(2) *Improved Financial Inclusion* – Through sustained access to SAMIC products and consistent interaction with SAMIC staff, beneficiaries are exposed to the formal financial sector and guided to develop good credit habits. As beneficiaries make regular repayments and improve their economic situations, they will be able to take on larger loan amounts from MFIs instead of turning to unlicensed moneylenders. The potential impact is significant – informal moneylenders tend to charge higher interest rates, with some even collecting interest on a weekly basis. By being exposed to the formal financial sector, SAMIC clients will be better protected from exploitative measures of informal moneylenders and be empowered to make sound decisions for themselves.

(3) *Improved Productivity* – SAMIC’s loans allow its clients to accumulate income-generating assets that enable them to work more efficiently and effectively. Some beneficiaries will enjoy improved quality and efficiency of work, as they invest in basic equipment and machinery for their micro-enterprises. Others might be able to explore new business opportunities and benefit from producing higher-value products.

These primary outcomes, in turn, contribute to the following major secondary outcomes for its beneficiaries:

(1) *Improved Health and Nutrition* – SAMIC’s activities result in increased incomes, as clients are able to expand their income-generating activities and grow their businesses. Clients, especially the women, are highly likely to invest in reducing the incidence of hunger or improving the quality of their families’ diets. Especially among lower income households in Cambodia, these investments can result in significant improvements in overall health and nutrition.

(2) *Improved Education* – As SAMIC’s clients’ incomes improve, they are able to increase their investments in their children’s education. Furthermore, the fact that clients can now earn sustainable livelihoods reduces the need for their children to be involved in income-generating activities. Children of beneficiaries will be able to stay in school and receive basic levels of education, thus increasing the likelihood that they will break out of the poverty cycle and lay the foundations for multigenerational impact.

(3) *Improved Water and Sanitation* – As SAMIC’s clients’ incomes improve, they are able to afford amenities such as concrete toilets and boreholes. Furthermore, SAMIC partners with local NGO, RLDO, to disburse loans and construct latrines for its clients, benefitting 137 clients in 2015. These improvements also present significant follow-on impact in terms of improved health.

(4) *Improved Quality of Life* – As SAMIC’s client’s incomes improve, they will also be able to afford housing improvements, such as more durable construction materials or essential consumer durables. Furthermore, SAMIC is exploring a project to provide solar home systems for its clients. Such an initiative has high potential impact, especially considering the low rates of electrification in rural Cambodia. Clients will be able to experience positive impacts such as increased cost savings and access to reliable sources of energy, thus significantly improving

their overall quality of life. SAMIC has also signed a three-year water project with Water.Org to improve access to safe water as well as improve sanitation.

Negros Women for Tomorrow Foundation, Inc.

Business Overview

Negros Women for Tomorrow Foundation, Inc., or NWTF, founded in 1984, is a Philippine-based foundation providing Grameen-type group loans to indigent urban and rural borrowers in Central Philippines. Focusing on the “entrepreneurial poor,” it supports retail and food vending enterprises, as well as agricultural and fishing livelihoods with an average loan size of between US\$120 and US\$150. According to NWTF, approximately 99% of its borrowers are women.

Founded in 1984, NWTF began as a non-governmental organization that aimed to help women achieve self-sufficiency and self-reliance, particularly in Negros Occidental’s low-income and depressed urban and rural communities. It was registered as a non-stock, not-for-profit company with the Securities and Exchange Commission of the Philippines in 1986. In 1989, after conducting studies with the assistance of the provincial government, NWTF began Project Dunganon—a Grameen-type microfinance initiative—which today, together with Project Kasanag, started in 2000, and NWTF’s subsidiary Dunganon Bank, a microfinance thrift bank established in 2005, help micro-entrepreneurs build and sustain their businesses. Unless otherwise stated, the statements in this section concerning NWTF refer to the NWTF’s consolidated results, including the results of Dunganon Bank.

NWTF operates in the Visayas region of the Philippines and the island of Palawan, and as of December 31, 2016 served approximately 297,261 borrowers with a total gross loan portfolio of PHP2.2 billion (US\$43.5 million). Further, NWTF, excluding Dunganon Bank, had approximately 297,261 savers with a total savings portfolio of PHP827.3 million (US\$16.7 million), through a total network of 101 branches in 16 provinces.¹ In addition to NWTF’s savings portfolio, Dunganon Bank collected savings and time deposits in the amount of PHP69.4 million (US\$1.4 million).

From December 31, 2013 to December 31, 2016, active borrowers grew at a compound annual growth rate of 18.6% and total loan portfolio grew at a compound annual growth rate of 29.5%. NWTF’s average loan size for its individual loans increased from PHP5,578 (US\$126) as of December 31, 2013 to PHP7,251.2 (US\$146) as of December 31, 2016. NWTF has reported adjusted PAR30 between 3.5% and 6.0% in the twelve-month periods ended December 31, 2013, 2014 and 2015. PAR30 was 3.5% as of December 31, 2016. NWTF reported total comprehensive income of PHP289.0 million (US\$6.1 million) for the twelve months ended December 31, 2016, an increase of 149.7% from total comprehensive income of PHP115.7 million (US\$2.5 million) for the twelve months ended December 31, 2015.

¹ NWTF’s savings include member funds paid into the Individual Compulsary Fund, *Alkansiya* Fund and *Pag-asa* Fund.

NWTF and its management team have received the Truelift Achiever Award in 2013, the Leading Woman in the Public Sector, Women in Leadership Forum Award in 2013, and the Eduardo Aboitiz Award for Outstanding Institution in 2012. NWTF's borrowers have also been recognized by the Citi Microentrepreneurship Awards program since 2002, and most recently in 2011 and 2013, for outstanding micro-entrepreneurship.

Selected Operational Data (Consolidated)	Dec 31, 2013	Dec 31, 2014	Dec 31, 2015	Dec 31, 2016
Number of Provinces in which NWTF has Branches	13	14	15	16
Number of Branches	71	79	88	101
Number of Borrowers	178,071	207,802	259,075	297,261
Number of Staff	1,045	1,224	1,635	1,870
Number of Loan Officers	607	678	1,017	1,110
Gross Loans Outstanding (PHP million)	993.3	1,335.7	1,600.7	2,155.5
Number of Saving Accounts	185,672	217,745	245,851	297,261
Savings Collected (PHP million)*	353.8	480.0	614.2	827.3
Adjusted PAR30	5.91%	4.60%	4.19%	3.48%

* Includes NWTF's member funds into ICF, AF and PF and excludes deposits in Dugganon Bank

Strategic Direction

According to NWTF, it intends to focus on the following strategies:

- (i) *Social Impact.* NWTF has an 80-50-30 social impact target, which means that 80% of Project Dugganon clients should be below the poverty line upon entry, 50% should have upward movement within three years, and 30% should have moved out of poverty within five years. Results are tracked using Progress-out-of-Poverty Index®. To meet this goal, NWTF tries to maintain that new clients belong to the bottom 50% of the population. NWTF also plans to start a Social Development Foundation to provide client-related services such as organizing clinics, medical or dental camps, providing scholarships and financial education, and assisting with entrepreneurship for both NWTF and Dugganon Bank clients.
- (ii) *Financial Sustainability.* NWTF aims to increase its total loan portfolio with an outreach to additional borrowers. To increase its outreach, NWTF intends to open additional branches and expand its presence in additional regions. NWTF also intends to launch initiatives to lower client transaction costs as well as improve its financial efficiency and sustainability.
- (iii) *Environment.* NWTF also intends to raise its borrowers' environmental awareness through initiatives such as requiring new borrowers to plant trees when they join Project Dugganon. It also intends to increase borrowers' access to environment-friendly products by offering loans for products such as solar-powered lamps, cook stoves and water filters.

Target Market and Products

NWTF targets the "entrepreneurial poor," and its target clients, mostly women, are engaged in small-scale retail and food vending enterprises, as well as agricultural and fishing livelihoods. NWTF offers the following products to build its borrowers' capabilities:

- (i) *Project Dunganon*, the entry point of most of NWTF's borrowers, caters to people who have no existing business but have potentially income generating skills, or people who require group support to grow their business. Project Dunganon offers the following loans:
- a. *General Loans*. A Grameen-type group loan, general loans comprised 89.5% of NWTF's total loan portfolio as of December 31, 2015. General loans can only be used for capital build-up or initial capital for the borrower's business. For the first cycle, a loan of PHP1,000 (US\$20) to PHP5,000 (US\$101) is due in three months. The loan amount and the term increases with each succeeding loan cycle, up to a maximum amount of PHP30,000 (US\$605) and a maximum term of 12 months.²
 - b. *Special Loans*. Special loans are available to borrowers who have a good repayment record, perfect attendance in center meetings, an updated and approved complete cash flow analysis, and complete group membership. Special loans can be used for green products, housing, sanitation, education, and other uses. Special loans may also be extended to the borrower's other family members as co-borrowers to help them start their own business. As of December 31, 2015, Special Loans comprised 7.3% of NWTF's total loan portfolio.
 - c. *PD Grad*. Project Dunganon Graduate, or PD Grad, is a transitional level for borrowers from Dunganon loan products to individual loans. Under the PD Grad program, borrowers undergo introductory training on formal banking procedures, benefits and loan product information. Loans are on an individual basis up to a maximum of PHP30,000 (US\$605). PD Grad loans comprised 2.7% of NWTF's total loan portfolio as of December 31, 2015.
- (ii) *Project Kasanag*. If a borrower reaches the fifth cycle and is eligible for loans of PHP30,000 (US\$605) or more, he or she may take out an individual loan, which ranges from PHP30,000 (US\$605) to PHP100,000 (US\$2,016) and is payable in one to twelve months. A complete cash flow analysis is generally required to determine the borrower's capacity to pay. The loan also requires collateral and a guarantee from the immediate family members of the borrowers. Targeting micro-entrepreneurs who are ready to scale-up or expand their business, Project Kasanag also offers client-support services, such as business evaluations and entrepreneurial seminars to help borrowers grow their businesses. As of December 31, 2015, Project Kasanag Individual Loans comprised 1.5% of NWTF's total loan portfolio.

Beyond Project Kasanag, Dunganon Bank, a wholly-owned subsidiary of NWTF, will lend to borrowers who require a wider variety of banking and finance services with larger capital requirements.

NWTF Integrated Systems Corporations is a wholly-owned entity of NWTF that develops technology and Software solutions for microfinance and other financial institutions, social business and social enterprises.

² Detailed portfolio information for December 31, 2016 is not yet available, therefore most of the information relating to NWTF's portfolio is for December 31, 2015.

NWTF offers a variety of savings products to its borrowers: the individual compulsory fund, comprising 5% of the loan amount which is collected from borrowers weekly and which can be withdrawn for emergencies; an *alkansiya* fund, a voluntary savings account which the borrowers may withdraw any time for any reason; and a *pag-asa* fund for center savings, which is used to pay for missed loan payments. Further, NWTF offers a mutual aid fund, which can be used by the members in the event of death and hospitalization and for guarantee of deceased members' outstanding loans as well as a maintenance fund for the repairs and maintenance of assets acquired through asset acquisition loans. Finally, burial assistance is provided in collaboration with a third-party insurance provider. Compulsory savings, voluntary savings and center savings comprised 44.3%, 10.6%, and 5.2%, respectively, of NWTF's total savings portfolio as of December 31, 2016. The mutual aid fund comprised 39.9% and the maintenance fund less than 1% of the total members' savings as of December 31, 2016.

Competitive Positioning

NWTF considers ASA, CARD, TSPI, and CCT to be its key competitors. Generally, rural banks, although burdened by more bureaucratic credit processes, can offer higher loan amounts and longer maturities, while most other microfinance providers enjoy a more diversified product offering, often including individual loans.

Despite being smaller than ASA, CARD or TSPI, which are also present in Luzon, NWTF has a dominant position in the areas in which it operates according to the company, which NWTF believes is due to its being one of the earliest MFIs in the Visayas region. NWTF is now operating in all major islands of Visayas, and ranks in the top three MFIs in each of these regions by number of clients according to the company.

NWTF considers its key competitive advantages to be its focus on catering to start-ups and micro-entrepreneurs. With a better understanding of clients' needs, NWTF believes it can proactively offer other services or provide solutions that better meet the objectives of borrowers. According to data compiled by Microfinance Information Exchange, NWTF had an annual borrower retention rate of 83.0% in 2014, compared to a median borrower retention rate of 73.9% for the rest of Philippine MFIs. NWTF believes that another competitive advantage is its provision of non-financial services, such as training, and environmental offerings such as solar loans.

Portfolio Management and Collection

Approximately 95.8% of NWTF's loan portfolio are unsecured group loans as of December 31, 2015. NWTF has no policy on maximum portfolio concentration by sector or geographic area. Trade and retailing were the NWTF's largest sectors with more than 70% of its total loan portfolio as of December 31, 2015. NWTF reported an adjusted PAR30 of 3.5% on a consolidated basis as of December 31, 2016.

Liquidity, Funding and Foreign Currency Position

NWTF estimates that it funds approximately 60% of its operations through internal funds, 30% through deposits/member savings and 10% through external funds. Deposits/member savings

and external borrowings amounted to approximately PHP1.4 billion (US\$29.2 million) and PHP46.6 million (US\$0.9 million), respectively, as of December 31, 2016.

NWTF currently mainly borrows from local lenders, such as MetroBank Trust Company, Philippine Business for Social Progress, Land Bank of Philippines and National Livelihood Development Corporation. In 2016, NWTF has availed its first two loans from an international lender, Oikokredit, for a total of PHP15 million (US\$0.3 million). As of December 31, 2016, the majority of its loans have terms between one and two years. As of December 31, 2016, all of NWTF's loans were denominated in local currency, with interest rates ranging from 3.5% to 8.13%.

Shareholding and Governance

NWTF has no shareholders because it is a non-stock, non-profit corporation. NWTF's operations are guided by its board of trustees and are supervised by an Executive Director, Dr. Cecilia Del Castillo, who has more than 30 years of experience working with local and international partners in the microfinance industry.

Dividend Policy

As a foundation, NWTF is not allowed to distribute its income or capital.

Financial & Operational Results

Total assets increased by 32.8% from PHP2.3 billion (US\$48.4 million) as of December 31, 2015 to PHP3.0 billion (US\$60.8 million) as of December 31, 2016. Asset growth was driven by the gross loan portfolio, which increased by a 34.7% from PHP1.6 billion (US\$34.1 million) as of December 31, 2015 to PHP2.2 billion (US\$43.5 million) as of December 31, 2016. The portfolio growth was supported on the liability side by deposits from customers and funds from members, which increased by 38.7% from PHP1.0 billion (US\$22.2 million) as of December 31, 2015 to PHP1.4 billion (US\$29.2 million) as of December 31, 2016. Borrowings increased by 23.0% from PHP37.9 million (US\$0.8 million) as of December 31, 2015 to PHP46.6 million (US\$0.9 million) as of December 31, 2016. NWTF's fund balance increased by 39.2% from PHP756.1 million (US\$16.1 million) to PHP1.1 billion (US\$21.2 million).

NWTF's total comprehensive income increased by 149.7% from PHP115.7 million (US\$2.5 million) for the twelve months ended December 31, 2015 to PHP289.0 million (US\$6.1 million) for the twelve months ended December 31, 2016. The increase in total comprehensive income was largely driven by an increase in net interest income, which increased by 41.1% from PHP513.2 million (US\$10.8 million) for the twelve months ended December 31, 2015 to PHP724.1 million (US\$14.7 million) for the twelve months ended December 2016. Other income increased by 58.2% from PHP171.4 million (US\$3.8 million) for the twelve months ended December 31, 2015 to PHP271.1 million (US\$5.7 million) for the twelve months ended December 31, 2016. Simultaneously, operating expenses increased by only 24.0% from PHP520.7 million (US\$11.4 million) for the twelve months ended December 31, 2015 to PHP645.7 million (US\$13.6 million) for the twelve months ended December 31, 2016. Impairment losses increased by 14.7% from PHP20.4 million (US\$0.4 million) for the twelve months ended December 31, 2015 to PHP23.4 million (US\$0.5 million) for the twelve months ended December 31, 2016.

Selected Consolidated Financial Information

NWTF's audited consolidated financial statements (including the results of Dungganon Bank) as of and for each of the twelve months ended December 31, 2013, 2014, 2015 and 2016 included in this Information Memorandum have been prepared in accordance with Philippine Financial Reporting Standards. NWTF's audited consolidated financial statements as of and for each of the twelve months ended December 31, 2013, 2014, 2015 and 2016 have been audited by R.G. Manabat & Co., a member of KPMG, who expressed an unqualified opinion on such financial statements.

Balance Sheet at December 31 in PHP	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)
Cash and cash equivalents	204,006,638	262,434,600	345,473,382	369,927,841
Receivables – net	1,011,360,334	1,395,668,573	1,725,340,814	2,368,041,212
Other current assets	24,931,070	33,924,855	43,680,207	66,142,537
Investment securities	23,350,186	25,962,718	24,299,759	25,164,969
Property and equipment – net	74,785,126	109,506,454	122,081,587	174,284,754
Real properties acquired – net	122,304	316,957	266,921	2,880,667
Deferred tax assets – net	3,020,883	3,736,779	6,391,075	6,049,375
Other noncurrent assets – net	709,848	697,053	3,006,615	-
Total Assets	1,342,286,389	1,832,247,989	2,270,540,360	3,015,377,355
Accounts payable and other current liabilities	291,936,320	331,661,154	421,420,584	446,766,434
Income tax payable	2,016,705	1,399,588	1,970,795	1,671,466
Deposits from customers	42,770,928	54,165,324	69,731,798	69,410,268
Due to members	476,224,701	728,852,367	973,117,366	1,376,702,017
Current portion of loans payable	62,066,609	77,678,737	37,873,417	38,628,790
Loans payable - net of current portion	36,045,422	5,173,418	-	7,954,543
Retirement liability – net	1,815,514	9,188,288	10,369,567	21,702,936
Total Liabilities	912,876,199	1,208,118,876	1,514,483,527	1,962,836,454
Fund Balances	429,410,190	624,129,113	756,056,833	1,052,540,901
Total Liabilities and Fund Balances	1,342,286,389	1,832,247,989	2,270,540,360	3,015,377,355

Income Statement for the year ended December 31 in PHP	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)
Net interest income	314,684,571	428,108,643	513,181,867	724,083,606
Interest expense	(19,076,153)	(22,606,992)	(23,678,990)	(27,802,785)
Net interest income before impairment losses	295,608,418	405,501,651	489,502,877	696,280,821
Impairment losses	(27,454,397)	(25,438,640)	(20,383,618)	(23,372,361)
Net interest income after impairment losses	268,154,021	379,963,011	469,119,259	672,908,460

Other income – net	64,792,167	169,199,780	171,358,092	271,072,109
Other expenses	(319,802,973)	(382,324,212)	(520,658,353)	(645,743,913)
Income tax expense	-	(2,762,364)	(1,929,886)	(4,509,260)
Net income	13,143,215	164,076,215	117,889,112	293,727,396
Other comprehensive loss	(5,236,170)	(2,907,753)	(2,143,938)	(4,770,067)
Total comprehensive income	7,907,045	161,268,462	115,745,174	288,957,329

Impact Analysis

Selected Indicators	Data (2015)
Number of direct beneficiaries (people with active borrowing accounts)	259,000
Number of direct women beneficiaries	256,410
Percentage of direct women beneficiaries	99%
Number of direct and indirect beneficiaries	1,182,076

WLB Indicators	Data (Y 1-4)
Number of direct beneficiaries (people with active borrowing accounts)	14,906
Number of direct women beneficiaries	14,831
Percentage of direct women beneficiaries	99.5%
Number of direct and indirect beneficiaries	68,299
SROI	2.05

Primary & Secondary Outcomes of NWTF's Activities

Utilizing IIX Foundation's assessment framework, NWTF generates the following key outputs for its beneficiaries:

- Use of Financial Instruments
- Financial Literacy
- Accumulation of Income-Generating Assets
- Accumulation of Essential Consumer Durables
- Exposure to Technical Training and Information Sharing

By creating the key outputs above, NWTF generates the following major primary outcomes for its beneficiaries:

(1) *Improved Financial Resilience* – NWTF financial instruments allow its clients to access working capital, grow their businesses, expand their income, and build good savings habits. Clients will be able to better prepare for emergencies, thus strengthening their ability to recover from economic shocks and stresses.

(2) *Improved Financial Inclusion* – Through the use of NWTF's financial instruments, clients are exposed to the formal financial sector and encouraged to develop good credit habits. A proportion of NWTF's clients remain underserved despite the presence of other formal and informal financial institutions. By entering the formal financial sector with a suitable financing partner, clients may enjoy lower loan interest rate (as compared to informal lenders), and benefit in the longer-term by learning how to leverage on finance to improve their standard of living.

(3) *Improved Productivity* – NWTF’s loans allow its clients to procure assets that enable them to work more efficiently and effectively in their businesses and households, contributing to improving their productivity and that of their families.

These primary outcomes, in turn, contribute to the following major secondary outcomes for its beneficiaries:

(1) *Improved Health and Nutrition* – NWTF’s loans programs create economic opportunities that allow its clients to improve their income. Many of NWTF’s clients are mothers and will use their income to ensure better health and nutrition for their families. For example, women purchase eco-stoves to ensure that they are able to cook healthy meals for their families. In addition, NWTF’s annual medical mission ensures that all their clients and their dependents receive regular checkups and are in good health.

(2) *Improved Education* – Through NWTF’s loans and savings program, clients are now able to send their children to universities, increasing their chances of securing employment in the future. In addition, NWTF offers scholarships to dependents who undergo technical vocation courses.

(3) *Improved Water and Sanitation* – Through NWTF’s loan and savings program, 1,000 clients have installed latrines and sinks in their household, accounting to 10% of the total household population in the Visayas region.

(4) *Improved Quality of Life* – Through improvements in income and access to essential consumer durables, clients are able to experience increased convenience. In addition, clients also value the weekly group meetings. Through regular interaction and informal information sharing with other households, clients are able to strengthen community linkages and enjoy significant improvements in social capital.

Viet Phu Payment Services Support Corporation

Business Overview

Viet Phu Payment Services Support Corporation, or Viet Phu, operating under the brand iCare Benefits, or iCare, operates a retail platform for registered members to gain access to essential products and services in Vietnam since 2008. iCare markets itself as an end-to-end, comprehensive employee benefits program and partners with companies to provide these products and services via instalment payments deducted from employees’ salaries.

Viet Phu Payment Services Support Corporation was registered in 2007 to provide mobile phone and Internet payment services in Vietnam using an E-wallet platform under the brand MobiVi. In 2012, the company repositioned its offerings as an employee-only benefits package and rebranded the program as iCare Benefits. In 2013, it launched the Employee Credit Card, or ECC, in partnership with Orient Commercial Bank. The ECC works as an online bank account tied to merchant services within MobiVi’s network. Participating companies can use ECC to pay their employees, while employees within the system gain access to everyday goods

such as food, clothing, electronics, cell phone credit, and travel from providers in the merchant network at reduced rates. Viet Phu has gradually evolved into directly selling products to registered members without the use of the ECC.

As of December 31, 2016, Viet Phu’s employee benefits program had been deployed at almost 1,100 companies in Vietnam that collectively employ over 1.8 million workers. Of these workers, approximately 980,000 employees were registered as iCare Benefits members in Vietnam as of December 31, 2016, allowing them access to Viet Phu’s retail platform.

Viet Phu was founded by Vietnamese-American entrepreneur Dung Tan Trung. Notable investors in Viet Phu include Sumitomo Mitsui Banking Corporation, or SMBC, Experian Asia-Pacific, Kusto Tiger Fund Private, and Unitus Impact.

Viet Phu’s total revenues increased 1.7% from VND1.0 trillion (US\$47.1 million) for the twelve months ended December 31, 2015 to VND1.0 trillion (US\$46.9 million) for the twelve months ended December 31, 2016. Net losses after tax increased 53.2% from VND110.1 billion (US\$5.0 million) for the twelve months ended December 31, 2015 to VND168.7 billion (US\$7.5 million) for the twelve months ended December 31, 2016, primarily from increased financial, general and administration expenses.

Selected Vietnam Operational Data	Dec 31, 2013	Dec 31, 2014	Dec 31, 2015	Dec 31, 2016
Number of Viet Phu Staff	138	433	1,160	830
Number of Partner Companies	115	376	831	1,095
Number of Employees in Partner Companies	38,285	637,134	1,429,776	1,873,525
Number of iCare Members	8,280	310,186	672,035	977,908

Strategic Direction

By positioning its offerings as an employee benefits package, Viet Phu intends to avoid dealing with mass market consumer issues and mass marketing. By directly approaching businesses, Viet Phu acquires potential customers on a wholesale basis, which Viet Phu believes improves scale and reduces cost. According to Viet Phu, it has identified four major strategic directions for growth:

- (i) *Customers & Segmentation.* Currently serving predominantly factory workers in the footwear, textiles and electronics industries, Viet Phu intends to grow customers in other sectors such as food and beverage and office staff.
- (ii) *Sales & Distributions.* Viet Phu intends to continue introducing new iCare Centers, which serve as its main platform of products and services delivery within its corporate partners.
- (iii) *Products.* Viet Phu plans to evolve beyond just offering essential goods, to meeting more advanced needs. It is developing four product “pillars” to improve the livelihood of workers and their family members: Comfort Living (essential goods), Healthy Living (healthcare products and medical services), Smart Living (training and education) and Prosperous Living (loan products and affordable housing in partnership with banks).
- (iv) *Geographical Expansion.* Viet Phu has recently expanded beyond Vietnam to other regions around Indochina and Southeast Asia. It intends to further expand its presence in South Asia

and other key Asian markets. In the medium-term, Viet Phu also intends to expand into Latin America and Central Europe.

Target Market and Products

Viet Phu's program is designed to make the most impact on workers earning between approximately US\$150 and US\$400 per month. Partner companies are predominantly in the footwear, textiles, electronics and automotive industries, reflecting the major sectors of Vietnam's economy.

Workers become eligible to register as iCare members after working at their company for at least one year. iCare Benefits include:

- (i) *Credit Limit.* Employees of a participating company are given a line of credit to purchase essential goods such as refrigerators, washing machines, mattresses, or smartphones from Viet Phu's partner vendors. The amount of the credit line is a certain percentage of his or her monthly salary not exceeding 30%.
- (ii) *Installment Payments.* Through an automatic monthly payroll deduction program, workers pay for their purchases through zero-interest installments over three to six months. According to Viet Phu, its members save approximately 18% off the transaction price because of no interest payments, which on average adds approximately two months of salary to their purchasing power.

All of Viet Phu's sales are currently under Comfort Living with offerings in the three other pillars still under development. Electronics such as mobile phones, laptops and tablets comprised approximately 59% of revenues for the twelve months ending December 31, 2016. Large and small household appliances such as refrigerators, washing machines and air conditioners comprised 32% of revenues and cash advances comprised 5% of revenues over the same period.

Competitive Positioning

Viet Phu sees itself as an electronic retailer that offers two methods of payment: cash and deferred payments, with most of its customers choosing deferred payments because of their economic condition. As a retailer, Viet Phu believes that its product prices are competitive with the local retail market without any additional charges to the customers. Viet Phu earns a margin from purchasing the products at wholesale prices from its suppliers.

Viet Phu views traditional retailers, e-commerce websites and hybrid retailers with consumer finance as competitors serving the same target market. However, all three types of competitors have an individual approach towards customer acquisition and sales while Viet Phu takes a wholesale approach by partnering with employers. Unlike traditional retailers, Viet Phu does not carry any inventory and does not operate any retail space, and only operates service centers which it typically sets up at partner companies' premises without any rental charges.

Business Operations

Viet Phu members can make purchases through the web, SMS, its mobile phone app, calling its hotline, or placing orders onsite at Viet Phu Centers that are located in large partner companies. The product is then delivered to a Viet Phu Center for self-collection, typically for products such as smartphones, tablets, and other small-sized items, or the worker's home

address for large-sized items like refrigerators, washing machines, air-conditioners and other bulk goods. After the purchase, Viet Phu sends individual invoices to members and a group statement to the employer before payroll day detailing purchases made by Viet Phu members. Employees at the time of registration authorize their employers to pay for their purchases by salary deduction. The companies then transfer all payments with respect to member purchases to Viet Phu on a monthly basis.

Viet Phu chooses to work with suppliers of globally recognized brands, whose reputation and quality Viet Phu believes requires no additional marketing efforts. Brands include Samsung, Panasonic, and Yamaha. Viet Phu promotes a limited selection of branded stock, keeping units at the entry level and focusing on function and quality. It believes that driving a majority of transactions to strategic global partners will improve its negotiation leverage and provide higher margins over time.

With the exception of Samsung and Panasonic products, Viet Phu works with various distributors to deliver products on its platform. Viet Phu does not stock inventory and instead leverages its suppliers' logistics chains to deliver products to iCare Centers. iCare Centers are created inside companies that employ more than 5,000 workers and serve as collection and after-sales support offices. iCare Center staff repack goods for individual pick-up and deliver larger goods to homes.

For the twelve months ended December 31, 2016, Viet Phu provisioned 4.0% of sales as a reserve for bad debts.

Liquidity, Funding and Foreign Currency Position

As of December 31, 2016, Viet Phu had consolidated borrowings outstanding of VND218.9 billion (US\$13.1 million), of which approximately 73% were short-term borrowings. Techcombank and ADM are Viet Phu's key lenders. All loans are denominated in local currency except for a USD-denominated loan by ADM. The average interest rate of the loans denominated in VND is 13.2%.

ADM Capital has loaned Viet Phu US\$3 million pursuant to a loan agreement dated December 8, 2015. The facility had an original term of twelve months, with an option to extend an additional twelve months, and carries an interest rate of 10% per annum. The amount under the loan agreement has subsequently been increased to US\$7.0 million and the maturity has been extended to June 1, 2017. Currently, Viet Phu is negotiating a renewal of the loan. In conjunction with the loan, Viet Phu also granted ADM Capital options to purchase shares in the company. The outstanding amount of the loan was VND91.2 billion (US\$4.0 million) at December 31, 2016.

Shareholding and Governance

Viet Phu was founded by Dung Tan Trung, a successful Vietnamese-American serial entrepreneur. Trung started software development company OnDisplay Corporation, which successfully became public in 1999 at a market valuation of US\$1.5 billion, and which was sold to Vignette Corporation for US\$1.8 billion in 2000. Trung also established Fogbreak Solutions, Bluekey Services and Tascola, Inc.

Singapore-based venture capital group Kusto Group, through Kusto Tiger Fund, is also a shareholder. According to its website, Kusto Group has investments in industries spanning construction materials, mining, oil & gas, real estate, agriculture and information technology across Vietnam, China, Thailand, India, Russia, Kazakhstan, Ukraine, Turkey, Georgia and Canada. Other notable institutional investors in Viet Phu include Japanese bank SMBC, credit ratings and data analytics provider Experian Asia-Pacific and social impact venture capital group Unitus Impact.

Between December 31, 2015 and December 31, 2016, Viet Phu successfully strengthened its equity capital base by raising VND172.2 billion (US\$7.5 million) of additional equity and share premium from a combination of existing shareholders (Kusto Group, SMBC, Experian Asia-Pacific, and Unitus Impact) and a new major institutional shareholder. Owner's equity stood at VND98.7 billion (US\$4.3 million) as of December 31, 2016.

As of the date of this Information Memorandum, Viet Phu is in the process of raising additional equity in the amount of approximately US\$9.5 million, for which it expects to sign the respective subscription agreements with the investors in July 2017.

Dividend Policy

Based on its corporate charter, Viet Phu may declare dividends not exceeding its annual profits. However, due to continuing losses on its operations, Viet Phu has not paid any dividends over the last three fiscal years.

Financial & Operational Results

Viet Phu's revenues increased by 1.7% from VND1,032 billion (US\$47.1 million) for the twelve months ended December 31, 2015 to VND1,050 billion (US\$46.9 million) for the twelve months ended December 31, 2016. Gross profits increased by 3.5% from VND116.1 billion (US\$5.3 million) for the twelve months ended December 31, 2015 to VND120.2 billion (US\$5.4 million) for the twelve months ended December 31, 2016. Financial expenses increased by 99.1% from VND35.1 billion (US\$1.6 million) to VND69.9 billion (US\$3.1 million). Operating expenses (including both selling as well as general and administration expenses) increased by 15.5% from VND192.0 billion (US\$8.8 million) for the twelve months ended December 31, 2015 to VND221.7 billion (US\$9.9 million) for the twelve months ended December 31, 2016. The net loss after tax was VND168.7 billion (US\$7.5 million) for the twelve months ended December 31, 2016.

According to Viet Phu, the company's focus in 2016 was mainly on enhancing customer selection strategies, strengthening monitoring and collection processes as well as upgrading the company's credit, risk, management and information systems, thereby creating the necessary institutional preconditions for further growth.

Total assets decreased by 28.4% from VND586.8 billion (US\$26.3 million) as of December 31, 2015 to VND412.9 billion (US\$18.1 million) as of December 31, 2016. According to Viet Phu, this decrease was driven by a decrease in accounts receivable, of cash and cash equivalents and of other short-term assets, offset in part by increases in fixed assets and other

long-term assets. In particular, accounts receivables decreased by 22.7% from VND449.0 billion (US\$20.1) as of December 31, 2015 to VND339.9 billion (US\$14.9 million) as of December 31, 2016. This decrease was driven in part by the financing of certain customer account receivables by Techcombank, which has assumed collection responsibilities as well as credit risk related to these assets, and, to a smaller extent, by increased provisions. The decrease of accounts receivables is matched on the liability side by a decrease in short-term borrowings by 50.0% from VND435.1 billion (US\$19.5 million) as of December 31, 2015 to VND217.5 billion (US\$9.5 million) as of December 31, 2016.

Selected Consolidated Financial Information

Viet Phu Payment Services Support Corporation's audited consolidated financial statements as of and for each of the twelve months ended December 31, 2013, 2014, 2015 and 2016 included in this Information Memorandum have been prepared in accordance with Vietnamese Accounting Standards. Viet Phu Payment Services Support Corporation's audited consolidated financial statements as of and for each of the twelve months ended December 31, 2013, 2014, 2015 and 2016 have been audited by KPMG Limited. KPMG Limited expressed a qualified audit opinion on the consolidated financial statement for the twelve months ended December 31, 2016. The qualified audit opinion was based on the fact that Viet Phu had recorded share capital in the amount of VND119,647,500,000, which was converted from a convertible loan from iCare Benefits Asia Ltd., although the necessary legal procedures for the conversion had not been completed. Viet Phu is currently in the process of completing the legal procedures.

Balance Sheet as at December 31 in VND	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)
Cash and cash equivalents	7,818,453,030	12,760,809,486	80,950,794,246	13,649,097,952
Accounts receivable	30,847,446,212	183,863,057,873	449,001,511,013	339,882,727,046
Inventories	7,573,615,382	18,998,641,429	21,267,833,543	15,520,214,407
Other current assets	7,681,855,260	9,976,020,553	5,539,353,892	2,517,074,565
Accounts receivable – long term	1,215,844,150	1,688,846,634	1,305,041,150	1,625,611,150
Fixed assets	2,935,687,074	418,261,133	4,111,487,257	11,631,306,865
Long-term work in progress	86,775,000	18,375,000	16,990,798,748	22,183,384,393
Long-term financial investments	630,000,000	650,000,000	-	-
Other long-term assets	22,507,065,172	11,076,167,419	7,670,999,082	5,901,268,552
Total Assets	81,296,741,280	239,450,179,527	586,837,818,931	412,910,684,930
Short-term borrowings	-	96,929,727,200	435,081,969,016	217,464,646,033
Accounts payable to suppliers	9,139,043,115	10,290,764,719	29,497,416,135	61,255,431,596
Advances from customers	24,476,999	668,057,255	663,182,784	3,993,649,393
Taxes payable to State Treasury	121,340,495	169,609,664	3,566,228,353	1,127,666,192
Payable to employees	772,651,902	3,495,540,345	2,187,949,233	5,467,176,039
Accrued expenses	596,121,914	9,465,206,953	15,688,035,343	18,735,869,506
Other payables	7,720,912,176	3,819,009,750	2,827,141,194	4,705,874,005

Long-term borrowings	-	-	2,048,400,000	1,408,400,000
Other long-term liabilities	-	82,152,000	82,152,000	82,152,000
Total Liabilities	18,374,546,601	124,920,067,886	491,642,474,058	314,240,864,764
Share capital	36,723,990,000	50,000,000,000	50,000,000,000	169,647,500,000
Share premium	228,062,013,633	335,111,335,714	422,604,586,094	473,201,102,462
Treasury shares	-	(5,230,710,000)	(1,939,510,000)	-
Accumulated losses	(201,734,016,013)	(265,207,218,913)	(375,323,407,489)	(544,033,426,762)
Non-Controlling Interest	(129,792,941)	(143,295,160)	(146,323,732)	(145,355,534)
Owner's Equity	62,922,194,679	114,530,111,641	95,195,344,873	98,669,820,166
Total Liabilities and Equity	81,296,741,280	239,450,179,527	586,837,818,931	412,910,684,930

Income Statement for the year ended December 31 in VND	2013 (Audited)	2014 (Audited)	2015 (Audited)	2016 (Audited)
Total revenue	736,630,074,812	563,485,470,929	1,032,021,040,569	1,049,585,894,046
Revenue deductions	(58,350,977)	(64,544,879)	(128,279,391)	(305,988,841)
Net revenue	736,571,723,835	563,420,926,050	1,031,892,761,178	1,049,279,905,205
Cost of sales	(728,778,128,699)	(535,565,751,390)	(915,793,303,880)	(929,087,856,365)
Gross profit	7,793,595,136	27,855,174,660	116,099,457,298	120,192,048,840
Financial income	2,354,071,704	2,244,459,059	211,095,437	1,189,912,344
Financial expenses	(707,956,317)	(1,827,862,274)	(35,089,258,909)	(69,873,413,083)
Selling expenses	(33,995,938,177)	(48,286,153,630)	(133,292,731,026)	(118,990,556,003)
General and administration expenses	(40,084,039,376)	(44,007,080,985)	(58,669,989,368)	(102,735,323,126)
Net operating loss	(64,640,267,030)	(64,021,463,170)	(110,741,426,568)	(170,217,331,028)
Results of other activities	271,076,795	538,897,287	622,209,420	1,508,279,953
Loss before tax	(64,369,190,235)	(63,482,565,883)	(110,119,217,148)	(168,709,051,075)
Income tax expense	-	(6,720,324)	-	-
Net loss after tax	(64,369,190,235)	(63,489,286,207)	(110,119,217,148)	(168,709,051,075)

Impact Analysis

Selected Indicators	Data (2015)
Number of direct beneficiaries (low income members)	215,600
Number of direct women beneficiaries	176,792
Percentage of direct women beneficiaries	82%
Number of direct and indirect beneficiaries	710,618

WLB Indicators	Data (Year 1-4)
Number of direct beneficiaries (low-income members)	507,226
Number of direct women beneficiaries	355,058
Percentage of direct women beneficiaries	70%
Number of direct and indirect beneficiaries	1,501,389
SROI	3.14

Primary & Secondary Outcomes of Viet Phu's Activities

Utilizing IIX Foundation's assessment framework, Viet Phu generates the following key outputs for its beneficiaries:

- Use of Financial Instruments
- Accumulation Of Essential Consumer Durables

By creating the key outputs above, Viet Phu generates the following major primary outcomes for its beneficiaries:

(1) Improved Financial Inclusion – Prior to Viet Phu's intervention, the majority of its members resorted to informal borrowing channels including black market lenders and pawn-brokers who often charge exploitative interest rates. By providing access to low-cost installment finance, Viet Phu effectively bridges the accessibility and affordability gap for low-income workers, leading to improved spending behavior and credit habits. According to an Viet Phu Impact Assessment study conducted in 2015, 64% of members moved away from informal borrowing behavior after registering for the benefits platform. By providing members with access to its platform, Viet Phu engineers a shift away from informal and risky borrowing, including beneficiaries in the formal financial system and enhancing the ability of households to save.

(2) Improved Financial Resilience – Through its employee benefits platform, Viet Phu provides access to low cost financing options at zero interest rate, generating substantial cost savings for its beneficiaries. The enhanced cost savings and subsequent increase in purchasing power that Viet Phu members enjoy increases their financial security and enables them to transition to a more economically resilient life. As the majority of beneficiaries are women, Viet Phu empowers women to be the primary purchasers of their households, strengthening the ability of households to recover from economic shocks and stresses.

(3) Improved Productivity – Through its online retail platform, Viet Phu generates significant time savings for beneficiaries – access to the program saves members the multiple hours they would otherwise spend traveling to retailers, browsing for products, applying for financing and making installment payments. Workers with more time and money in hand are then more engaged, committed and productive. Additionally, pipeline initiatives such as insurance products, vocational training, financial literacy, education, and affordable housing hold tremendous potential for empowerment. With access to healthcare products and broad-based skills development, women will be able to improve their productivity for various aspects of their livelihoods.

These primary outcomes, in turn, contribute to the following major secondary outcomes for its beneficiaries:

(1) Improved Health and Nutrition – Viet Phu plans to expand its product offerings to include essential healthcare products and medical services including consumer healthcare goods, mobile pharmacy and prescription finance installments. Access to these goods and services have

the potential to contribute significantly to directly improved health outcomes for its beneficiaries. Additionally, the additional disposable income Viet Phu generates for its beneficiaries through cost savings from interest rates could contribute to greater household spending on nutrition. Increased income and savings also strengthens the ability of households to cope with expenses related to health emergencies, further leading to improved health outcomes.

(2) Improved Education – Viet Phu plans to incorporate education, training and capacity development initiatives into its benefits program. Members will gain access to online and offline education courses, vocational training and financial literacy modules; enabling them to build skills and enhance future earning capacity. Additionally, the increased income Viet Phu enables for its beneficiaries is likely to lead to an amplified investment in children’s education

(3) Improved Water and Sanitation – While Vietnam has made significant strides towards universal access to drinking water (98% of its population has access to clean water sources), nearly 30% of its residents still do not have access to hygienic sanitation facilities. As beneficiary incomes improve, their capacity to invest in housing improvements is also likely to increase. Through its intervention, Viet Phu will indirectly enable its beneficiaries to have greater access to improved sanitation infrastructure including well-constructed toilets and latrines.

(4) Improved Quality of Life – By providing low-income workers with access to essential products that they were previously unable to afford, Viet Phu enables increased time and cost savings for its beneficiaries leading to enhanced well-being and an overall improvement in quality of life. Additionally, the vocational training and education modules Viet Phu is planning to introduce to its platform could lead to improved employment and promotion opportunities for its beneficiaries.

TERMS AND CONDITIONS OF THE BONDS

The following is the text of the conditions of the Bonds (the “Conditions”) which (subject to modification and except for the paragraphs in italics) will be endorsed on the Certificates issued in respect of the Bonds:

The US\$8,000,000 5.65 per cent. Women's Livelihood Bonds due 2021 (the “**Bonds**”) of WLB Asset Pte Ltd (the “**Issuer**”) are constituted by a Trust Deed dated July 6, 2017 (the “**Trust Deed**”) made between (i) the Issuer, (ii) Impact Investment Exchange (Asia) Pte. Ltd. (“**IIX**”), (iii) The Bank of New York Mellon, London Branch (the “**Bonds Trustee**”, which expression shall include each person or persons for the time being acting as bonds trustee or bonds trustees pursuant to the Trust Deed) as trustee for the holders of the Bonds (the “**Bondholders**”), and (iv) The Bank of New York Mellon, Singapore Branch, as the security trustee (the “**Security Trustee**,” which expressly shall include each person or persons for the time being acting as security trustee or security trustees pursuant to the Trust Deed).

The Bonds will be secured by a first-ranking charge over the Funding Account, the Debt Service Reserve Account, the Collection Account, the USAID Reserve Account and the Recovery Account (together the “**Accounts**”) pursuant to the deed of charge dated July 6, 2017 (the “**Charge Over Accounts**”) between (i) the Issuer and (ii) the Security Trustee. The security created pursuant to the Charge Over Accounts will be held by the Security Trustee for the benefit of the Bondholders, the Agents (as defined below), the Bonds Trustee, the Security Trustee, USAID (as defined in Condition 8.2) and the Portfolio Manager (as defined in Condition 10.3) (together, the “**Secured Parties**”) pursuant to the terms of the Trust Deed.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed, the Charge Over Accounts and the agency agreement dated July 6, 2017 (the “**Agency Agreement**”) made between (i) the Issuer, (ii) IIX, (iii) the Bonds Trustee, (iv) The Bank of New York Mellon, London Branch, as the principal paying agent (“**Principal Paying Agent**”, which expression shall include its successor(s)), (v) The Bank of New York Mellon SA/NV, Luxembourg Branch, as the transfer agent (the “**Transfer Agent**”, which expression shall include its successor(s)) and (vi) The Bank of New York Mellon SA/NV, Luxembourg Branch, as the registrar (the “**Registrar**”, which expression shall include its successor(s), and together with the Principal Paying Agent and the Transfer Agent, the “**Agents**”) are, for so long as there are outstanding Bonds, available for inspection during normal business hours by the Bondholders at the principal office for the time being of the Bonds Trustee, being at the date of issue of the Bonds at One Canada Square, London, E14 5AL, United Kingdom and at the specified office of each Agent. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Charge Over Accounts and the Agency Agreement applicable to them.

The owners shown in the records of Euroclear Bank S.A./N.V. (“Euroclear”) and/or Clearstream Banking S.A. (“Clearstream, Luxembourg”), of book-entry interests in the Bonds are deemed to have notice of, all the provisions of the Trust Deed, the Charge Over Accounts and the Agency Agreement applicable to them.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Bonds are issued in registered form in denominations of US\$200,000 and integral multiples of US\$1,000 in excess thereof. A certificate (each a “**Certificate**”) will be issued to each Bondholder in respect of its registered holding of Bonds. Each Certificate will be serially numbered with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders (the “**Register**”) which the Issuer will procure to be kept by the Registrar.

1.2 Title

Title to the Bonds will pass upon transfer and registration in the Register in accordance with the provisions of the Agency Agreement.

1.3 Holder Absolute Owner

The Issuer, any Agent, the Bonds Trustee and the Security Trustee may (to the fullest extent permitted by applicable laws) deem and treat any person in whose name a Bond is registered as the absolute owner thereof for all purposes (whether or not the Bond shall be overdue and notwithstanding any notice of ownership or writing on the Bond or Certificate or any notice of previous loss or theft of the Bond or Certificate or of any trust or interest therein) and shall not be required to obtain any proof thereof or as to the identity of such person.

2. TRANSFER OF THE BONDS, ISSUE OF CERTIFICATES AND ACCOUNTS

2.1 Transfers

A Bond may be transferred by depositing the Certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, at the specified office of the Registrar or any of the Agents. No transfer of title to a Bond will be valid unless and until entered in the Register.

2.2 Delivery of New Certificates

Each new Certificate to be issued upon transfer of Bonds will, within seven Business Days of receipt by the Registrar or, as the case may be, any other relevant Agent of the

duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the holder entitled to the Bond to the address specified in the form of transfer. For the purposes of this Condition, “**Business Day**” shall mean a day on which banks are open for general business in the city in which the specified office of the Agent with whom a Certificate is deposited in connection with a transfer is located.

Except in the limited circumstances described herein (see “The Global Certificate – Exchange”), owners of interests in the Bonds will not be entitled to receive physical delivery of Certificates. Issues of Certificates upon transfer of Bonds are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement.

Where some but not all of the Bonds in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Bonds not so transferred will, within seven Business Days of receipt by the Registrar or the relevant Agent of the original Certificate, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred to the address of such holder appearing on the register of Bondholders or as specified in the form of transfer.

2.3 Formalities Free of Charge

Registration of a transfer of Bonds will be effected without charge by or on behalf of the Issuer or any of the Agents but upon payment (or the giving of such indemnity as the Issuer or any of the Agents may require) in respect of any Tax or other governmental charges which may be imposed in relation to such transfer.

2.4 Closed Periods

No Bondholder may require the transfer of a Bond to be registered during the period of 15 days ending on (and including) the due date for any payment of principal or interest on that Bond.

2.5 Regulations

All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds scheduled to the Trust Deed. The regulations may be changed by the Issuer, with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge to the Bondholder) by the Registrar to any Bondholder upon request and is available at the specified offices of the Agents.

2.6 Accounts

The Issuer must establish each Account prior to the Closing Date and must maintain each Account until all Bonds have been fully and finally redeemed in accordance with the Transaction Documents.

2.7 Funding Account

- (a) On the Closing Date, the Issuer must ensure that all Bond proceeds, and all proceeds of the Subordinated Debt, are deposited directly into the Funding Account.
 - (b) From (and including) the Closing Date to (but excluding) the date that is 90 days after the Closing Date, the Issuer may apply amounts standing to the credit of the Funding Account to:
 - (i) make Loans to Borrowers; and
 - (ii) pay:
 - (1) any due and payable taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed on the Issuer by any Government Agency (as defined in Condition 5);
 - (2) any due and payable administrative costs and expenses properly incurred by the Issuer in connection with the set up and operation of the Issuer (including management fees payable by the Issuer to the Portfolio Manager pursuant to the terms of the Management Agreement (as defined in Condition 10.3) and to the Corporate Services Provider under the Administrative Services Agreement (each as defined in Condition 10.3));
 - (3) any fees due and payable to USAID (as defined in Condition 8.2) in accordance with the terms of the Limited Guarantee (as defined in Condition 8.2); and
 - (4) any fees due and payable to the Bonds Trustee, the Security Trustee and the Agents in accordance with the terms of the Transaction Documents,
- (together, the “**Initial Transaction Costs**”) PROVIDED THAT the total amount which may be withdrawn from the Funding Account for the payment of the Initial Transaction Costs shall not exceed US\$393,500 (the “**Initial Transaction Costs Limit**”).

- (c) On the date that is 90 days after the Closing Date, the Issuer:
 - (i) must transfer a total of US\$277,500 from the Funding Account to the Debt Service Reserve Account;
 - (ii) if the amount of Initial Transaction Costs is less than the Initial Transaction Costs Limit, must transfer an amount representing the difference to the Collection Account; and
 - (iii) must transfer from the Funding Account to a separate sub-account of the Recovery Account the credit balance (if any) remaining in the Funding Account after all other withdrawals, applications and transfers under this Condition 2.7 (including any transfers pursuant to Condition 2.7(c)(ii)) prior to that date.
- (d) The Issuer must not use amounts standing to the credit of the Funding Account for any purpose other than as permitted under this Condition 2.7.

2.8 Debt Service Reserve Account

- (a) If, on any Expense Payment Date or Bond Payment Date, the credit balance of the Collection Account is insufficient to pay all amounts payable on that date in accordance with Condition 3.2(a) (such deficiency being the “**Deficit**”), the Issuer must transfer from the Debt Service Reserve Account to the Collection Account an amount equal to the lesser of the Deficit and the credit balance of the Debt Service Reserve Account for application in accordance with Condition 3.2(a).
- (b) On the Maturity Date, the Issuer must transfer the credit balance (if any) of the Debt Service Reserve Account into the Collection Account.
- (c) The Issuer must not use amounts standing to the credit of the Debt Service Reserve Account for any purpose other than as permitted under this Condition 2.8 or 8.2.

2.9 Recovery Account

- (a) The Issuer must, promptly following the occurrence of a Special Redemption Event, open a separate sub-account of the Recovery Account in respect of each Accelerated Loan and each Unfunded Amount.
- (b) The Issuer must, immediately following receipt, deposit:
 - (i) all amounts received by it in respect of each Accelerated Loan, net of any costs directly incurred in the recovery of such amounts; and

- (ii) each USAID Covered Amount received by it in respect of that Accelerated Loan,

into the relevant sub-account of the Recovery Account for that Accelerated Loan.

- (c) The Issuer must not use amounts standing to the credit of a sub-account of the Recovery Account for any purpose other than as permitted under this Condition 2.9 or 8.2.

2.10 **USAID Reserve Account**

- (a) In accordance with Condition 3.2(a), on each Bond Payment Date the Issuer shall deposit into the USAID Reserve Account an amount sufficient to pay the maximum amount of the next succeeding fee to USAID under the terms of the Limited Guarantee.
- (b) On the Business Day prior to each Expense Payment Date on which fees are payable to USAID under the terms of the Limited Guarantee, the Issuer shall transfer an amount equal to such fees payable from the USAID Reserve Account to the Collection Account for application in accordance with Condition 3.2(a).

2.11 **Collection Account**

- (a) Subject to Conditions 2.7 to 2.10 (inclusive) the Issuer must, immediately following receipt, deposit all monies received by it into the Collection Account.
- (b) The Issuer must not use amounts standing to the credit of the Collection Account for any purpose other than as permitted under Condition 3.2.

3. **STATUS AND PRIORITY OF PAYMENTS**

3.1 **Status**

The Bonds are direct, unconditional, unsubordinated and secured obligations of the Issuer and rank and will rank *pari passu*, without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds will, subject to the priority of payments set out in Condition 3.2 below, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

3.2 **Priority of Payments**

- (a) **Pre-enforcement Order of Priority**

At any time before the security created under the Charge Over Accounts is enforced and subject to Condition 8.2, the Issuer shall not withdraw or apply or instruct the Account Bank (as defined in Condition 8.2) to withdraw or apply any funds from the Collection Account prior to the date that all amounts due under the Bonds and the Transaction Documents (as defined in Condition 10.3) have been paid in full, provided that, the Issuer may withdraw or apply funds from the Collection Account towards the following items in the following order of priority (in each case, only if and to the extent that payments or provisions of a higher order of priority have been made in full and to the extent that the Collection Account will not have a debit balance as a result):

- (i) first, in the case of both an Expense Payment Date and a Bond Payment Date (each, as defined in Condition 7.4), in or towards payment, *pari passu* and rateably, of any due and payable Taxes imposed on the Issuer by any Government Agency (as defined in Condition 5);
- (ii) second, in the case of both an Expense Payment Date and a Bond Payment Date, in or towards payment, *pari passu* and rateably, of the remuneration of and all fees, costs, charges, expenses and liabilities incurred by the Bonds Trustee and the Security Trustee in performing their respective functions under the Transaction Documents;
- (iii) third, in the case of both an Expense Payment Date and a Bond Payment Date, in or towards payment, *pari passu* and rateably, of the remuneration of and all fees, costs, charges, expenses and liabilities incurred by the Agents in performing its functions under the Transaction Documents;
- (iv) fourth, in the case of both an Expense Payment Date and a Bond Payment Date (each, as defined in Condition 7.4), in or towards payment, *pari passu* and rateably, of:
 - (1) any due and payable administrative costs and expenses properly incurred by the Issuer in connection with the set up and operation of the Issuer (including management fees payable by the Issuer to the Portfolio Manager pursuant to the terms of the Management Agreement (as defined in Condition 10.3) and to the Corporate Services Provider under the Administrative Services Agreement (each as defined in Condition 10.3)); and
 - (2) costs and expenses properly incurred by the Issuer (including reasonable legal costs) in connection with the realisation, recovery or enforcement of any Loan;

- (v) fifth, in the case of both an Expense Payment Date and a Bond Payment Date, in or towards payment of any fees then due and payable to USAID (as defined in Condition 8.2) in accordance with the terms of the Limited Guarantee (as defined in Condition 8.2);
- (vi) sixth, in the case of a Bond Payment Date only, into the USAID Reserve Account an amount sufficient to pay the maximum amount of the next succeeding fee to USAID under the terms of the Limited Guarantee;
- (vii) seventh, in the case of a Bond Payment Date only, in or towards payment of interest due and payable to Bondholders in respect of the Bonds, pari passu and rateably;
- (viii) eighth, in the case of a Bond Payment Date only and if such date is the Maturity Date, and, at the sole discretion of the Issuer, into a sub-account of the Collection Account an amount up to the Reserve Amount (as defined below), provided that:
 - (1) on the Maturity Date, there are insufficient funds in the Collection Account (which shall, for the avoidance of doubt, be calculated without accounting for any Reserve Amount) to pay Bondholders all amounts set out in Condition 3.2(a)(ix) below in accordance with the priority of payments set out in this Condition 3.2(a); and
 - (2) there is a reasonable prospect that the Issuer will receive, during the period between the Maturity Date and the Long-Stop Date (both dates inclusive), proceeds from the realisation, recovery or enforcement of any Accelerated Loan in aggregate amount greater than the Reserve Amount;
- (ix) ninth, in the case of a Bond Payment Date only, in or towards payment of principal and any other amounts due and payable to Bondholders in respect of the Bonds, pari passu and rateably, including any such amounts due and payable on early redemption of the Bonds;
- (x) tenth, in the case of a Bond Payment Date only, interest accrued and unpaid on the Subordinated Debt;
- (xi) eleventh, in the case of a Bond Payment Date only and if such date is the Maturity Date or the Long-Stop Date, the unpaid and outstanding principal of the Subordinated Debt; and
- (xii) twelfth, in the case of a Bond Payment Date only and if such date is the Maturity Date or the Long-Stop Date, the surplus (if any) shall be split equally between:

- (1) the Bondholders, pari passu and rateably; and
- (2) the Portfolio Manager.

For the avoidance of doubt, nothing in this Condition 3.2(a) shall require the postponement or deferral of the date of payment of any amounts owing under the Bonds or any Transaction Document from the date for which such payments are due in accordance with their respective terms.

In this Condition, “**Reserve Amount**” means U.S.\$200,000 or such other amount as may be approved by the Bondholders by way of an Extraordinary Resolution.

(b) **Application of Reserve Amount**

- (i) Subject to Condition 3.2(b)(ii) below, the Issuer may withdraw all or part of the Reserve Amount from the Collection Account at any time on or after the Maturity Date in or towards payment of:
 - (3) any due and payable administrative costs and expenses properly incurred by the Issuer in connection with the operation of the Issuer (including fees payable by the Issuer to the Corporate Services Provider under the Administrative Services Agreement); and
 - (4) costs and expenses properly incurred by the Issuer (including reasonable legal costs) in connection with the realisation, recovery or enforcement of any Accelerated Loan.
- (ii) If, at any time after the Maturity Date, there is no reasonable prospect that the Issuer will receive, during the period between the date of such determination and the Long-Stop Date (both dates inclusive), proceeds from the realisation, recovery or enforcement of any Accelerated Loan in aggregate amount greater than the remaining Reserve Amount standing to the credit of the relevant sub-account of the Collection Account on the date of such determination, the Issuer shall, on the next Bond Payment Date, apply such remaining Reserve Amount towards the payment of all amounts payable under Condition 3.2(a)(ix) and 3.2(a)(x).

(c) **Post-enforcement Order of Priority**

At any time after the security created under the Charge Over Accounts is enforced, all moneys received by the Bonds Trustee or the Security Trustee in connection with the realisation and enforcement of the Charge Over Accounts or

credited to the Collection Account shall be held on trust for the payees referred to below to be applied in the following order of priority (in each case only if and to the extent that payments or provisions of a higher priority have been made in full and to the extent that the Collection Account will not have a debit balance as a result):

- (i) first, in or towards payment of all amounts owing to the Security Trustee to indemnify the Security Trustee under the Trust Deed against all loss or liability incurred by the Security Trustee in acting under the Trust Deed and the Charge Over Accounts;
- (ii) second, in or towards payment, *pari passu* and rateably, of the remuneration of and the fees, costs, charges, expenses and liabilities incurred by the Bonds Trustee and the Security Trustee in performing their respective functions under the Transaction Documents;
- (iii) third, in or towards payment, *pari passu* and rateably, of the remuneration of and the fees, costs, charges, expenses and liabilities incurred by the Agents in performing its functions under the Transaction Documents;
- (iv) fourth, in or towards payment of all amounts owing to USAID under the Limited Guarantee;
- (v) fifth, in or towards payment of all amounts owing to the Portfolio Manager and Corporate Services Provider, *pari passu* and rateably, under the Transaction Documents;
- (vi) sixth, in or towards payment of all money owing to the Bondholders in respect of the Bonds, *pari passu* and rateably;
- (vii) seventh, the interest accrued and unpaid on the Subordinated Debt, and then the unpaid and outstanding principal of the Subordinated Debt; and
- (viii) eighth the surplus (if any) to the Issuer.

This Condition 3.2(c) will override any appropriation made by the Issuer.

4. SECURITY

- (a) The Security Trustee has, for and on behalf of the Bondholders, entered into the Trust Deed in order that the Bonds be secured by the Charge Over Accounts in accordance with and subject to the terms of the Trust Deed.
- (b) The Charge Over Accounts is governed by the laws of Singapore and has been made in favour of the Security Trustee which holds the benefit of the security

created thereunder for the Bondholders and the other Secured Parties in accordance with and subject to the terms of the Trust Deed.

- (c) Subject to the provisions of the Trust Deed, the security created under the Charge Over Accounts may only be enforced by the Security Trustee.

5. COVENANTS

The Issuer has given certain covenants to the Bonds Trustee pursuant to the Trust Deed. In particular, except with the prior written consent of the Bonds Trustee or as expressly provided in these Conditions or any of the other Transaction Documents, the Issuer shall not, so long as any Bond remains outstanding:

(a) *Negative Pledge*

create or permit to subsist any mortgage, charge, lien, pledge or other security interest of any kind, however created or arising, including anything analogous to any of the foregoing under the laws of any jurisdiction over the whole or any part of its present or future assets, revenues or undertaking other than:

- (i) the security over the Accounts created under the Charge Over Accounts; or
- (ii) any lien over an asset arising by operation of law and in the ordinary course of the Issuer's business, including a lien in favour of a Government Agency in respect of any due and unpaid Taxes of the Issuer;

(b) *Restriction on Activities*

carry on any business other than as described in the Information Memoranda and, in respect of that business, shall not engage in any activity or do anything whatsoever except that the Issuer shall be entitled to and must:

- (i) enter into the Transaction Documents to which it is a party and preserve, exercise and enforce its rights and perform and observe its obligations under and pursuant to the Transaction Documents to which it is a party;
- (ii) issue the Bonds;
- (iii) perform any act, incidental to or necessary in connection with any of the above;
- (iv) engage in those activities necessary for its continued existence and proper management; and
- (v) maintain at all times at least one independent director;

(c) *Non-disposal*

transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire, any of its assets, revenues or undertaking or any interest, right or benefit in respect of any of them or agree or purport to do so other than:

- (i) the security over the Accounts created under the Charge Over Accounts; and
- (ii) in the reasonable judgment of the Portfolio Manager, any Accelerated Loan described in limb (a) of the definition thereof, including, without limitation, pursuant to restructuring or enforcement proceedings or by sale or other disposal to a collection agent or recovery specialist;

(d) *Indebtedness*

create, incur or permit to subsist any Indebtedness (as defined below) of the Issuer, other than the Subordinated Debt, or give any guarantee or indemnity in respect of Indebtedness or of any other obligation of any person.

In this Condition:

“**Government Agency**” means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity; and

“**Indebtedness**” means any indebtedness of any person for or in respect of:

- (i) monies borrowed;
- (ii) any amount raised by acceptance under any acceptance credit facility;
- (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted accounting principles in Singapore, be treated as a finance or capital lease;
- (v) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (vi) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (vii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when

calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

- (viii) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (ix) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (viii) above.

(e) *Amendment or Prepayment of Subordinated Debt*

amend any term of the Subordinated Debt, or pay any principal of or any interest on the Subordinated Debt other than as contemplated in the Terms and Conditions of the Bonds.

6. **INTEREST**

6.1 **Interest Rate and Payment Dates**

Each Bond shall bear interest on its principal amount from and including the Closing Date to, but excluding, its date of redemption at the rate of 5.65 per cent. per annum, payable semi-annually in arrears on each Bond Payment Date (as defined in Condition 7.4). The first payment (representing a full six months' interest) for the period from and including July 6, 2017 to but excluding January 6, 2018 and amounting to US\$28.25 per US\$1,000 in principal amount of Bonds shall be made on January 6, 2018.

6.2 **Interest Accrual**

Interest also accrues at the rate of 5.65 per cent. per annum on the amount of any interest accrued but unpaid on any prior Bond Payment Date (excluding any Interest Shortfall Amounts (as defined in Condition 8.2(d))).

6.3 **Calculation of Broken Interest**

When interest is required to be calculated in respect of a period of less than six months, it shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

7. **PAYMENTS**

7.1 **Payments in respect of Bonds**

Payments of principal and interest on the Bonds will be made by transfer to the registered account of the Bondholder. Payments of principal and payments of interest due otherwise than on a Bond Payment Date will only be made against surrender of the

relevant Certificate at the specified office of any of the Agents. Interest on Bonds due on a Bond Payment Date will be paid to the holder (or the first named holder in the case of joint holders) shown on the Register at the close of business on the date (the “**record date**”) being the fifteenth day before the relevant Bond Payment Date.

For the purposes of this Condition, a Bondholder's registered account means the US Dollar account maintained by or on behalf of it with a bank that processes payments in US Dollars, details of which appear on the Register at the close of business, in the case of principal and interest due otherwise than on a Bond Payment Date, on the second Business Day (as defined below) before the due date for payment and, in the case of interest due on a Bond Payment Date, on the relevant record date, and a Bondholder's registered address means its address appearing on the Register at that time.

7.2 **Payments subject to Applicable Laws**

Payments in respect of principal and interest on the Bonds are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment.

7.3 **No Commissions**

No commissions or expenses shall be charged to the Bondholders in respect of any payments made in accordance with this Condition.

7.4 **Timing for Payments**

Payments of principal and interest due on the Bonds will be made on each Bond Payment Date and payments of costs and expenses with respect to the administration of the Issuer and the Loans will be made on each Expense Payment Date and each Bond Payment Date, in each case in accordance with these Conditions.

In these Conditions:

“**Bond Payment Date**” means each date falling on the 6th day of July and January of each year, commencing in January 2018; and

“**Expense Payment Date**” means each date falling on the 6th day of each month other than July and January of each year, commencing in August 2017.

7.5 **Payment on Business Days**

Where the relevant payment date is not a Business Day, the terms of this Condition 7.5 apply.

Where payment is to be made by transfer to a registered account, payment instructions (for value the first day following the due date which is a Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed on the Business Day preceding the due date for payment or, in the case of a payment of principal or a payment of interest due otherwise than on a Bond Payment Date, on the Business Day following the due date on which the relevant Certificate is surrendered at the specified office of an Agent.

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day, if the Bondholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

In this Condition, “**Business Day**” means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business in Singapore, Hong Kong, London and New York and, in the case of presentation of a Certificate, in the place in which the Certificate is presented.

7.6 **Partial Payments**

If the amount of principal or interest which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount of principal or interest in fact paid.

7.7 **Agents**

The names of the initial Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right, subject to the prior written approval of the Bonds Trustee, at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided that:

- (a) there will at all times be a Principal Paying Agent; and
- (b) there will at all times be a Registrar.

Notice of any termination or appointment and of any changes in specified offices will be given to the Bondholders promptly by the Issuer in accordance with Condition 13.

8. **REDEMPTION, PURCHASE AND SURPLUS FUNDS**

8.1 **Redemption at Maturity**

- (a) Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Bonds at their principal amount on July 6, 2021 (the

“**Maturity Date**”). The Bonds may not be redeemed other than in accordance with this Condition 8.

- (b) On the Maturity Date and the Long-Stop Date (as defined in Condition 8.2), in addition to amounts payable under Condition 8.1(a), the Issuer shall pay to the Bondholders 50 per cent. of any Surplus Funds (as defined below) in the Collection Account as of such date and to the Portfolio Manager 50 per cent. of any such Surplus Funds.

8.2 **Mandatory Special Redemption Event and Post-Maturity Payment**

- (a) The Issuer shall give notice to the Bonds Trustee and the Bondholders in accordance with Condition 13 promptly upon (and in any event no later than 5 days of) the occurrence of a Special Redemption Event (as defined below), which notices shall be irrevocable and shall specify:
 - (i) the date of occurrence of the Special Redemption Event;
 - (ii) in respect of each Accelerated Loan (as defined below) (if any) to which such Special Redemption Event relates, the amount which is accelerated thereunder, the outstanding principal amount of the Accelerated Loan, the related Special Redemption Principal Amount (as defined below) and the name of the relevant Borrower (as defined below);
 - (iii) in respect of each Unfunded Amount (as defined below) (if any) to which such Special Redemption Event relates, the Unfunded Amount and the related Special Redemption Principal Amount; and
 - (iv) the Special Redemption Date (as defined below).
- (b) The Issuer shall, on each Special Redemption Date, apply amounts standing to the credit of the relevant sub-account of the Recovery Account in the following order of priority:
 - (i) first, if the relevant Accelerated Loan is a USAID Covered Loan, in or towards the payment of amounts due to USAID under Article VI of the Limited Guarantee in respect of that Accelerated Loan;
 - (ii) second, (except in the case of a Special Redemption Event occurring as a result of an event set out in limb (b) of that definition) in or towards the payment of any accrued but unpaid interest on a principal amount of the Bonds equal to the Special Redemption Principal Amount, *pari passu* and rateably; and

- (iii) third, in or towards repayment of the principal amount of the Bonds, pari passu and rateably, up to an aggregate amount equal to the Special Redemption Principal Amount.
- (c) To the extent that the funds available for application in accordance with Condition 8.2(b) are insufficient to satisfy in full the Issuer's obligations under Condition 8.2(b)(ii) and 8.2(b)(iii), the Issuer must, on the Special Redemption Date, apply any funds standing to the credit of the Debt Service Reserve Account in the following order of priority:
 - (i) first, (except in the case of a Special Redemption Event occurring as a result of an event set out in limb (b) of that definition) in or towards the payment of any accrued but unpaid interest on a principal amount of the Bonds equal to the Special Redemption Principal Amount, pari passu and rateably; and
 - (ii) second, in or towards repayment of the principal amount of the Bonds, pari passu and rateably, up to an aggregate amount equal to the Special Redemption Principal Amount.
- (d) To the extent that the funds available for application under Conditions 8.2(b) and 8.2(c) are insufficient to:
 - (i) pay all accrued but unpaid interest on a principal amount of the Bonds equal to the Special Redemption Principal Amount of the Bonds (except in the case of a Special Redemption Event occurring as a result of an event set out in limb (b) of that definition) (such shortfall, the “**Interest Shortfall Amount**”); and
 - (ii) repay the principal amount of the Bonds in an aggregate amount equal to the Special Redemption Principal Amount (such shortfall, the “**Principal Shortfall Amount**” and, together with any Interest Shortfall Amount, the “**P&I Shortfall Amount**”),

any amount recovered in respect of any P&I Shortfall Amount after the relevant Special Redemption Date must be deposited by the Issuer into the relevant sub-account of the Recovery Account and shall be payable to the holders of the Bonds shown on the Register at the close of business on the fifteenth day before the applicable payment date specified in Condition 8.2(e)(ii) below.
- (e) Any amount recovered in respect of any P&I Shortfall Amount:

- (i) from (and including) the relevant Special Redemption Date to (but excluding) the Maturity Date shall be distributed by the Issuer to Bondholders on the Maturity Date; and
- (ii) from (and including) the Maturity Date to (but excluding) the Long-Stop Date shall be distributed by the Issuer to the Bondholders on the Long-Stop Date,

in each case, after deducting all amounts due and payable to USAID under the Limited Guarantee.

For the avoidance of doubt, any outstanding P&I Shortfall Amount that is owing to the holders after payments have been made in accordance with Condition 8.2(e)(ii) shall be losses for the account of the Bondholders, the Issuer will be released and discharged from any further liability in respect of such shortfall amounts and there shall be no further recourse against the Issuer for such shortfall amounts.

In these Conditions:

“Accelerated Loan” means:

- (a) a Loan which is accelerated as a result of the occurrence of a default or an event of default or any other circumstance allowing for the acceleration of such Loan prior to its scheduled maturity date pursuant to the terms and conditions applicable to such Loan; or
- (b) a Loan which is voluntarily prepaid not due to a default or event of default under the relevant Loan and in respect of which the Issuer does not disburse the proceeds of such voluntary prepayment to a Borrower under a new Loan within 90 days of the Issuer's receipt of such prepayment;

“Account Bank” means Australia and New Zealand Banking Group Limited or such other bank in Singapore as the Accounts may be maintained with from time to time;

“Borrower” has the meaning given to it in the Trust Deed;

“Charged Accounts” has the meaning given to it in the Trust Deed;

“Collection Account” means the US Dollar account number 169235USD00013 in the name of the Issuer maintained with the Account Bank and any sub-account of such account;

“Debt Service Reserve Account” means the US Dollar account number 169243USD00013 in the name of the Issuer maintained with the Account Bank and any sub-account of such account;

“**Funding Account**” means the US Dollar account number 178475USD00013 in the name of the Issuer maintained with the Account Bank and any sub-account of such account;

“**Limited Guarantee**” means the guarantee agreement (reference no. 486-DCA-16-001) dated September 19, 2016 made between USAID, the Issuer and IIX, as such agreement may be amended from time to time and, specifically, as amended by the first amendment to be entered into on or prior to the date of issuance of the Bonds by USAID, the Issuer and IIX;

“**Loans**” means the loans provided by the Issuer to the Borrowers using the proceeds of the issue of the Bonds, which loans are each evidenced by a promissory note and which have the benefit of the Limited Guarantee, and “**Loan**” shall mean any one of them;

“**Long-Stop Date**” means the date falling three years after the Maturity Date;

“**Recovery Account**” means the US Dollar account number 178483USD00013 in the name of the Issuer maintained with the Account Bank and any sub-account of such account (which, if applicable, will correspond to each Accelerated Loan and each Unfunded Amount);

“**Special Redemption Principal Amount**” means, as at any date of determination with respect to each Unfunded Amount and each Accelerated Loan, an amount equal to:

$$A \times \frac{B}{C}$$

where:

A = the aggregate outstanding principal amount of the Bonds as of such date;

B = the Unfunded Amount or the outstanding principal amount of such Accelerated Loan (as applicable) as of such date; and

C = the aggregate outstanding principal amount of all Loans (including such Accelerated Loan) plus the Unfunded Amount (as applicable) as of such date;

“**Special Redemption Date**” means the date fixed for redemption of the Bonds as specified in the notice given by the Issuer pursuant to Condition 8.2(a), which date shall be:

- (a) in the case of an Unfunded Amount or a Loan falling within paragraph (b) of the definition of Accelerated Loan, within 60 days of the occurrence of that Special Redemption Event; and
- (b) in the case of a Loan falling within paragraph (a) of the definition of Accelerated Loan, within 210 days of the occurrence of that Special Redemption Event;

“Special Redemption Event” occurs if:

- (a) an Accelerated Loan occurs or arises; or
- (b) an amount is transferred into a separate sub-account of the Recovery Account in accordance with Condition 2.7(c)(iii).

“Special Redemption Notice” means the notice given by the Issuer pursuant to Condition 8.2(a);

“Subordinated Debt” means indebtedness of the Issuer to IIX in the original amount of US\$500,000 pursuant to one or more promissory notes in such aggregate principal amount dated July 6, 2017, such indebtedness being subordinated in right of payment to the Bonds as specified in the Terms and Conditions of the Bonds.

“Surplus Funds” means all amounts received by the Issuer (including proceeds from the issue of the Bonds and from the Subordinated Debt and any repayment from the Borrowers pursuant to the terms of the Loans) which exceed the aggregate of all amounts payable to Bondholders (including principal and interest on the Bonds and any P&I Shortfall Amounts), net of:

- (a) without double counting, any amount payable by the Issuer pursuant to Conditions 3.2(a)(i) to 3.2(a)(xi) (both inclusive) and/or Conditions 3.2(c)(i) to 3.2(c)(vii) (both inclusive); and
- (b) any amounts provided to the Borrowers as Loans.

in each case, as determined by the Portfolio Manager and notified in writing to the Agents and Bonds Trustee in accordance with the Management Agreement;

“Unfunded Amount” means an amount transferred into a separate sub-account of the Recovery Account in accordance with Condition 2.7(c)(iii);

“USAID” means The United States Agency for International Development;

“USAID Covered Amount” means each amount paid by USAID to the Issuer in respect of a USAID Covered Loan;

“USAID Covered Loan” means a Loan for which a Borrower has defaulted in any principal payment and USAID has, under the terms of the Limited Guarantee, paid the Issuer an amount equal to 50 per cent. of the unpaid principal amount;

“USAID Reserve Account” means the US Dollar account number 178491USD00013 in the name of the Issuer maintained with the Account Bank and any sub-account of such account.

8.3 **Purchases**

The Issuer may at any time purchase Bonds in any manner and at any price. If purchases are made by tender, tenders must be available to all Bondholders alike.

8.4 **Cancellations**

All Bonds which are (a) redeemed or (b) purchased by or on behalf of the Issuer will forthwith be cancelled and accordingly may not be held, reissued or resold.

8.5 **Notices Final**

Upon the expiry of any notice as is referred to in Condition 8.2 the Issuer shall be bound to redeem the Bonds to which the notice refers in accordance with the terms of such Condition.

9. **PRESCRIPTION**

Claims in respect of principal (including Principal Shortfall Amounts) and interest (including Interest Shortfall Amounts) will become prescribed unless made within 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date.

In this Condition, **“Relevant Date”** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Bonds Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Bondholders by the Issuer in accordance with Condition 13.

10. **EVENTS OF DEFAULT**

10.1 **Events of Default**

An **“Event of Default”** occurs if:

- (a) default is made in the payment of any principal (including Principal Shortfall Amounts, but not the creation of a Principal Shortfall Amount) or interest (including Interest Shortfall Amounts, but not the creation of an Interest

Shortfall Amount) due in respect of the Bonds or any of them and the default continues for a period of 30 days;

- (b) the Limited Guarantee with respect to any funded Loan is suspended, terminated or cancelled (in each case, whether in whole or in part) for any reason, or the maximum amount payable by USAID under the Limited Guarantee is less than 50 per cent. of the outstanding principal amount of the Loans;
- (c) (i) the Issuer fails to perform or observe any of its other obligations under these Conditions, the Trust Deed, the Agency Agreement, the Charge Over Accounts or any other Transaction Document, (ii) the Portfolio Manager fails to perform or observe any of its obligations under the Management Agreement, and in each case the failure continues for a period of 60 days (or such longer period as the Bonds Trustee, in its sole discretion, may permit) following the service by the Bonds Trustee on the Issuer or the Portfolio Manager, as applicable, of notice requiring the same to be remedied;
- (d) any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer; or
- (e) the Issuer stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent;
- (f) (i) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to the whole or any part of the undertaking or assets of the Issuer or an encumbrancer takes possession of the whole or any part of the undertaking or assets of the Issuer, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of the Issuer, and (ii) in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the Issuer, is not discharged within 14 days;
- (g) the Issuer initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other

arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors);

- (h) the Issuer ceases to be a subsidiary directly wholly-owned and controlled by IIX; or
- (i) any security and/or the security interest created or purported to be created under the Charge Over Accounts (a) ceases to be, or (b) is claimed by the Issuer or any other party not to be in full force and effect (otherwise than in accordance with the Charge Over Accounts).

10.2 Consequences of an Event of Default

(a) **Insolvency**

If an Event of Default under paragraphs (d) to (g) (inclusive) of Condition 10.1 occurs, the outstanding principal amount of the Bonds and all accrued and unpaid interest shall automatically become due and payable.

(b) **Other Events of Default**

If an Event of Default under paragraphs (a) to (c) (inclusive), (h) or (i) of Condition 10.1 occurs, while that Event of Default is continuing the Bonds Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction in its sole discretion), give notice to the Issuer that the Bonds are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest as provided in the Trust Deed, **PROVIDED, HOWEVER, THAT** no remedy (including the giving of notice to the Issuer that the Bonds are immediately due and payable and/or the taking of any steps to enforce the security created under the Charge Over Accounts) shall be exercisable with respect to the Event of Default if (i) such Event of Default shall have arisen solely as the result of one or more breaches or defaults (including, without limitation, a payment default) under one or more Loans, and (ii) neither the Portfolio Manager nor the Corporate Services Provider shall have consented or contributed (whether in whole or in part) to any such breaches or defaults and shall have taken such commercially reasonable actions as are permitted or required under the Management Agreement, the Administration Services Agreement and the Limited Guarantee to enforce the rights and remedies of the

Issuer under such Loans and the Limited Guarantee with respect to each such breach or default.

For the purposes of determining whether any remedy shall be exercisable in respect of the Event of Default, the Issuer shall promptly and in any event within seven days of the occurrence of an Event of Default deliver to the Bonds Trustee a certificate signed by two directors of the Issuer (or one director, if the Issuer has only one director at such time) confirming whether or not the conditions set out in (i) and (ii) above apply and provide details thereof, and the Bonds Trustee shall be entitled to accept the certificate as sufficient evidence (without further enquiry) of the satisfaction (or not) of the conditions set out in (i) and (ii) above, in which event it shall be conclusive and binding on the Bondholders.

10.3 Interpretation

For the purposes of this Condition:

“Administration Services Agreement” means the administration services agreement dated on July 13, 2016 entered into between (i) the Issuer and (ii) the Corporate Services Provider;

“Corporate Services Provider” means Vistra Alternative Investments (Singapore) Pte. Ltd. as corporate services provider under the Administration Services Agreement and any successor appointed in accordance with the Administration Services Agreement;

“Indebtedness for Borrowed Money” means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any borrowed money or any liability under or in respect of any acceptance or acceptance credit or any notes, bonds, debentures, debenture stock, loan stock or other securities;

“Management Agreement” means the management agreement dated on or about the Closing Date entered into between (i) the Issuer, (ii) the Portfolio Manager and (iii) the Security Trustee;

“Portfolio Manager” means IIX as the portfolio manager appointed by the Issuer pursuant to the Management Agreement, which expression shall include its successors and assigns; and

“Transaction Document” means each of the Trust Deed, the Agency Agreement, the Charge Over Accounts, the Management Agreement and the Administration Services Agreement.

11. ENFORCEMENT

11.1 Enforcement by the Bonds Trustee and Security Trustee

- (a) Subject to Condition 16 below, the Bonds Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps or action (including lodging an appeal in any proceedings) against or in relation to the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Bonds or otherwise, but it shall not be bound to take any such proceedings or other steps or action unless (a) it has been so directed by an Extraordinary Resolution of the Bondholders or so requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding and (b) it has been indemnified and/or secured and/or pre-funded to its satisfaction in its sole discretion.
- (b) The Bonds Trustee may at any time, at its discretion and without further notice, direct the Security Trustee to take such steps or proceedings against the Issuer and/or any other person as it may think fit to enforce the provisions of the Trust Deed relating to the security, the Charge Over Accounts or any Transaction Document and may, at any time after the security has become enforceable in accordance with the provisions of the Charge Over Accounts, direct the Security Trustee to take such steps as it may think fit to enforce the security, but it shall not be bound to give any such direction and the Security Trustee shall not be bound to take any such steps or proceedings unless: (i) the Bonds Trustee shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least one-quarter in principal amount of the Bonds then outstanding; and (ii) each of the Bonds Trustee and the Security Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction in its sole discretion.

11.2 Limitation on Bonds Trustee and Security Trustee actions

Each of the Bonds Trustee and the Security Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, each of the Bonds Trustee and the Security Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

11.3 Enforcement by the Bondholders

No Bondholder shall be entitled to (i) take any steps or action against the Issuer to enforce the performance of any of the provisions of the Trust Deed, the Bonds or the

Charge Over Accounts or (ii) take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer, in each case unless the Bonds Trustee or the Security Trustee (as the case may be), having become bound so to take any such action, steps or proceedings, fails so to do within a reasonable period and the failure shall be continuing.

12. **REPLACEMENT OF CERTIFICATES**

Should any Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

13. **NOTICES**

All notices to the Bondholders will be valid if mailed to them at their respective addresses in the register of Bondholders maintained by the Registrar. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or the relevant authority on which the Bonds are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published more than once, on the date of the first such publication. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Bonds Trustee may approve.

14. **MEETINGS OF BONDHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION**

14.1 **Meetings of Bondholders**

The Trust Deed contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Bonds for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Bonds held or represented by him or them, except that, at any meeting the business of which includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than three-quarters, or at any adjourned such meeting not less than one-quarter, of the principal amount of the Bonds for the time being outstanding. The Trust Deed

does not contain any provisions requiring higher quorums in any other circumstances. An Extraordinary Resolution passed by the Bondholders will be binding on all Bondholders, whether or not they are present at any meeting and whether or not they voted on the resolution.

14.2 Modification, Waiver, Authorisation and Determination

The Bonds Trustee may agree, without the consent of the Bondholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Transaction Documents to which it is a party, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Bonds Trustee, materially prejudicial to the interests of the Bondholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error.

14.3 Bonds Trustee to have Regard to Interests of Bondholders as a Class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Bonds Trustee shall have regard to the general interests of the Bondholders as a class but shall not have regard to any interests arising from circumstances particular to individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Bondholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Bonds Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, the Bonds Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

14.4 Notification to the Bondholders

Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on the Bondholders and, unless the Bonds Trustee agrees otherwise, any modification or substitution shall be notified by the Issuer to the Bondholders as soon as practicable thereafter in accordance with Condition 13.

15. INDEMNIFICATION AND PROTECTION OF THE BONDS TRUSTEE AND THE SECURITY TRUSTEE AND THEIR CONTRACTING WITH THE ISSUER

15.1 Indemnification and protection of the Bonds Trustee and the Security Trustee

The Trust Deed contains provisions for the indemnification of the Bonds Trustee and the Security Trustee and for their relief from responsibility and liability towards the Issuer and the Bondholders, including (i) provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction and (ii) provisions limiting or excluding its liability in certain circumstances.

15.2 Bonds Trustee and Security Trustee Contracting with the Issuer

The Trust Deed also contains provisions pursuant to which each of the Bonds Trustee and the Security Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions without regard to the interests of, or consequences for, the Bondholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

16. LIMITED RECOURSE AND NON-PETITION

16.1 Limited Recourse

The rights of recourse of the Bondholders, the Bonds Trustee and the Security Trustee in respect of amounts due to them are limited to the assets of the Issuer.

None of the Bonds Trustee, the Security Trustee, the Portfolio Manager, the Corporate Services Provider or any of their respective affiliates or any other person or entity will be obligated to make payments on the Bonds.

Consequently, holders of the Bonds must rely solely on interest and principal payments on the Loans and payments received under the Limited Guarantee for payments on the Bonds. If interest and principal payments on such Loans and payments received under the Limited Guarantee are insufficient to make payments on the Bonds, no other assets (in particular, no assets of the Portfolio Manager, the Bonds Trustee, the Security Trustee, the Corporate Services Provider or any affiliates of any of the foregoing) will be available for payment of the deficiency, and all obligations of and any remaining claims against the Issuer in respect of the Bonds will be extinguished and will not revive.

16.2 Non-petition

No Bondholder nor the Bonds Trustee or the Security Trustee may take any corporate action or other steps or legal proceedings for the winding-up, judicial management, dissolution, arrangement, reconstruction or reorganisation of the Issuer or for the appointment of a liquidator, receiver (including receiver and manager), administrator,

trustee, judicial manager or similar officer in respect of the Issuer or over any or all of its assets or undertaking.

However, nothing shall prevent the Security Trustee from appointing a receiver over the Charged Accounts or from lodging a claim in any action or legal proceeding initiated by any person other than the Security Trustee for the winding-up, dissolution or re-organisation of, or for the appointment of a receiver, administrator, administrative receiver, examiner, trustee, liquidator, sequestrator or similar officer of, the Issuer or of any or all of its revenues and assets.

17. GOVERNING LAW AND SUBMISSION TO JURISDICTION

17.1 Governing Law

The Trust Deed and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and will be construed in accordance with, English law.

17.2 Jurisdiction of English Courts

The Issuer has, in the Trust Deed, irrevocably agreed for the benefit of the Bonds Trustee, the Security Trustee and the Bondholders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Bonds (including a dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Bonds) and accordingly has submitted to the exclusive jurisdiction of the English courts.

The Issuer has, in the Trust Deed, waived any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Bonds Trustee, the Security Trustee and the Bondholders may take any suit, action or proceeding arising out of or in connection with the Trust Deed or the Bonds respectively (including any suit, action or proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed or the Bonds) (together referred to as “**Proceedings**”) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

17.3 Sovereign Immunity

The Issuer has in the Trust Deed irrevocably and unconditionally waived and agreed not to raise with respect to the Trust Deed and the Bonds any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and has irrevocably and unconditionally consented to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment

made or given in connection with any Proceedings.

18. **RIGHTS OF THIRD PARTIES**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of a Bond, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

THE GLOBAL CERTIFICATE

The Global Certificate contains the following provisions which apply to the Bonds in respect of which they are issued whilst they are represented by the Global Certificate, some of which modify the effect of the Conditions. Terms defined in the Conditions have the same meaning in the following paragraphs.

1. EXCHANGE

The Global Certificate will be exchangeable in whole but not in part (free of charge to the holder) for Certificates in definitive form for individual holdings of Bonds only if either Euroclear or Clearstream, Luxembourg (or any alternative clearing system as shall have been designated by the Issuer and notified to the Bonds Trustee on behalf of which the Bonds evidenced by the Global Certificate may be held) is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system has been designated by the Issuer and notified to the Bonds Trustee.

2. PAYMENTS

Payments of principal and interest in respect of Bonds represented by the Global Certificate will be made against presentation or, if no further payment falls to be made in respect of the Bonds, against presentation and surrender of the Global Certificate to the order of the Registrar or such other Agent as shall have been notified to the holder of the Global Certificate for such purpose.

Distributions of amounts with respect to book-entry interests in the Global Certificate held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Registrar, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

A record of each payment made will be endorsed on the appropriate part of the schedule to the Global Certificate by or on behalf of the Registrar and shall be *prima facie* evidence that such payment has been made.

3. ACCOUNTHOLDERS

For so long as all of the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Bonds (each an “**Accountholder**”) (in which regard any

certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Bonds standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Bonds for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Bondholders) other than with respect to the payment of principal and interest on such principal amount of such Bonds, the right to which shall be vested, as against the Issuer and the Bonds Trustee, solely in the nominee for the relevant clearing system (the “**Nominee**”) in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the Nominee.

4. **NOTICES**

For so long as all of the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Bondholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant Accountholders rather than by publication as required by Condition 13. Any such notice shall be deemed to have been given to the Bondholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

5. **CANCELLATION**

Cancellation of any Bond represented by the Global Certificate and required by the Conditions to be cancelled following its redemption or purchase by the Issuer will be effected by reduction in the principal amount of the Bonds in the Register and by annotation (for information purposes only) on the relevant part of the schedule to the Global Certificate.

6. **TRANSFERS**

Transfers of interests in the Bond with respect to which the Global Certificate is issued shall be made in accordance with the detailed regulations concerning transfers of Bonds set forth in the Agency Agreement.

Transfers of interests in the Bonds with respect to which the Global Certificate is issued shall be effected through the records of Euroclear and Clearstream, Luxembourg and their respective participants in accordance with the rules of procedures of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants.

7. **GOVERNING LAW**

The Global Certificate and any non-contractual obligations arising out of or in connection with the Global Certificate are governed by, and shall be construed in accordance with, English law.

DESCRIPTION OF CERTAIN MATERIAL AGREEMENTS

Promissory Notes

The proceeds of the issuance of the Bonds will be used in part to extend the Loans to the Borrowers. The Promissory Notes will be entered into subsequent to the closing of the issue of the Bonds. It is expected that most of the Promissory Notes will be entered into immediately after the closing of this issue of the Bonds, however some may require additional approvals and could take up to 90 days to complete. In the event that the transactions contemplated by any Promissory Note is not consummated within 90 days of the closing of the issue of the Bonds, any undisbursed proceeds held by the Issuer related to such Promissory Note will be distributed as a prepayment of principal on the following Bonds Payment Date (as defined in the Conditions) to the Bondholders.

A summary of the Loans is presented below:

Borrowers	Currency	Amount and Tenor of the Loan
SAMIC PLC	USD	US\$3.2 million, 4-year*
Negros Women for Tomorrow Foundation, Inc.	USD	US\$1 million, 4-year*
Viet Phu Payment Services Support Corporation	USD	US\$3.7 million, 4-year*

*Actual term is slightly less than 4 years.

The Promissory Notes are non-convertible, non-guaranteed (other than the Limited Guarantee) and unsecured debt instruments. The Promissory Notes will contain customary provisions, including representations and warranties, reporting obligations, and indemnification protections. In addition, the Promissory Notes will contain affirmative and negative covenants that will, *inter alia*, limit each Borrower's ability to enter into certain business transactions, such as consolidations, mergers and sales of assets, restrict each Borrower's ability to incur indebtedness, and require each Borrower to maintain certain financial standards during the term of the Promissory Note.

The Promissory Notes will be denominated in USD.

The Promissory Notes will have a term of slightly less than four years and will mature approximately 14 days before the Maturity Date.

Initial principal amounts of each Promissory Note and interest thereupon will vary, ranging from principal amounts of US\$1,000,000 to US\$3,700,000 (in each case, the "**Loan Principal Amount**"), and annual interest rates of 8.75% to 15.00% (in each case, the "**Base Rate**"). The Issuer will also collect a one-time administrative fee upon disbursement of most Promissory Notes, ranging from 0.75% to 1.00% of the Loan Principal Amount.

The Base Rate will be calculated on the outstanding Loan Principal Amount of any Promissory Note (which shall include any accrued and unpaid interest) on the basis of a year of 365 days,

and payable on a quarterly basis. Interest on any overdue amount shall be charged at a premium, ranging from 1.00% to 3.00% above the Base Rate (in each case, the “**Loan Default Rate**”). Should an event of default occur as described in the Promissory Notes, the entire outstanding balance of the Promissory Note (including, without limitation, any overdue principal and interest) shall bear interest at the Loan Default Rate until such time as such event of default shall have been cured.

Most Borrowers may, upon at least 60 business days’ prior written notice to the Issuer, prepay the outstanding Loan Principal Amount in whole at any time prior to the maturity of the Promissory Note by paying the outstanding Loan Principal Amount with accrued interest thereon to the date of prepayment and together with an early redemption premium ranging from 3.00% to 5.00% of the Loan Principal Amount. Borrowers shall bear any costs or expenses incurred by reason of any such prepayment. Viet Phu cannot prepay its outstanding Loan Principal Amount.

The Promissory Notes will be governed by English law.

The Limited Guarantee

Pursuant to the terms of the Limited Guarantee, USAID will reimburse 50% of the Issuer’s net losses resulting from the non-payment of principal due under certain qualifying loans, as described in the Limited Guarantee (the “**Qualifying Loans**”). The Issuer will be responsible for certifying that each Loan qualifies as a Qualifying Loan and ensuring the Qualifying Loan is placed under coverage of the Limited Guarantee (“**Coverage**”). USAID may remove any Qualifying Loan from Coverage should it determine that such Qualifying Loan does not meet relevant qualification criteria as described in the Limited Guarantee. The Issuer may remove any Qualifying Loan from Coverage at any time and for any reason. Removal of any Qualifying Loan from Coverage is final.

USAID may seek reimbursement of its payment under the Limited Guarantee in certain circumstances. In the event the Issuer submits a claim to USAID in accordance with the Limited Guarantee and that claim is paid, the Issuer is required to pursue all reasonable collection efforts against the defaulting Borrower for so long as commercially reasonable and in accordance with the Issuer’s standard collections procedures and policies. If the Issuer receives or recovers any funds relating to or in satisfaction of amounts owed by any defaulting Borrower under the a Qualifying Loan, whether received or recovered directly from the Borrower, another guarantor, a collateral agent or any other party, the Issuer shall reimburse USAID on a *pro rata* basis after deducting reasonable and documented expenses actually incurred in its collection efforts. Under the Limited Guarantee, USAID reserves the right to charge interest on overdue recovery payments, as described above, at a rate of 1% per month.

Under the terms of the Limited Guarantee, the maximum amount of Qualifying Loans the Issuer may have under coverage at any one time is US\$8,100,000 (the “**Maximum Authorized Portfolio Amount**”) and the maximum aggregate amount of Qualifying Loans the Issuer may have under coverage during the term of the Limited Guarantee is US\$ 10,900,000. USAID will charge the Issuer an origination fee of 0.30% of the Maximum Authorized

Portfolio Amount and an additional annual utilization fee of 0.50% of the average outstanding principal amount of all Qualifying Loans.

The maximum amount payable by USAID under the Limited Guarantee is US\$4,050,000 and USAID's payment obligation under the Limited Guarantee expires five and a half years from the date of the Limited Guarantee. The fees charged by USAID for the provision of the Limited Guarantee are subsidized by USAID. The Australian Department of Foreign Affairs and Trade (“DFAT”) has agreed with USAID to make a payment to USAID of US\$900,000 to cover in part the cost of this subsidy. For the avoidance of doubt, DFAT is not a party to the Limited Guarantee and none of the Issuer, the Portfolio Manager, the Bonds Trustee, the Security Trustee, the Placement Agents and the Bondholders have any recourse to DFAT.

An Event of Default for the Bonds will arise in the event the Limited Guarantee with respect to any funded Loan is suspended, terminated or cancelled (in each case, whether in whole or in part) for any reason, or the maximum amount payable by USAID under the Limited Guarantee is less than 50 per cent. of the outstanding principal amount of the Loans.

Investors should refer to the form of the Limited Guarantee set out in Appendix D to this Information Memorandum for further details of the terms and conditions of the Limited Guarantee.

The Management Agreement

See “*Description of the Portfolio Manager and Other Parties – The Management Agreement*” below.

The Trust Deed and the Charge Over Accounts

See “*Terms and Conditions of the Bonds*” above.

The Subordinated Indebtedness

The Subordinated Indebtedness is unsecured indebtedness of the Issuer in the original amount of US\$500,000 pursuant to one or more promissory notes in such aggregate principal amount dated July 6, 2017 payable to the order of IIX. Such promissory notes are governed by English law. Interest is payable on such notes at the rate of 10% per annum in arrear on each Bond Payment Date, and is capitalized semi-annually if not paid currently. Such notes are subject and subordinate to the Bonds, and are payable as and when provided pursuant to the Terms and Conditions of Bonds above. The notes provide that the holders have no right to exercise default remedies until the Bonds shall have been paid irrevocably and in full, and no right to petition for or vote for the commencement or continuation of any bankruptcy or insolvency proceeding pertinent to the Issuer. The notes further provide that any claim against or dividend in bankruptcy payable by the bankruptcy estate of the noteholders is subject to release if and only if the Bonds shall have been paid irrevocably and in full. The notes further provide that the holders waive irrevocably any right to question the legality, enforceability or priority of payment of the Bonds.

DESCRIPTION OF THE PORTFOLIO MANAGER AND OTHER PARTIES

The information relating to the Portfolio Manager contained in this section headed “Description of the Portfolio Manager and other parties” has been provided by the Portfolio Manager. To the best of the knowledge and belief of the Portfolio Manager, this information is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Portfolio Manager

Overview

The Portfolio Manager will perform certain management functions with respect to the Promissory Notes for the Issuer in accordance with the Management Agreement. The Portfolio Manager was founded on March 26, 2009 as a private limited company incorporated and registered in Singapore, with registration number 200905347D. The Portfolio Manager’s registered office is at 16 Collyer Quay, #11-01, Income at Raffles, Singapore 049318.

The Portfolio Manager’s mission is to effectively match impact investment capital with social sector development, promoting inclusive growth, economic development, and environmental sustainability. It operates various platforms to assist impact enterprises—for-profit and not-for-profit entities with social missions in sectors such as agriculture, clean technology, renewable energy, education, healthcare and microfinance—across various phases of their life cycle. Some of the Portfolio Manager’s platforms include:

(i) *Impact Accelerator*, a program that provides tailored mentorship, seed capital and ongoing investment support services to impact enterprises. As of December 31, 2015, the Portfolio Manager has provided technical assistance to 21 enterprises, enabling investment readiness.

(ii) *Impact Partners*, a private, online platform that connects impact investors with a select group of pre-screened impact enterprises seeking investment capital. As of December 31, 2015, the Portfolio Manager has facilitated investments of approximately US\$11.8 million across 26 deals in Asia.

The Portfolio Manager has entered into or will enter into agreements with various service providers to assist it to fulfill its roles and responsibilities.

The Management Agreement

Pursuant to the Management Agreement, the Issuer has appointed the Portfolio Manager to act as its agent and provide certain services in relation to the management of the Promissory Notes. The Issuer may delegate to the Portfolio Manager the exercise of some or all of its rights, powers and discretions in relation to the Promissory Notes.

The Portfolio Manager will be responsible for (i) the selection and evaluation of potential microfinance institutions and impact enterprises as Borrowers, including undertaking due diligence and credit review processes, (ii) negotiating terms and conditions of the Promissory Notes on behalf of the Issuer, (iii) monitoring Borrowers' compliance with their obligations

under the Promissory Notes, including taking appropriate actions or initiating enforcement actions on behalf of the Issuer as necessary, (iv) the calculation and collection of interest payments from the Borrowers, (v) the preparation of reports on behalf of the Issuer for Bondholders and for any exchange on which the Bonds may be listed, and (vi) all reporting, monitoring and compliance obligations of the Issuer under the terms of the Limited Guarantee.

The Portfolio Manager may at its own cost and expense, sub-contract the performance of some (but not all) of its obligations under the Management Agreement to any eligible person or entity as set out in the Management Agreement, including the Corporate Services Provider. However, the Portfolio Manager is not entitled to sub-contract its services to be provided in connection with the management of the Promissory Notes without the prior written consent of the Issuer.

The Issuer will pay IIX a one-time structuring fee of US\$159,000. On an annual basis, the Issuer will pay IIX a total of US\$70,000 in annual fees comprised of: (a) US\$20,000 (as the servicing fee), (b) US\$25,000 (as the administrative fee), and (c) US\$25,000 (as the financial monitoring fee) (the “**Annual Fees**”). The Issuer will pay the Annual Fees to IIX on a quarterly basis, in arrears and on a prorated basis, until the Bonds are redeemed. IIX may use all or a portion of the Annual Fees to pay any third parties to which it delegates its obligations to perform services under the Management Agreement. The Issuer shall also reimburse IIX, upon presentation of proper expense statements, for all ordinary and necessary out-of-pocket expenses reasonably incurred by IIX in connection with the establishment of the Issuer and the issuance of the Bonds and for the performance of the services under the Management Agreement.

The Selection and Investment Process

The Portfolio Manager uses a systematic approach to credit selection and portfolio management in accordance with the Portfolio Manager’s credit policy and procedures. The Portfolio Manager adheres to a formal credit policy that defines, *inter alia*, applicable lending criteria, portfolio limits, approval procedures, control systems, monitoring and compliance.

In selecting the Borrowers for the Loans, the Portfolio Manager has undergone the following selection and investment process and obtained the approval of the Investment Committee (details of which are set out herein) at each of the following three stages:

Pre-Screening

The Portfolio Manager started by identifying potential borrowers that are able to meet certain preliminary criteria that will allow payment of risk-adjusted returns to investors as well as create scalable impact. The Portfolio Manager tapped its existing databases and partner networks to identify potential leads and compiled information on potential borrowers using both public and private information. Both qualitative and quantitative criteria were used to analyse the potential borrowers, which include, *inter alia*:

- *Country-level considerations* such as country outlook, sector regulation, local market potential and currency volatility;

- *Financial criteria* such as profitability, leverage, key shareholders or funding partners, and portfolio quality; and
- *Social criteria* such as social mission, proportion of women beneficiaries, and impact on women's livelihoods.

The Portfolio Manager then contacted and visited the preliminary shortlisted entities to gauge interest. Entities that were interested to move forward with the due diligence process signed a Memorandum of Understanding stating their intent to be a part of the transaction. Based on the preliminary information and the signed Memorandum of Understanding, the Investment Committee reviewed information related to each potential borrower and authorized the due diligence trips.

Due Diligence

The Portfolio Manager prepared and sent pre-due diligence questionnaires to the potential borrowers ahead of due diligence meetings conducted at their offices. Site visits supplemented the meetings to view the borrowers' operations and to validate the information provided. Based on the information gathered during the meetings and site visit, the Portfolio Manager conducted a deeper review of the borrowers, including analyzing the borrowers' financial position and capacity to repay the proposed loan. IIX Foundation conducted an analysis of each of the potential borrowers' social impact. Credit write-ups on the borrowers were prepared and presented to the Investment Committee for review along with a recommendation to include or exclude the shortlisted borrower for the transaction.

Documentation

Upon approval from the Investment Committee, a formal loan financing proposal was sent to each of the borrowers outlining the contemplated terms and conditions of the proposed Loan. The Investment Committee has reviewed the final terms and form of the Promissory Notes under which the Loans are proposed to be issued. The Promissory Notes are expected to be finalized and executed concurrently with the issuance of the Bonds. The Portfolio Manager will subsequently check the fulfillment of any conditions precedent and follow-up with parties, as required, prior to the disbursement of the Promissory Notes.

The Investment Committee

Information regarding the background and experience of the Investment Committee members who are expected to be involved, directly or indirectly, in the selection and management of the Issuer's investments is set out below.

Durreen Shahnaz is the Founder and Chairwoman of the board of the Portfolio Manager and the Managing Director of IIX Foundation. In a career spanning over two decades, Durreen has worked as a banker, media executive, academic, and social entrepreneur with stints at Morgan Stanley, Merrill Lynch, Grameen Bank, International Finance Corporation, Hearst Magazines International, Readers Digest and Asia City Publishing. She also founded, ran and sold oneNest, a social enterprise and global marketplace for handmade goods. Durreen founded the Program for Social Innovation and Change at the Lee Kuan Yew School of Public Policy, National University of Singapore and was an Adjunct Associate Professor. Durreen received

the Joseph Wharton Social Impact award from the Wharton School, University of Pennsylvania in 2014. She is a TED 2010 Fellow as well as an Asia Society 21 Fellow. She was an appointed member of the World Economic Forum's Global Agenda Council on Social Innovation for 2011 and is on the advisory board for CASE i3 at Duke's Fuqua School of Business. Durreen is also the Social Entrepreneur in Residence for INSEAD's Social Entrepreneurship Catalyst Program and serves as a Program Advisor for the Clinton Global Initiative. Durreen is the wife of Robert Kraybill.

Robert Kraybill is Managing Director and a member of the board of the Portfolio Manager and Treasurer and a member of the Board of IIX Foundation. Prior to joining the impact investing movement, Robert spent nearly 20 years in the traditional capital markets as an advisor and investor, most recently as head of private finance in Asia for Marathon Asset Management until 2008. Before joining Marathon Asset Management, Robert was head of investment banking, Asia ex-Japan, for Dresdner Kleinwort Wasserstein. Robert began his career at Morgan Stanley, Credit Suisse and Wasserstein Perella. In addition to his work at the Portfolio Manager and IIX Foundation, Robert is a member of Singapore's 'President's Challenge Social Enterprise Awards' Committee. He also acts as Senior Advisor to Asian Tiger Capital, an innovative financial services firm in Bangladesh offering research, advisory and asset management services. Robert is the husband of Durreen Shahnaz.

DESCRIPTION OF IIX FOUNDATION AND THE IMPACT ASSESSMENT FRAMEWORK

The information relating to IIX Foundation contained in this section headed “Description of IIX Foundation and the Impact Assessment Framework” has been provided by IIX Foundation. To the best of the knowledge and belief of IIX Foundation, this information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Overview of IIX Foundation

IIX Foundation (formerly known as Impact Investment Shujog Limited) was incorporated on March 26, 2010 in Singapore as a public company limited by guarantee, with registration number 201006538Z. IIX Foundation was registered as a charity under Singapore’s Charities Act on December 3, 2010. IIX Foundation’s registered office is at 16 Collyer Quay, #11-01, Income at Raffles, Singapore 049318.

IIX Foundation’s mission is to empower marginalized communities and protect the planet’s resources by magnifying the positive impact of social innovators. As the non-profit arm of IIX, IIX Foundation performs the role of an intermediary, a thought-leader and an ecosystem builder in the impact investing space. IIX Foundation's programs serve high-impact entities in focus sectors such as agriculture, clean technology, renewable energy, education, healthcare, and microfinance. Some of IIX Foundation’s key programs include:

(i) *IIX Assessments*, an independent service that helps impact enterprises understand, measure, monitor, communicate and enhance their impact. As of December 31, 2015, IIX Foundation has conducted impact assessments for more than 90 entities.

(ii) *IIX Research*, a data-driven service that informs the thinking of policy-makers, foundations, investors, corporations, and other impact creators. Research projects include conducting country mapping studies, performing diagnoses on complex development issues, as well as providing insights on markets and sectors to scale sustainable development. As of December 31, 2015, IIX Foundation has performed over 15 research projects.

(iii) *IIX ACTS (Assistance for Capacity-Building and Technical Services)*, an innovative program which provides accessible and affordable technical assistance to targeted impact enterprises, preparing them to raise growth capital.

Overview of the Impact Assessment Framework

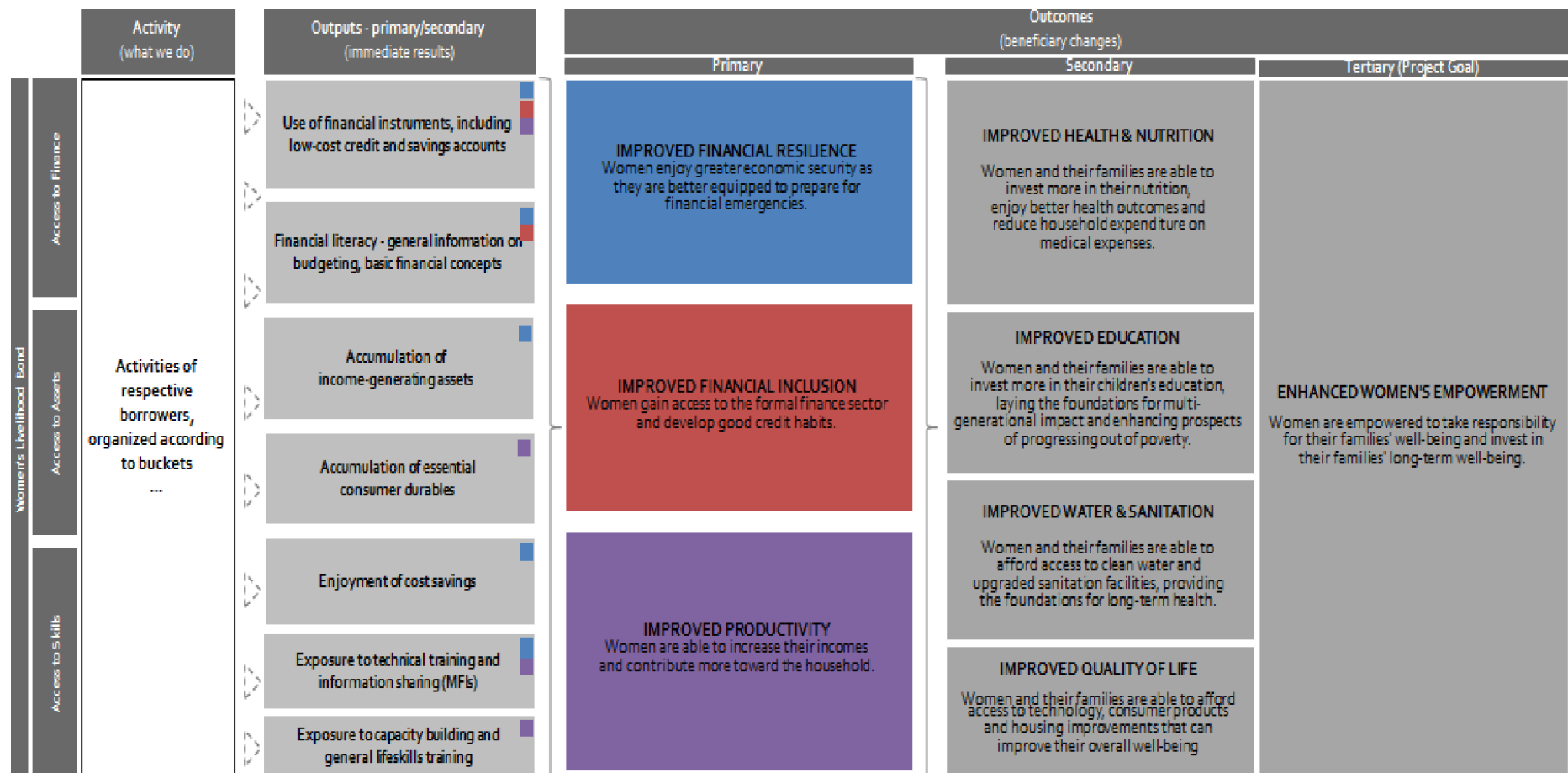
To evaluate the social performance of the Promissory Notes, IIX Foundation utilizes a social impact measurement framework to: (a) clearly map out how an entity can achieve the expected social outcomes, (b) track the actual performance of the entity in empowering women and (c) identify any deviations against targeted performance.

IIX Foundation conducted the impact assessments on two levels – first, at the entity-level by evaluating the performance of each Borrower and second, at the bond-level by evaluating the

overall pro-rated social performance of all Borrowers in empowering women. IIX Foundation assesses the performance of the Bonds and the individual Borrowers vis-à-vis a stipulated set of outcomes and outputs, with the greatest emphasis placed on three overarching indicators: (a) the Social Return on Investment, or SROI, generated, which measures how much social and environmental impact (in dollar figures) is created for every dollar invested into the Bonds (b) the number and percentage of female beneficiaries, and (c) the number of household members positively impacted.

Framework

The Framework below illustrates IIX Foundation's assessment logic model.



Establishing the Logic Model

The framework starts by establishing the influence of the Women’s Livelihood Bonds in providing critical capital for portfolio companies to address key obstacles hindering deeper and broader economic participation by females in the targeted countries. By enhancing access to finance, income-generating assets, and skills, the core activities of the entities result in seven key outputs (or immediate results) as described below:

Core Activity Themes	Output	Description (Illustrative)
<i>Access to Finance</i>	Use of financial instruments	Participation in low-cost credit and saving programs, such as microfinance loan schemes that can enable business expansion
	Financial Literacy	Receipts of greater financial and/or budgeting information that can help build the foundation for financial resilience
<i>Access to Income-Generating Assets</i>	Accumulation of income-generating assets	Ownership of assets such as sewing machines, motorcycles, and tractors that can facilitate future generation of income
	Accumulation of essential consumer durables	Purchase of capital goods such as refrigerators, televisions, and solar lighting systems that can save time and enhance productivity
	Enjoyment of cost savings	Enjoyment of benefits accrued from reduction in costs due to less frequent trips to the market such as after purchase of a refrigerator
<i>Access to Skills</i>	Exposure to technical training and information sharing	Access to information on financial instruments, market pricing, skills development etc. through informal training sessions
	Exposure to capacity building and general life skills training	Access to knowledge sources on topics such as healthcare, nutrition and education

The seven outputs created by the core activities of the Borrowers collectively lead to the three stipulated primary outcomes of: (a) improved financial resilience, (b) improved financial inclusion, and (c) improved productivity. While IIX Foundation seeks to clearly delineate the three primary outcomes, the outcomes may share slight overlaps. For instance, financial literacy will most directly result in the primary outcomes of improved financial resilience and financial inclusion.

The achievement of these three primary outcomes collectively result in secondary outcomes, including improvements for health and nutrition, education, water and sanitation and quality of life standards, all of which will in turn contribute to the tertiary outcome of the ultimate empowerment of women to take responsibility for and invest in their families’ short- and long-

term well-being. The table below provides a description of these primary, secondary and tertiary outcomes.

Primary Outcomes	Description
<i>Improved Financial Resilience</i>	Women enjoy greater economic security as they are better equipped to prepare for financial emergencies.
<i>Improved Financial Inclusion</i>	Women gain access to the formal finance sector and develop good credit habits. Women may also start to participate in financial decision-making in their families and communities.
<i>Improved Productivity</i>	The increase in number of productive hours in a day due to access to essential time-saving products improves the productivity of women and improves the quality of life for them and their families.

Secondary Outcomes	Description
<i>Improved Health & Nutrition</i>	Women and their families invest more in their nutrition, enjoy better health outcomes and reduce household expenditure on medical expenses.
<i>Improved Education</i>	Women and their families are able to invest more in their children's education, laying the foundations for multi-generational impact and enhancing prospects of progressing out of poverty.
<i>Improved Water & Sanitation</i>	Women and their families are able to afford access to clean water and upgraded sanitation facilities, providing the foundations for long-term health.
<i>Improved Quality of Life</i>	Women and their families are able to afford access to technology, consumer products and housing improvements that can improve their overall well-being.

Tertiary Outcomes	Description
<i>Enhanced Women's Empowerment</i>	Women are empowered to take responsibility for their families' well-being and invest in their families' long-term well-being.

Attaching Gender-Specific Indicators

Upon laying out the logic model, IIX Foundation attaches gender-specific indicators for each output and outcome to quantify impact and facilitate measurement. For instance, in tracking the output indicator on the use of financial instruments, IIX Foundation will disaggregate the number of clients using these instruments by male and female clients. Similarly, in tracking the outcome indicator on improved productivity, IIX Foundation disaggregates the increased income enjoyed by male and female beneficiaries.

Identifying Financial Proxies

In the next step, IIX Foundation identifies appropriate financial proxies for the different primary outcomes to monetize net impact and calculate SROI. For instance, the impact generated from improved financial resilience can be represented by the monetary value of income and saving changes.

Calculating Social Return on Investment and NPV

Social Return on Investment, or SROI, represents a measure of how much social and environmental impact, in dollar figures, is created for every dollar invested into the organization and/or program. Unique to the organizations in question and the time period of interest, SROI divides the net present value of impact created over the investments channeled to the enterprise. At the portfolio level, IIX Foundation calculates a weighted SROI by considering the percentage allocation of the bond investment sum across the three enterprises.

In calculating the NPV, the WLB considers the impact of enterprises across a four-year time horizon since the WLB investments expect to support enterprises across the same time horizon. In order to account for the time value of money across the next four years and accordingly represent future net impact in today's terms, IIX Foundation discounts impact by the respective lending rates for each enterprise. The following formula showcases the breakdown, with 'r' equating to the lending rates, and 'n' equating to four.

$$NPV = \frac{Valueofimpact(Year1)}{(1+r)} + \frac{Valueofimpact(Year2)}{(1+r)^2} + \dots + \frac{Valueofimpact(Year'n')}{(1+r)^n}$$

Performance of Subsequent Social Impact Monitoring

IIX Foundation will report on the social performance of the WLB twice a year. At the mid-point of each reporting year, IIX Foundation will monitor and provide a progress report, charting out the social performance of the bond and the three entities vis-à-vis the stipulated indicators. At the end of the reporting year, IIX Foundation will produce a comprehensive evaluation on the social performance of the bond and the three entities vis-à-vis the SROI targets.

TRANSFER RESTRICTIONS AND INVESTOR REPRESENTATIONS

General

The distribution of this Information Memorandum or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Information Memorandum or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Information Memorandum may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised. No action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of the Bonds, or possession or distribution of this Information Memorandum or any other offering or publicity material relating to the Bonds (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Information Memorandum nor any other offering material or advertisements in connection with the Bonds may be distributed or published in or from any country or jurisdiction, except in circumstances which will result in compliance with all applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on the Issuer.

United Kingdom

Each invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”)) in connection with the issue or sale of the Bonds has only been communicated or caused to be communicated and may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer and all applicable provisions of the FSMA must be complied with in respect of anything done in relation to the Bonds in, from or otherwise involving the United Kingdom.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), an offer of Bonds to the public in that Relevant Member State may not be made except that, with effect from and including the Relevant Implementation Date, an offer of Bonds to the public in that Relevant Member State may be made at any time:

- (i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Placement Agents; or

(iii) in any other circumstances pursuant to Article 3(2) of the Prospectus Directive, provided that no such offer of Bonds referred to in (i) to (iii) above shall require the Issuer to publish an offering circular pursuant to Article 3 of the Prospectus Directive or supplement an offering circular pursuant to Article 16 of the Prospectus Directive.

For the purposes of this section, the expression an “**offer of notes to the public**” in relation to any of the Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “**PD Amending Directive**” means Directive 2010/73/EU.

Singapore

This Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore (the “**MAS**”). Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, may not be circulated or distributed, nor may the Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months

after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

United States

The Bonds have not been and will not be registered under the Securities Act or any state securities laws and unless so registered may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Bonds are being offered and sold in the United States only to certain accredited and sophisticated investors in reliance on exemptions from the provisions of Section 5 of the Securities Act and outside the United States to persons other than U.S. persons (as defined in and pursuant to Regulation S under the Securities Act). Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each purchaser of Bonds is subject to restrictions on transfer as summarized below. By purchasing Bonds, each purchaser (and in the case of clause (7), each transferee of the Bonds) will be deemed to represent, warrant, acknowledge and agree as follows (terms used in this paragraph that are defined in Regulation S under the Securities Act are used herein as defined therein):

- (1) it is not an affiliate (as defined in Rule 144 under the Securities Act) of the Issuer or the Guarantor, that the purchaser is not acting on its behalf and that it is not a U.S. person and is acquiring the Bonds in an offshore transaction pursuant to Regulation S.
- (2) it understands that the Bonds are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Bonds have not been and will not be registered under the Securities Act and that (A) if in the future it decides to offer, resell, pledge or otherwise transfer any of the Bonds, such Bonds may be offered, resold, pledged or otherwise transferred

only (i) outside the United States in a transaction complying with the provisions of Rule 904 under the Securities Act, (ii) pursuant to an exemption from registration under the Securities Act (other than pursuant to Rule 144), (iii) pursuant to an effective registration statement under the Securities Act or (iv) to us or any of our subsidiaries, in each of cases (i) through (iv) in accordance with any applicable securities laws of any State of the United States, and that (B) it will, and each subsequent holder is required to, notify any subsequent purchaser of the Bonds from it of the resale restrictions referred to in clause (A) above.

- (3) we and the Trustee reserve the right to require in connection with any offer, sale or other transfer of Bonds under clauses (A)(i) and (ii) above the delivery of an opinion of counsel, certifications and/or other information satisfactory to us and the Trustee.
- (4) it understands and acknowledges that until such time as the Bonds are registered under the Securities Act, such Bonds constitute “restricted securities” and, therefore, such securities may not be sold unless they are registered under the Securities Act or an exemption from the registration and prospectus delivery requirements of the Securities Act is available (for the avoidance of doubt, such shares may be transferred to an affiliate of an investor without restriction hereunder provided that such transferee shall hold such Bonds subject to the restrictions on transfer set forth herein). It agrees that it will deliver to each Person to whom it transfer the Bonds notice of any restriction on transfer of such Bonds and understands that the Bonds will, unless otherwise agreed by the issuer and the holder thereof, bear a legend substantially to the following effect:

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS AN ACCREDITED INVESTOR (AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS BOND IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT (2) AGREES THAT IT WILL NOT OFFER, RESELL, PLEDGE, OR OTHERWISE TRANSFER THIS BOND EXCEPT (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) OUTSIDE OF THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES

ACT, (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (F) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS BOND IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS “OFFSHORE TRANSACTION,” “UNITED STATES,” AND “U.S. PERSON” HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

- (5) if such purchaser is a foreign purchaser outside the United States, it represents and agrees that it will not sell short or otherwise sell, transfer or dispose of the economic risk of the Bonds into the United States or to a U.S. Person.
- (6) if such purchaser is an acquirer in a transaction that occurs outside the United States within the meaning of Regulation S, you acknowledge that until the expiration of the “40-day distribution compliance period” within the meaning of Rule 903 of Regulation S under the Securities Act, any offer or sale of these Bonds shall not be made by such purchaser to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rule 902 under the Securities Act, except in compliance with applicable securities laws.
- (7) it (a) is able to act on its own behalf in the transactions contemplated by this Information Memorandum, (b) has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its prospective investment in the Bonds, and (c) (or the account for which it is acting) has the ability to bear the economic risks of its prospective investment in the Bonds and can afford the complete loss of such investment.
- (8) it acknowledges that (a) none of us, the placement agents or any person acting on behalf of any of the foregoing has made any statement, representation, or warranty, express or implied, to it with respect to the issuer or the offer or sale of any Bonds, other than the information we have included in this Information Memorandum, and (b) any information it desires concerning the issuer, the Bonds or any other matter relevant to its decision to acquire the Bonds (including a copy of the Information Memorandum) is or has been made available to it.
- (9) it acknowledges that it received a copy of the Information Memorandum and acknowledges that it has had access to such financial and other

information as it deemed necessary in connection with its decision to purchase the Bonds, including an opportunity to ask questions of a request information from the Issuer and the Placement Agents, and it has received and reviewed all information that was requested.

- (10) either (i) it is not acquiring or holding such note (or any interest therein) with the assets of any (a) employee benefit plan that is subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), (b) plan, individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) or provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, “Similar Laws”), or (c) entity whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement described in clause (a), (b) or (c) pursuant to ERISA or otherwise, or (ii) the acquisition and holding of such note and any interest therein will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws.
- (11) it acknowledges that the trustee under the trust deed governing the Bonds will not be required to accept for registration of transfer any Bonds acquired by it, except upon presentation of evidence satisfactory to us and the trustee that the restrictions set forth herein have been complied with.
- (12) it acknowledges that the Issuer, the Placement Agents and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or agreements deemed to have been made by its purchase of the Bonds are no longer accurate, it shall promptly notify the Issuer and the Placement Agents thereof. If it is acquiring the Bonds as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations, and agreements on behalf of each such account.
- (13) it is acquiring the Bonds for investment for its, his or her own account, and not with the view to, or for resale in connection with, any distribution thereof in violation of the Securities Act, and it has no present intention of distributing any of such securities in violation of the Securities Act or any applicable state securities law and has no contract, undertaking, agreement or arrangement with any person regarding the

distribution of such securities in violation of the Securities Act or any applicable state securities law.

- (14) it understands and acknowledges that its, his or her investment in the Bonds involves a high degree of risk and has sought such accounting, legal and tax advice as it, he or she has considered necessary to make an informed investment decision with respect to its, his or her acquisition of the shares of the Bonds.
- (15) it understands and acknowledges that the Bonds not be registered under the Securities Act by reason of a specific exemption from the registration and prospectus delivery requirements of the Securities Act, the availability of which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of its representations set forth herein.

Switzerland

The Bonds shall not be publicly offered, sold, advertised, distributed or redistributed, directly or indirectly, in or from Switzerland, and neither this Information Memorandum nor any other solicitation for investments in the Bonds may be communicated, distributed or otherwise made available in Switzerland in any way that could constitute a public offering within the meaning of Articles 652a and 1156 of the Swiss Code of Obligations (“CO”) or of Article 3 of the Swiss Federal Act on Collective Investment Schemes (“CISA”) unless the legal and regulatory conditions imposed on a public offering under the CO or CISA are satisfied. This Information Memorandum does not constitute a public offering within the meaning of Articles 652a, respectively 1156, of the CO and of Article 5 of the CISA and may not comply with the information standards required thereunder, and in particular with the guidelines on informing investors about structured products as published in September 2014 by the Swiss Bankers Association, as applicable. Neither this Information Memorandum nor any other offering or marketing material relating to the Bonds constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the CO or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland, and neither this Offer Information Statement nor any other offering or marketing material relating to the Bonds may be publicly distributed or otherwise made publicly available in Switzerland. The Bonds will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland.

The Bonds do not constitute collective investments within the meaning of the CISA. Accordingly, holders of the Bonds do not benefit from protection under the CISA or from the supervision of the Swiss Financial Market Supervisory Authority. Investors are exposed to the default risk of the Issuer.

Hong Kong

The Bonds have not been offered or sold and will not be offered or sold in the Hong Kong Special Administrative Region of the People's Republic of China (“**Hong Kong**”), by means of any document, other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”) and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding-up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the Bonds has been issued or has been in the possession of any person, or will be issued or will be in the possession of any person, for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong) (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Australia

Neither this Information Memorandum, nor any prospectus or disclosure document (as defined in the Corporations Act 2001 of the Commonwealth of Australia (the “**Corporations Act**”)) in relation to the Bonds has been, or will be, lodged with or registered by, the Australian Securities and Investments Commission (“**ASIC**”) or the Australian Securities Exchange (“**ASX**”) and no offer of the Bonds for issue or sale in Australia (including an offer or invitation which is received by a person in Australia) has been made or invited, or will be made or invited, and neither this Information Memorandum nor any other offering material or advertisement relating to the Bonds has been distributed or published or made available, or will be distributed or published or made available, in Australia, unless, in each case, (i) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in other currencies, in either case disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act, (ii) such action complies with all applicable Australian laws, regulations and directives (including without limitation, the licensing requirements set out in Chapter 7 of the Corporations Act, (iii) such action does not require any document to be lodged with ASIC or the ASX and (iv) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761 G of the Corporations Act.

SINGAPORE TAXATION

The statements made herein regarding taxation are general in nature and based on certain aspects of the tax laws of Singapore and administrative guidelines and circulars issued by the relevant authorities in force as of the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or in the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retrospective basis. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Bonds are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposition of the Bonds including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Lead Managers, and any other persons involved in this Information Memorandum accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Bonds.

1. Interest and other payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act (Chapter 134 of Singapore)(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 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is 22 per cent. with effect from Year of Assessment 2017. 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 per cent. The rate of 15 percent may be reduced by applicable tax treaties.

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

- (a) interest from debt securities derived on or after January 1, 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after February 17, 2006; and
- (c) prepayment fee, redemption premium or break cost from debt securities derived on or after February 15, 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 in Singapore.

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

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

- (a) “break cost” means, in relation to debt securities, qualifying debt securities or qualifying project 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;
- (b) “prepayment fee” means, in relation to debt securities, qualifying debt securities or qualifying project 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
- (c) “redemption premium” means, in relation to debt securities, qualifying debt securities or qualifying project debt securities, any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

DBS Bank Ltd. and Australia and New Zealand Banking Group Limited are the lead managers. As the issue of the Bonds is jointly lead-managed by DBS Bank Ltd. and Australia and New Zealand Banking Group Limited, each of which is a Financial Sector Incentive (Standard Tier) Company (as defined in the ITA), the Bonds issued as debt securities during the period from the date of this Information Memorandum to December 31, 2018 would be, pursuant to the ITA, “qualifying debt securities” for the purposes of the ITA, to which the following treatments shall apply:

- (a) 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 Bonds within such period as the MAS may specify and such other particulars in connection with the Bonds as the MAS may require to the MAS and the inclusion by the Issuer in all offering documents relating to the Bonds of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Bonds is derived by a 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 Bonds 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 Bonds paid by the Issuer and derived by a holder who is not resident in Singapore and who (i) does not have any permanent establishment in Singapore or (ii) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Bonds are not obtained from such operation in Singapore, are exempt from Singapore tax;
- (b) 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 Bonds within such period as the MAS may specify and such other particulars in connection with the Bonds as the MAS may require), Specified Income from the Bonds paid by the Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is generally subject to tax at a concessionary rate of 10 per cent.; and
- (c) subject to:
 - (i) the Issuer including in all offering documents relating to the Bonds 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 Bonds is not exempt from tax shall include such income in a return of income made under the ITA; and
 - (ii) the Issuer, or such other person as the MAS may direct, furnishing to the MAS a return on debt securities for the Bonds within such period as the MAS may specify and such other particulars in connection with the Bonds as the MAS may require,

payments of Specified Income derived from the Bonds are not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

- (a) if during the primary launch of the Bonds, the Bonds are issued to fewer than four (4) persons and 50 per cent. or more of the issue of the Bonds is held beneficially or funded, directly or indirectly, by a related party or related parties of the Issuer, the Bonds would not qualify as “qualifying debt securities”; and
- (b) even though the Bonds are “qualifying debt securities”, if, at any time during the tenure of the Bonds, 50 per cent. or more of the issue of the Bonds 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 the Bonds held by:
 - (i) any related party of the Issuer; or
 - (ii) any other person who acquires the Bonds with funds obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as 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 Bonds 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 Bonds is not exempt from tax is required to include such income in a return of income made under the ITA.

In addition, payments of Surplus Funds would likely not enjoy the tax concessions in connection with the qualifying debt securities scheme as described above and are likely to be subject to withholding tax in Singapore.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Bonds will not be taxable in Singapore. However, any gains derived by any person from the sale of the Bonds 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 Bonds 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 Bonds, 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 March 16, 2015). Legislative amendments to give effect to the FRS 39 Circular have been enacted in Section 34A of the ITA.

Holders of the Bonds 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 Bonds.

Estate Duty

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

U.S. ERISA CONSIDERATIONS

The U.S. Employee Retirement Income Security Act of 1974, as amended from time to time (“**ERISA**”), imposes certain requirements on employee benefit plans that are subject to Title I of ERISA and on entities that are deemed to hold the assets of such plans (“**ERISA Plans**”), and on persons who are fiduciaries of ERISA Plans. Investments by ERISA Plans are subject to ERISA’s general fiduciary requirements, including but not limited to the prudence and diversification requirements under ERISA, and the requirement that an ERISA Plan’s investments be made in accordance with documents governing the ERISA Plan. An ERISA Plan fiduciary should consider, among other things, whether the ERISA Plan’s purchase and holding of the Bonds would meet ERISA’s fiduciary standards of investment prudence and diversification, whether the investment is appropriate for the ERISA Plan, taking into account the overall investment policy of the ERISA Plan and the composition of the ERISA Plan’s investment portfolio, and whether such investment is consistent with the documents governing the ERISA Plan. Fiduciaries of any such plans should consult with their counsel before purchasing the Bonds to determine the need for, and the availability, if necessary, of any exemptive relief under any applicable law or regulations.

GENERAL INFORMATION

Where You Can Find More Information

Upon completion of the issuance of the Bonds, we will not be subject to the periodic reporting and other information requirements of the Exchange Act. This Information Memorandum contains summaries of certain agreements that we have entered into or will enter into in connection with the Transaction. The descriptions contained in this Information Memorandum of these agreements do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements. Copies of the definitive agreements will be made available without charge to you in response to a written request to us.

No Litigation

The Issuer is not involved, and has not been involved, in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had since the date of its incorporation a significant effect on the Issuer's financial position, business or operations.

Clearing Systems

The Bonds have been accepted for clearance through Euroclear and Clearstream with the following:

Bonds	ISIN	Common Code
Euroclear	XS1476571614	147657161 WLB ASSET PTE. LTD. VAR 00/09/20
Clearstream		

Minimum Board Lot Size on the SGX-ST

If a listing is obtained, the Bonds will be traded on the SGX-ST in minimum board lot sizes of U\$200,000 if and for so long as the Bonds are listed on the SGX-ST.

APPENDICES

Appendix A: Microfinance Sector Overview

Cambodia

Regulatory Framework

MFIs are integrated into the Cambodian financial system by virtue of the Law on Banking and Financial Institutions of 1999 and Prakas on Licensing of Microfinance Institutions in 2000. In 2007, the Prakas on Licensing Microfinance Deposit Taking Institutions further authorized eligible MFIs to receive deposits from the general public. Registration is compulsory for any MFI that has at least 100 depositors, deposits exceeding KHM1 million, or a loan portfolio of at least KHR100 million. All MFIs with more than 1,000 borrowers or depositors, deposits exceeding KHM100 million, or loans of at least KHR1 billion must apply for a license granted by the NBC. Licensed MFIs must comply with a number of regulations, including having (i) 5% of its capital deposited with the central bank, (ii) a reserve requirement of 5% of deposits, (iii) a capital adequacy ratio of 20%, (iv) liquid assets of at least 25% of deposits, (v) single borrower limits of 10% of net worth and (vi) loan classification and provisioning⁷. Cambodia ranked fourteenth in Economist Intelligence Unit's Global Microscope 2015 rankings as the supportive regulatory regime under the NBC has resulted in appreciable advancements including promotion of new technologies, improvements in credit reporting and expansion of financial inclusion for the populace.

In March 2017, the country's central bank, the National Bank of Cambodia (NBC), announced that it would introduce a maximum annual interest rate of 18 percent on loans from MFIs effective April 1 - thereby forcing MFIs to reduce their interest rates from the current average annual rate on high-risk, small loans of about 20 to 30 percent.⁸

Competitive Landscape

Despite over a hundred organizations in Cambodia providing financial services to low income families, only 58 MFIs are large enough to be licensed as of December 31, 2015, of which eight are also deposit taking institutions, or MDIs³. The top four MFIs—Prasac, Sathapana, Amret, and Hattha Kaksekar—have a presence in all 25 provinces of Cambodia and account for 70% of assets, 89% of deposits and 70% of loans among all MFIs as follows (as of December 31, 2015)³:

<i>In US\$ millions</i>	Assets	%	Loans	%	Deposits	%
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⁷ CMA (<http://cma-network.org/>)

⁸ The Cambodia Daily (<https://www.cambodiadaily.com/news/microfinance-institutions-to-request-assistance-from-central-bank-126624/>)

³ National Bank of Cambodia, 2015 Annual Report

Prasac	1,047.3	29%	856.6	28%	467.4	36%
Sathapana	539.2	15%	472.0	16%	259.9	20%
Amret	478.8	13%	411.4	14%	200.8	15%
Hattha						
Kaksekar	446.2	12%	363.5	12%	238.2	18%
Subtotal	2,511.4	70%	2,103.5	70%	1,166.3	89%
Rest of MDIs	676.7	19%	571.6	19%	142.1	11%
Rest of MFIs	423.3	12%	348.2	12%	0.4	0%
Total		100		100		
	3,611.3	%	3,023.3	%	1,308.9	100%

MFIs can also be subdivided into four main categories based on their target market: those focusing on small and medium-sized business (for example, PRASAC, Sathapana, and Hattha Kaksekar), those focusing on indigent borrowers (for example, AMK and Chamroeun), those focusing on both small and medium-sized business and indigent borrowers (for example, Amret, Kredit, and VisionFund), and those focusing on consumer lending (for example, Aeon).

In recent months, the success of MFIs in Cambodia has attracted new lenders which has increased competitive pressures. While this trend can be seen as a positive one for consumers, the NBC has stepped up efforts in 2015 to monitor and regulate unregistered lenders.

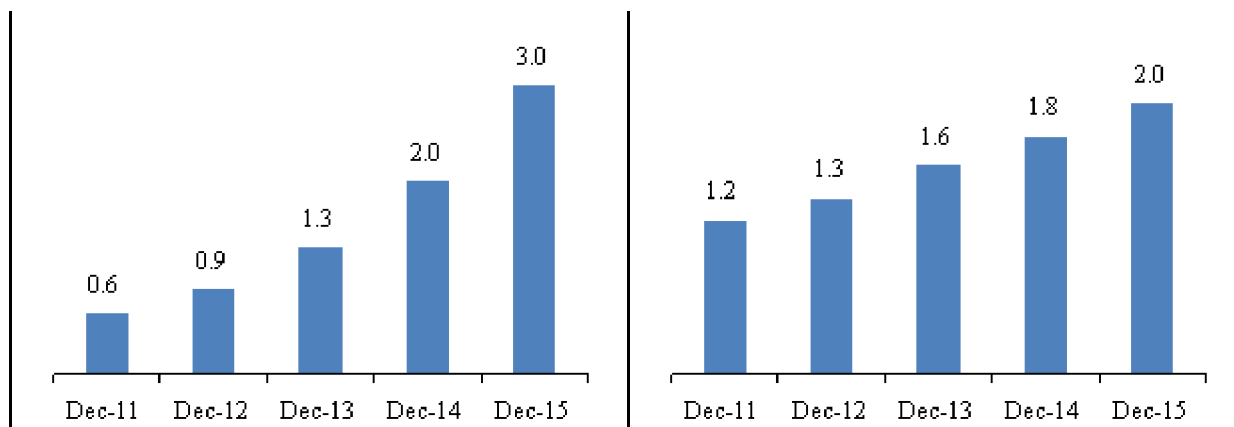
Demand Dynamics and Loan Growth

The demand for microfinance continues to be high in Cambodia as less than 10% of the population have access to banking services⁴. This low penetration rate is due to banks being largely concentrated in key cities serving wealthier borrowers, thereby limiting access to loans for borrowers in villages and rural areas—a segment that is being addressed by microfinance. Microfinance loan growth in Cambodia has increased 54% between 2013 and 2014, and 50% between 2014 and 2015, owing to continued political stability and increased investment, according to the CMA. At the same time, MFIs are also increasing the size of their maximum loans to meet rising consumer demand. In 2016, however, concerns about the country's overheated credit market and high levels of indebtedness among the poor led the NBC to advise MFIs and commercial banks to reduce their planned growth and rate of adoption of new clients. In March 2017, the NBC reinforced this by announcing the interest rate cap (see Section on Regulatory Framework). The interest rate cap is likely to result in MFIs shifting away from their smallest, high-interest loans to greater disbursements of larger-sized ones, such as collateralized and/or larger SME loans.

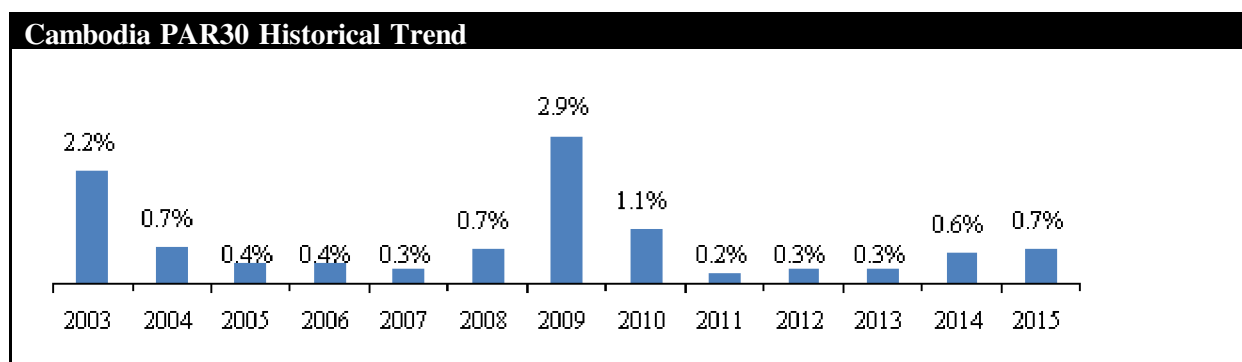
MFI Loans Outstanding (US\$ billion)^{1,Error!} Number of Borrowers (million)¹

Bookmark not defined.

⁴ World Bank Group, Global Financial Development Report 2015/2016



Despite this growth in overall loan volumes, the average PAR30 has generally remained below 1%, and stood at 0.67% as of December 31, 2015⁵. The uptick in PAR30 since 2014 has raised concerns by the NBC and industry watchers who point to increasing indebtedness caused by overlapping or multiple loans, especially from unlicensed lenders. Although figures on non-performing loans (NPLs) for 2016 by the NBC are not yet available, preliminary sector data suggests that PAR30 has further increased in 2016. However, despite this, Cambodia's overall PAR30 figures represent one of the lowest in the Southeast Asia region according to data compiled by Microfinance Information Exchange.



2003-2006 figures from Microfinance Information Exchange, *Cambodia Trends*, November 2007

2007 figures from Microfinance Information Exchange, *Asia Microfinance Analysis and Benchmarking Report 2008*, March 2009

2008 figures from *The Phnom Penh Post*, *Microfinance lending down*, 23 Feb 2009

2009-2015 figures from CMA (<http://cma-network.org/>)

Philippines

Regulatory Framework

The Central Bank of the Philippines, or BSP, as provided by the General Banking Law of 2000, establishes the regulatory framework and supervises the microfinance activities of lending

⁵ CMA (<http://cma-network.org/>)

institutions. Cooperatives, including those with credit functions, are under the purview of the Cooperative Development Authority, while microfinance NGOs that are neither banks nor quasi-banks are required to submit information on their operations to the Securities and Exchange Commission of Philippines. Financial institutions, including microfinance-oriented or microfinance-engaged banks, that have quasi-banking functions are supervised by the BSP. The BSP has published several circulars to define and govern microfinance activities, including liberalizing branching regulations to allow for micro-banking offices, subjecting microfinance portfolios to portfolio-at-risk measurements and more stringent provisioning standards⁶. The Philippines has consistently topped EIU’s annual Global Microscope ranking in terms of policy and regulatory framework for microfinance⁷.

Competitive Landscape

NGOs are the predominant MFIs in the country, with the deepest outreach as they serve the poorer and rural segment of the economy. A majority of NGOs provide small amounts of microenterprise loans to their clients through groups while larger NGOs provide other types of individual loans, including housing repair and agricultural loans. Aside from loans, NGOs offer compulsory savings wherein a small portion of the loan is retained as member savings, although because NGOs are not licensed as banks, they are not legally allowed to mobilize savings.⁸ Banks are the second largest group of MFI players, with the BSP recognizing 12 microfinance-oriented banks whose microfinance loans are at least 50% of their loan portfolio and 163 microfinance-engaged banks as of December 31, 2015.⁹ Beyond credit and savings, 86 institutions also provide microinsurance and 26 provide electronic banking services as of December 31, 2014.¹⁰ Cooperatives make up the remainder and a summary of available data on these various institutions are presented below:

	#	Borrowers (million)	Loans (PHP billion)	Deposits (PHP billion)
Banks with Microfinance Operations	175 ⁹	1.2 ¹¹	11.4 ¹¹	4.0 ¹²
NGOs	36 ¹³			

⁶ Bangko Sentral ng Pilipinas (http://www.bsp.gov.ph/about/advocacies_micro.asp)

⁷ UNCTAD, Policies and Regulation for Financial Inclusion: Philippine Experience, November 2014

⁸ Microfinance Council of the Philippines, Microfinance Industry Report 2010

⁹ Bangko Sentral ng Pilipinas (<http://www.bsp.gov.ph/banking/microfinance.pdf>)

¹⁰ Centre for Financial Inclusion, Asia’s Top Country on Financial Inclusion Policy, the Philippines, Strengthens Its Microfinance Market, 12 Dec 2014

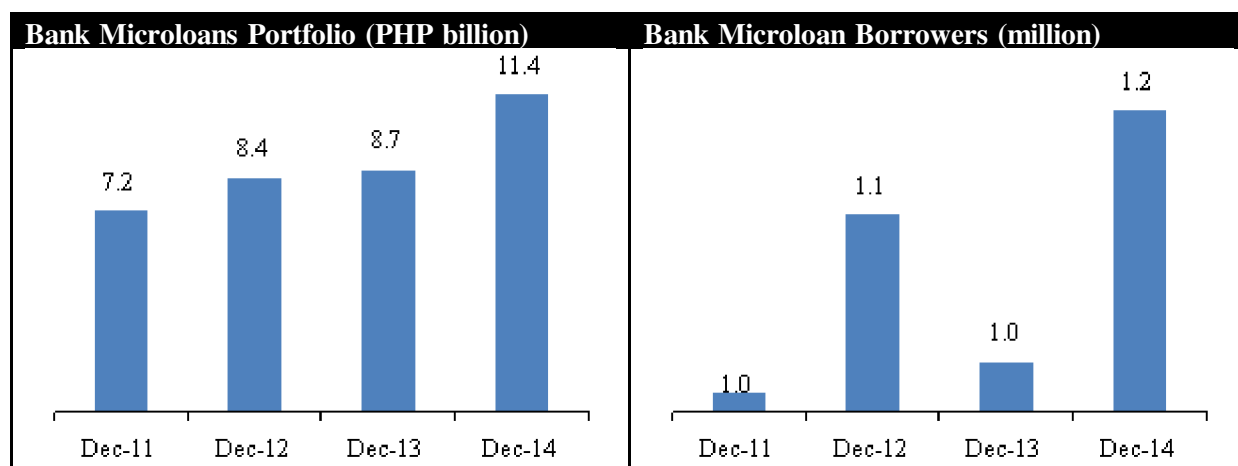
¹¹ Data as of end-2014 from Business Mirror, Demand for microfinance loans continues to expand in Philippines, BSP says, 22 May 2015

¹² Bangko Sentral ng Pilipinas, Report on the State of Financial Inclusion in the Philippines, 2014

Cooperatives ¹⁴	236 ¹⁵	2.5 ¹¹ 0.1	11.6 ¹¹ 0.7	5.0 ¹⁴ 0.3
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Demand Dynamics and Loan Growth

The demand for microfinance remains high, with 37% of municipalities not having a banking branch as of December 31, 2015¹⁶ and only 12% of adults having obtained a loan from a formal financial institution in 2014¹⁷. Looking forward, loan volumes are expected to continue to grow due to initiatives such as the Magna Carta for Micro, Small, and Medium Enterprises, which mandates that banks allocate at least 8% of their loan portfolio to micro and small enterprises, as well as from the rollout of innovations using the Internet and mobile technology (Fintech).



2011 figures from Asian Development Bank, *Philippines: Microfinance Development Program, December 2012*
 2012 and 2013 figures from Bangko Sentral ng Pilipinas, *Financial Inclusion Initiatives 2013*
 2014 figures from Bangko Sentral ng Pilipinas, *Generating More Winners in Microfinance*
 (<http://www.bsp.gov.ph/publications/speeches.asp?id=496>)

According to data compiled by Microfinance Information Exchange, PAR30 figures for the Philippines were 5.0%, 7.8% and 5.9% in 2012, 2013, and 2014, respectively and are highly correlated with the occurrence of natural disasters that disrupt low income families' ability to repay their debt. Two of the country's five worst-ever calamities—in terms of number of

¹⁴ Asian Development Bank, *Philippines: Microfinance Development Program, December 2012*

¹⁵ Registered Credit cooperatives only from Cooperative Development Authority
 (<http://www.cda.gov.ph/resources/updates/statistics/527-statistics-as-of-december-31-2014>)

¹⁶ Bangko Sentral ng Pilipinas, *Financial Inclusion Initiatives 2015*

¹⁷ Bangko Sentral ng Pilipinas, *National Strategy for Financial Inclusion, July 2015*

casualties, amount of damage and number of people affected—have occurred in the last five years: Super Typhoon Yolanda, or Haiyan, in 2013 and Typhoon Pablo, or Bopha, in 2012.

Appendix B: Retail Sector Overview

Vietnam

Regulatory Framework

Although the government continues to exercise control over retailing, the sector has been liberalized under the conditions of Vietnam's membership under WTO and other trade agreements. Under the WTO agreement, Vietnam allowed foreign retailers to set up businesses with 100% foreign capital beginning January 2015. Vietnam is also a participant in a number of Free Trade Agreements where it commits to reducing import tariffs.

In the area of e-commerce, Vietnam E-commerce and Information Technology Agency under the Ministry of Industry and Trade, unveiled a draft plan in September 2015 to encourage enterprises and individuals to start e-commerce businesses and form online transaction centers. It aims to get approximately 60% of businesses onto the internet, regularly updating information to introduce and sell products, with 80% of businesses taking orders online by 2020.¹⁸

Competitive Landscape

The Vietnamese retail sector is fragmented with many family-owned small businesses dominating the industry although modern retail outlets are growing in urban areas. According to a 2014 Deloitte report¹⁹, there were more than 700 supermarkets, 125 shopping centers and 8,600 traditional markets such as wet markets and grocery stores operating in Vietnam. Foreign companies dominate the large store-based retail format.

Although the retail business is predominately store-based, non-store-based retailers are growing in recent years. Based on data compiled by Euromonitor, within the non-store-based retail market, internet retailing grew rapidly at an annual compound growth rate of 55.9% between 2011 and 2014, to comprise 59.2% of non-store-based sales in 2014.

Retail Sales by Channel (VDN trillion)²⁰	2011	2012	2013	2014	% Non- Store-Based (2014)
Store-based	1,169.5	1,333.7	1,526.2	1,733.7	
Non-store-based	7.3	10.6	13.9	17.9	
<i>Internet</i>	2.8	4.9	7.4	10.6	59.2%
<i>Others</i>	4.5	5.7	6.5	7.3	40.8%
Total	1,176.8	1,344.3	1,540.0	1,751.5	

¹⁸ <http://english.vietnamnet.vn/fms/business/141887/30--of-vietnamese-to-shop-online-by-2020.html>

¹⁹ Deloitte Southeast Asia Ltd, Retail in Vietnam: Emerging market, emerging growth, 2014

²⁰ Euromonitor, Retailing in Vietnam, June 2015

Demand Dynamics

Growth in the retail market is expected to be driven by rapid urbanization, increasing disposable income and growing sophistication by consumers, on the back of the government's reform policy to open the Vietnamese market to foreign investment. According to Euromonitor²¹, total disposable income was US\$131.3 billion in 2015, while total consumer expenditures were US\$122.6 billion in 2015. At the same time, increasing integration has also attracted a greater number of international tourists, which tallied 7.9 million in 2015²² and boosted the local retail sector.

Non-traditional retail channels are also poised to benefit as mobile and internet penetration grows in the country. Vietnam already has a mobile penetration rate of 147.1% and an internet penetration rate of 48.3% in 2014²³, and the trend is expected to continue. This is expected to sustain growth in non-store-based Internet retailing.

²¹ <http://www.euromonitor.com/vietnam/country-factfile>

²² Vietnam General Statistics Office, <http://vietnamtourism.gov.vn/english/index.php/items/9968>

²³ UNdata, http://data.un.org/Data.aspx?d=WDI&f=Indicator_Code%3aIT.CEL.SETS.P2 and http://data.un.org/Data.aspx?d=WDI&f=Indicator_Code%3AIT.NET.USER.P2

Appendix C: Country Overview

Cambodia

Moody's B2/Stable	Standard & Poor's N.A.	Fitch N.A.	COFACE Country Risk Assessment C
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Economic Overview

Following decades of conflict in the country, Cambodia has experienced rapid economic growth over the last decade. Since becoming a member of the Association of Southeast Asian Nations, or ASEAN, in April 1999, Cambodian GDP averaged 7.9% between 2000 and 2015.²⁴ Tourism, textile and garments, construction and real estate, and agriculture are the major sectors accounting for the bulk of this growth.

Politics

The political scene in Cambodia has long been dominated by the Cambodian People's Party led by Prime Minister Hun Sen, who marked 31 years in power in 2016. Political uncertainty has abated after a year-long boycott by the opposition Cambodia National Rescue Party over the disputed 2013 parliamentary elections ended in August 2014. Since then, the Ministry of Commerce has announced a raft of reforms targeting corruption and bureaucracy, aimed at boosting investor confidence, ahead of the 2015 deadline for the ASEAN Economic Community.

External Sector

Healthy foreign direct investment, or FDI, into Cambodia supports its external position and helps boost consumption. The slump in oil prices also has had positive impacts on Cambodia's current account balance as the country is an oil importer. As a result of continued healthy FDI inflows, gross international reserves have further improved, reaching US\$5.1 billion by December 31, 2015.²⁵

Annual Indicators^{24, 25}

Fiscal Year	2011	2012	2013	2014	2015
GDP, current prices (KHR trillion)	52.1	56.7	61.9	66.8	72.3

²⁴ Asian Development Bank, Asian Development Outlook 2016

²⁵ Asian Development Bank, Basic Statistics 2016

GDP, current prices (US\$ billion)	12.8	14.0	15.5	16.8	18.1
Real GDP Growth (%)	7.1	7.3	7.4	7.1	7.0
Inflation (%)	5.5	2.9	3.0	3.9	1.2
Population (million)	14.6	14.9	15.1	15.3	15.4
Trade Balance (US\$ billion)	-2.1	-2.5	-3.2	-3.2	-3.4
Current Account Balance (% of GDP)	-9.0	-10.2	-14.9	-11.7	-11.1
Gross International Reserves (US\$ billion)	3.0	3.4	3.6	4.4	5.1
External Debt Outstanding (US\$ billion)	3.6	4.3	4.8	5.3	5.7
Debt Service Ratio (% of Exports)	-	-	-	-	-
Fiscal Balance (% of GDP)	-7.8	-6.6	-6.9	-3.6	-2.4
Annual Average Exchange Rate (KHR/US\$)	4,016	4,033	4,027	4,030	4,030

Philippines

Moody's
Baa2/Stable

Standard & Poor's
BBB/Stable

Fitch
BBB-/Positive

COFACE
Country Risk Assessment
A4

Economic Overview

The Philippines is one of the most dynamic economies in Southeast Asia, averaging more than 5% growth in the last decade.²⁴ The country has earned investment grade ratings from all three major credit rating agencies as a result of its sound macroeconomic fundamentals. It is increasingly characterized by robust inclusive economic growth, low and stable inflation, healthy current account surplus, more-than-adequate international reserves, and a sustainable fiscal position.

Politics

Former President Benigno Aquino made addressing corruption and instituting good governance reforms a key part of his agenda, and has generally been regarded to have made significant progress in that area, including revamping procurement and budgeting processes to promote efficiency. The current President, Rodrigo Duterte, who succeeded Aquino in June 2016 built his reputation on law and order, promising to wipe out corruption in the country and introduce tough measures such as the death penalty to fight crime. The previous administration made significant strides in achieving macroeconomic stability, improving transparency of the public sector and channeling fiscal resources towards pro-poor infrastructure projects and social services. Duterte's economic team has developed a 10-point socioeconomic agenda intended to strengthen private sector confidence in the continuity of the existing macroeconomic framework. The agenda, which includes targeting crime, reorganizing the bureaucracy and focusing on education, infrastructure, and agriculture, aims to reinforce the government's current fiscal, monetary and trade policy stances, while prioritizing tax administration reforms. Foreign governments and international advocacy groups, however, have criticized Duterte's administration for its human rights violations and extrajudicial killings from its "war on drugs," the president's signature policy within his broader agenda of restoring law and order in the Philippines.

External Sector

Despite a growing trade deficit, the current account balance remains in strong surplus. Exports have been led by the country's fast-growing business process outsourcing industry while cash remittances, which make up close to 10% of GDP, remain robust. Gross international reserves stood at US\$80.7 billion as of December 30, 2015.²⁵

Annual Indicators^{24,25}

Fiscal Year	2011	2012	2013	2014	2015
GDP, current prices (PHP trillion)	9.7	10.6	11.5	12.7	13.3
GDP, current prices (US\$ billion)	224.1	250.1	271.9	284.8	292.0
Real GDP Growth (%)	3.7	6.7	7.1	6.1	5.8
Inflation (%)	4.6	3.2	3.0	4.1	1.4
Population (million)	94.2	95.8	97.5	99.4	101.6
Trade Balance (US\$ billion)	-20.4	-18.9	-17.7	-17.3	-21.7
Current Account Balance (% of GDP)	2.5	2.8	4.2	3.8	2.9
Gross International Reserves (US\$ billion)	75.3	83.8	83.2	79.5	80.7
External Debt Outstanding (US\$ billion)	75.6	79.9	78.5	77.7	77.5
Debt Service Ratio (% of Exports)	9.9	7.3	8.2	6.3	5.3
Fiscal Balance (% of GDP)	-2.0	-2.3	-1.4	-0.6	-0.9
Annual Average Exchange Rate (PHP/US\$)	43.3	42.2	42.4	44.4	45.5

Vietnam

Moody's
B1/Stable

Standard & Poor's
BB-/Stable

Fitch
BB-/Stable

COFACE
Country Risk Assessment
B

Economic Overview

Vietnam's shift from a centrally planned to a market economy has transformed the country into a lower middle-income country and is now one of the most dynamic emerging countries in Southeast Asia. Economic growth has been accelerating buoyed by an increase in foreign direct investments and exports, particularly electronics as the country has become a hub for tablet and smart phone production by Korean companies. Other Asian companies have increasingly set up production units in Vietnam.

Politics

The Communist Party still controls the country's entire political, economic and social life although Vietnamese authorities have reaffirmed their commitment to economic modernization and a more open economy. Vietnam joined the WTO in January 2007 and the 12-nation Trans-Pacific Partnership free trade agreement negotiations in 2010. Led by Prime Minister Nguyen Tan Dung, the government has paid increasing attention to improving the business environment, with two resolutions issued setting out concrete actions to remove obstacles to doing business in Vietnam, with a goal of achieving a business environment comparable to the average of the ASEAN-6 group.

External Sector

In contrast with its regional peers, Vietnam recorded solid growth in merchandise exports albeit imports rose at a much faster pace, reflecting strong domestic demand for capital and consumer goods. Although the central bank devalued the VND against the USD thrice in 2015 to support the competitiveness of exports, the currency has stabilised.

Annual Indicators^{24,25}

Fiscal Year	2011	2012	2013	2014	2015
GDP, current prices (VND trillion)	2,779.9	3,245.4	3,584.3	3,946.2	4,192.8
GDP, current prices (US\$ billion)	135.5	155.8	171.2	186.2	193.6
Real GDP Growth (%)	6.2	5.2	5.4	6.0	6.7
Inflation (%)	18.7	9.1	6.6	4.1	0.6
Population (million)	87.8	88.8	89.7	90.6	91.7
Trade Balance (US\$ billion)	-0.5	8.7	8.7	12.1	7.4
Current Account Balance (% of GDP)	0.2	5.9	4.5	4.9	0.3
Gross International Reserves (US\$ billion)	13.5	25.4	25.7	34.1	28.0
External Debt Outstanding (US\$ billion)	37.6	42.2	45.2	-	-
Debt Service Ratio (% of Exports)	3.5	4.3	-	-	-
Fiscal Balance (% of GDP)	-4.0	-4.6	-6.0	-5.7	-5.4
Annual Average Exchange Rate (VND/US\$)	20,489.6	20,828.0	20,934.6	21,148.8	21,675.6

**Appendix D: Form of Loan Portfolio Guarantee Agreement, First
Amendment and Side Letter**

FIRST AMENDMENT TO THE LOAN PORTFOLIO GUARANTEE AGREEMENT



Lye Nah Chan
Director
WLB Asset Pte. Ltd.
1 Raffles Place
#13-01 One Raffles Place
Singapore 048616

Robert Kraybill
Managing Director
Impact Investment Exchange (Asia) Pte. Ltd.
1 King George's Avenue, #05-00
Singapore 059917

RE: First Amendment to Loan Portfolio Guarantee No: 486-DCA-16-001 among the United States Agency for International Development, WLB Asset Management Pte. Ltd. and Impact Investment Exchange (Asia) Pte. Ltd.

The United States Agency for International Development ("USAID"), WLB Asset Management Pte. Ltd. and Impact Investment Exchange (Asia) Pte. Ltd. entered into a Loan Portfolio Guarantee Agreement dated September 19, 2016, with the guarantee number noted above (the "**Agreement**"). USAID, WLB Asset Management Pte. Ltd. and Impact Investment Exchange (Asia) Pte. Ltd. are each a "**Party**" hereto and, together, the "**Parties**". Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement.

The Parties hereby agree to this First Amendment, which amends the Agreement as follows:

1. Section 1 (*Maximum Authorized Portfolio Amount*) of Attachment 1 (*Guarantee Term Sheet*) is hereby deleted in its entirety and replaced with the following:

Maximum Authorized Portfolio Amount: The aggregate principal amount outstanding of all Qualifying Loans covered under the Agreement at any one time shall not exceed Eight Million One Hundred Thousand U.S. Dollars (\$8,100,000) or the Local Currency equivalent thereof.

2. Section 2 (*Maximum Cumulative Disbursements Amount*) of Attachment 1 (*Guarantee Term Sheet*) is hereby deleted in its entirety and replaced with the following:

Maximum Cumulative Disbursements Amount: The maximum cumulative amount of all loan disbursements made under Qualifying Loans shall not exceed Ten Million Nine Hundred Thousand U.S. Dollars (\$10,900,000) or the Local Currency equivalent thereof. No loan disbursement shall be eligible for coverage under the Agreement unless the amount of such disbursement, together with all previous disbursements made under Qualifying Loans, does not exceed Ten Million Nine Hundred Thousand U.S. Dollars (\$10,900,000) or the Local Currency equivalent thereof.

3. Section 5 (*Guarantee Ceiling*) of Attachment 1 (*Guarantee Term Sheet*) is hereby deleted in its entirety and replaced with the following:

Guarantee Ceiling: Four Million and Fifty Thousand U.S. Dollars (\$4,050,000), which represents USAID's maximum liability.

4. Section 7 (*Coverage Expiration Date*) of Attachment 1 (*Guarantee Term Sheet*) is hereby deleted in its entirety and replaced with the following:

Coverage Expiration Date: Five and a half years from the date of the Agreement.

5. Section 16(a) (*Origination Fee*) of Attachment 1 (*Guarantee Term Sheet*) is hereby deleted in its entirety and replaced with the following:

Origination Fee: Thirty basis points (0.30%) of the Maximum Authorized Portfolio Amount, which is Twenty-Four Thousand and Three Hundred U.S. Dollars (US \$24,300).

6. Section 4.01(a) (*Origination Fee*) of Attachment 2 (*Standard Terms and Conditions*) is hereby deleted in its entirety and replaced with the following:

Origination Fee. No later than seventy-five (75) days after the date of the First Amendment, the Guaranteed Party shall pay to USAID a one-time Origination Fee, as specified in Section 16(a) of the Guarantee Term Sheet. No Loans may be placed under coverage until such fee is paid in full.

7. Section 5.03 (*Time Period for Submission of Claim*) of Attachment 2 (*Standard Terms and Conditions*) is hereby deleted in its entirety and replaced with the following:

Time Period for Submission of Claim. In order to ensure that reasonable collection efforts have been diligently pursued, no claim shall be submitted earlier than ninety (90) days after the written final demand for full payment under the Qualifying Loan has been made by the Guaranteed Party against the Defaulting Borrower; provided, however, that in the sixth-month period

immediately preceding the maturity date of the bonds issued by the Guaranteed Party, no claim shall be submitted earlier than forty-five (45) days after the written final demand for full payment under the Qualifying Loan has been made by the Guaranteed Party against the Defaulting Borrower. In order to ensure that claims are submitted in a timely manner, no claim shall be submitted later than the Final Date for Submitting Claims; provided, however, that no claim may be submitted to USAID if the date of such demand for payment occurs after the cancellation of coverage pursuant to Section 12.02 (*Termination or Suspension by USAID for Cause*) or Section 4.02 (*Failure to Pay Guarantee Fees*).

8. Section 8.19 (*USAID Reliance*) of Attachment 2 (*Standard Terms and Conditions*) is hereby deleted in its entirety and replaced with the following:

USAID Reliance. The Guaranteed Party and Fund Manager acknowledge that they make these representations and warranties with the intention of inducing USAID to enter into this Agreement and that USAID enters into this Agreement on the basis of, and in full reliance on, each of such representations and warranties.

In addition, the Fund Manager acknowledges that the Guarantor is entering into this Agreement on the understanding that it will be managing all loans made by the Guaranteed Party, including, but not limited to, carrying out recovery procedures on any claims paid by the Guarantor on defaults on any such loans or loan disbursements, in accordance with the provisions of the Agreement.

9. Appendix 5 (*Qualifying Borrowers*) is hereby deleted in its entirety and replaced with the following:

SAMIC Plc (Cambodia)
Viet Phu Payment Services Support Corporation (Vietnam)
Negros Women for Tomorrow Foundation, Inc. (Philippines)

Except as amended herein, the Agreement remains in full force and effect. Hereafter, references to the Agreement in any document or other agreement shall be deemed to constitute references to the Agreement as amended by this First Amendment.

This First Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This First Amendment shall be governed by and construed in accordance with the laws of the State of New York of the United States of America, without reference to or giving effect to any choice or conflict of laws provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

By signing below, you indicate your agreement and acceptance of this First Amendment to the Agreement.

U.S. Agency for International Development:

_____ Date _____

Peter Malnak
Acting Mission Director
USAID/RDMA

WLB Asset Pte. Ltd.

By: Lye Nah Chan
Director
WLB Asset Pte. Ltd.
Date: _____

Impact Investment Exchange (Asia) Pte. Ltd.

By: Robert Kraybill
Managing Director
Impact Investment Exchange (Asia) Pte. Ltd.
Date: _____

SIDE LETTER

Peter Malnak
Acting Mission Director
USAID/RDMA
Date: June 14, 2017

Subject: South/Southeast Asia Loan Portfolio Guarantee
Guarantee No. 486-DCA-16-001

Dear Mr. Malnak:

Pursuant to Section 3 of Attachment 1 to the Loan Portfolio Guarantee Agreement among the United States Agency for International Development (the “Guarantor”), WLB Asset Pte. Ltd. (the “Guaranteed Party”), and Impact Investment Exchange (Asia) Pte. Ltd. (the “Fund Manager”), dated September 19, 2016 (the “Agreement”), the Guaranteed Party hereby requests the Guarantor’s written approval to exceed the Maximum Cumulative Principal Amount of the Qualifying Loan to be made to Viet Phu Payment Services Support Corporation of Vietnam and SAMIC Plc of Cambodia. The principal amount of the Qualifying Loan to be made to Viet Phu Payment Services Support Corporation will be up to US\$3,800,000. The principal amount of the Qualifying Loan to be made to SAMIC Plc will be up to US\$3,300,000.

Unless otherwise defined, capitalized terms used in this Letter have the meanings ascribed to them in Article XIV of the Standard Terms and Conditions of the Agreement.

Approved: _____
Peter Malnak
Acting Mission Director
USAID/RDMA
Date:

LOAN PORTFOLIO GUARANTEE AGREEMENT
Guarantee No: 486-DCA-16-001

Among

THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
as the Guarantor

WLB ASSET PTE. LTD.
as the Guaranteed Party

and

IMPACT INVESTMENT EXCHANGE (ASIA) PTE. LTD.
as the Fund Manager

Appropriation: 7214/161264

Budget Plan Code: LA/2014/2016
Strategic Objective: 4.2.1 Trade and Investment Enabling Environment
Amount Obligated: \$489,000
Guarantee Number: 486-DCA-16-001
Fund Cite: PE: A063/PA: A15/ 486-M/ RDM/A

Appropriation: 7216/181264

Budget Plan Code: LA-GD/2016/2018
Strategic Objective: 4.2.1 Trade and Investment Enabling Environment
Amount Obligated: \$899,655
Guarantee Number: 486-DCA-16-001
Fund Cite: A063/PA: A15/ 486-M/ RDM/A

The information contained in this Agreement are trade secrets and commercial or financial information which are privileged and confidential and may be exempt from disclosure under the Freedom of Information Act, 5 U.S.C. 552. Furthermore, this information is prohibited from disclosure under the Trade Secrets Act, 18 U.S.C. 1905.

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Dated as of: September 19, 2016

Fiscal Year of Agreement: **2016**

LOAN PORTFOLIO GUARANTEE AGREEMENT

Caroline Baker
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1 Raffles Place
#13-01 One Raffles Place
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Robert Kraybill
Managing Director
Impact Investment Exchange (Asia) Pte. Ltd.
1 King George's Avenue, #05-00
Singapore 059917

Subject: Southeast Asia Loan Portfolio Guarantee
Guarantee No. 486-DCA-16-001

To the Parties listed herein:

The U.S. Agency for International Development (“**USAID**”) on behalf of the United States of America hereby agrees to partially guarantee certain Qualifying Loans (as hereinafter defined) made by WLB Asset Pte. Ltd. (the “**Guaranteed Party**”) in accordance with the provisions of the following attached documents: (1) the Guarantee Term Sheet and (2) the Standard Terms and Conditions. These two attached documents, together with all appendices thereto and this letter, constitute the guarantee agreement (the “**Agreement**”). Impact Investment Exchange (Asia) Pte. Ltd. is fund manager (the “**Fund Manager**”) to WLB Asset Pte. Ltd. and party to the Agreement. USAID, the Guaranteed Party, and the Fund Manager are each a “**Party**” and together, the “**Parties.**” Unless otherwise defined, capitalized terms used in the Agreement shall have the meanings ascribed to them in Article XIV of the Standard Terms and Conditions.

Please confirm your acceptance of the terms of the Agreement by signing in the place indicated below and returning two fully executed copies to USAID.

Sincerely,

Todd Sorenson
Acting Mission Director
USAID/RDMA

Accepted and agreed:

By: Caroline Baker
Director
WLB Asset Pte. Ltd.
Date: _____

By: Robert Kraybill
Managing Director
Impact Investment Exchange (Asia) Pte. Ltd.
Date: _____

Attached: Attachments 1 (Guarantee Term Sheet) and 2 (Standard Terms and Conditions)

ATTACHMENT 1 (guarantee term sheet)

A. GUARANTEE PURPOSE. The USAID guarantee provided under the terms and conditions of this Agreement (the “**Guarantee**”) is intended to strengthen the Guaranteed Party’s ability to provide loans to social enterprises and microfinance institutions focused on women’s livelihoods in Asia, thereby stimulating economic growth.

B. THE GUARANTEE. To induce the Guaranteed Party to make “Qualifying Loans” to “Qualifying Borrowers”, the Parties agree to the following terms:

1. **Maximum Authorized Portfolio Amount:** The aggregate principal amount outstanding of all Qualifying Loans covered under the Agreement at any one time shall not exceed Fifteen Million Two Hundred and Fifty Thousand U.S. Dollars (\$15,250,000) or the Local Currency equivalent thereof.
2. **Maximum Cumulative Disbursements Amount:** The maximum cumulative amount of all loan disbursements made under Qualifying Loans shall not exceed Twenty Two Million Four Hundred and Fifty Thousand U.S. Dollars (\$22,450,000) or the Local Currency equivalent thereof. No loan disbursement shall be eligible for coverage under the Agreement unless the amount of such disbursement, together with all previous disbursements made under Qualifying Loans, does not exceed Twenty Two Million Four Hundred and Fifty Thousand U.S. Dollars (\$22,450,000) or the Local Currency equivalent thereof.
3. **Maximum Cumulative Principal Amount of Qualifying Loans Made Per Qualifying Borrower:** Three Million U.S. Dollars (\$3,000,000 or the Local Currency equivalent thereof), unless otherwise agreed by USAID in writing.
4. **Guarantee Percentage:** Fifty percent (50%) of the Guaranteed Party’s net losses of principal only with respect to Qualifying Loans, not to exceed the Guarantee Ceiling.
5. **Guarantee Ceiling:** Seven Million Six Hundred and Twenty-Five Thousand U.S. Dollars (\$7,625,000), which represents USAID’s maximum liability.
6. **Final Date for Placing Qualifying Loans under Coverage:** 365 days prior to the Coverage Expiration Date.
7. **Coverage Expiration Date:** Five years from the date of the Agreement.
8. **Final Date for Submitting Claims:** 180 days after the Coverage Expiration Date except as set forth in Article IV of the Standard Terms and Conditions attached hereto, provided that no claims may be submitted in connection with any default on a Qualifying Loan that occurs after the Coverage Expiration Date.
9. **Currency of Qualifying Loans:** Qualifying Loans placed under the Guarantee shall be in U.S. Dollars, unless otherwise agreed by USAID in writing.
10. **[Reserved]**

11. **Currency of Guarantee Payment:** Claim payments made by USAID under the Guarantee and in accordance with this Agreement shall be in the same currency as the Qualifying Loan.
12. **Guarantee Periods:** The first Guarantee Period will commence upon the date of the Agreement and end on September 30, 2016. Subsequent Guarantee Periods will consist of six months, beginning with the six-month period from October 1, 2016 to March 31, 2017. The final Guarantee Period will end on the Coverage Expiration Date, and may be less than a six-month period.
13. **Risk Analysis:** The Parties understand that USAID has conducted a detailed risk based review of the Guaranteed Party, including a review of the Guaranteed Party's management, corporate governance, risk analysis, financial condition, asset quality, credit policies and credit approval procedures. The Guaranteed Party shall manage all Qualifying Loans in the same manner as it manages non-guaranteed loan on its books.

C. CRITERIA FOR QUALIFYING LOANS. In addition to the criteria set forth in the Standard Terms and Conditions, the following criteria apply for a Loan to be placed under coverage under this Agreement.

14. **Qualifying Loan:** A Loan made by the Guaranteed Party to a "Qualifying Borrower" on or after the date of the Agreement, which meets the criteria specified in Section 2.02 of the Standard Terms and Conditions; provided, however, that no Qualifying Loan shall be eligible for coverage under the Agreement if more than fifty percent (50%) of total payments of principal on such Loan is guaranteed by any financial institution, investment company, commercial guarantor, insurance company, government, or international donor organization, including USAID (excluding, however, a parent guarantee from the parent company with respect to the Qualifying Borrower, which serves as collateral).
15. **Qualifying Borrowers:** The entities specified in Appendix 5, unless otherwise agreed by USAID in writing.

D. USAID GUARANTEE FEES.

- 16(a). **Origination Fee:** Thirty basis points (0.30%) of the Maximum Authorized Portfolio Amount, which is Forty-Five Thousand and Seven Hundred Fifty U.S. Dollars (US \$45,750).
- 16(b). **Utilization Fee:** One half of one percent (0.50%) per annum of the average outstanding principal amount of all Qualifying Loans. This amount is to be calculated by multiplying one half of one percent (0.50%) per annum by the Guarantee Percentage of the average of the principal amount outstanding of all Qualifying Loans at the end of the two most recent Guarantee Periods. The fee is payable semi-annually, as billed.

For illustrative purposes only, a hypothetical Utilization Fee is calculated as follows:

- 2% per annum fee of average outstanding principal amount of all Qualifying Loans.
- Outstanding principal amount for the two most recently ended Guarantee Periods are \$300,000 and \$100,000; resulting in an average of \$200,000.
- Guarantee Percentage is 50%.

- Utilization Fee for the six month period is 1% (i.e. half of the 2% per annum rate) of \$200,000, which equals \$2,000.

17. **Currency of Guarantee Fee Payments:** U.S Dollars with respect to the Origination Fee and Local Currency or U.S. Dollars with respect to the Utilization Fee, as further specified in Section 4.03 of the Standard Terms and Conditions.

E. MISCELLANEOUS.

18. **Payment Instructions:**

(1) U.S. Dollar payments to USAID shall be made directly to the U.S. Department of Treasury's account with the Federal Reserve Bank of New York via electronic funds transfer for further credit to USAID. U.S. Dollar wire transfers may be made via a U.S. commercial bank (U.S. Fedwire Participant Bank – Type Code 10) or, if required, via a Central Bank with an account with the Federal Reserve (Type Code 15)

The following information shall be included in the wire transfer instructions:

Account Name: US Department of Treasury

Bank Name: Federal Reserve Bank New York (FRBNY)

Bank Address: 33 Liberty Street, New York, New York 10045

TREAS/NYC FUNDS TRANSFER DIVISION

Account Number: 72000001

Routing Number: 0210-3000-4

Ref: [Origination Fee]/[Utilization Fee]/[Post Claim Recoveries]

DCA Agreement Number [Insert Guarantee Number]

(2) Local Currency payments to USAID shall be made directly to the USAID Controller or USAID Cashier in-country via a check made payable to the U.S. Agency for International Development, applying the same reference number and guarantee number as stated above. Such reference number and guarantee number are "USAID a/c 72X4266, 486-DCA-16-001".

19. **Address for Notices:**

USAID: U.S. Agency for International Development
Regional Development Mission for Asia
Athenee Tower, 25th Floor
63 Wireless Road
Lumpini, Patumwan, Bangkok, Thailand 10330
+66 257-3000
Attn: [Mission Director]

A copy of each such notice to USAID shall also be sent by mail:

U.S. Agency for International Development
Development Credit Authority
E3/DC, Rm. 2.10, RRB
1300 Pennsylvania Ave., N.W.
Washington, DC 20523
Tel: 202-712-1380
Attn: Portfolio Manager

GUARANTEED PARTY: WLB Asset Pte. Ltd.
1 Raffles Place
#13-01 One Raffles Place
Singapore 048616
Tel: +65 6438 1330
Attn: Caroline Baker

FUND MANAGER: Impact Investment Exchange (Asia) Pte. Ltd.
1 King George's Avenue, #05-00
Singapore 059917
Tel: +65 6221 7051
Attn: Robert Kraybill

USAID FINANCIAL AGENT: Midland Loan Services Inc.
808 17th Street, N.W.
P.O. Box 96206
Washington, DC 20006
Tel: 1-202-835-4338
Fax: 1-202-835-4303
Attn: Violet Alfred
Government Services Group

20. Disclosures:

The Guaranteed Party and the Fund Manager may share the Agreement with potential holders of bonds to be issued by WLB Asset Pte. Ltd. Moreover, the Guaranteed Party and the Fund Manager may state to such potential bondholders that “[i]f a borrower defaults on a loan made by WLB Asset Pte. Ltd. and guaranteed by USAID, subject to the terms of the Guarantee Agreement, USAID will pay to an account designated by WLB Asset Pte. Ltd., fifty (50%) of the principal amount lost on that loan after the collateral granted in favor of WLB Asset Pte. Ltd. securing the applicable Qualifying Loan has been liquidated.” To the extent the Guaranteed Party and/or the Fund Manager want to make additional statements or disclosures regarding USAID or the Guarantee, they agree to seek USAID’s approval at least 10 days in advance of making such statements or disclosures. USAID does not need to approve each time such an approved statement or disclosure is made, however, USAID must approve any and all such language. Despite, such approvals Guaranteed Party and the Fund Manager maintain ultimate responsibility for all communications with the bondholders.

ATTACHMENT 2 (Standard Terms and Conditions)

ARTICLE I

The Guarantee

Section 1.01. **The Guarantee**. USAID agrees to pay the Guaranteed Party an amount equal to the Guarantee Percentage of the Guaranteed Party's net losses of principal only, as specified in Appendix 1 (*Request for Payment of Claim*), arising solely from payment defaults by a Qualifying Borrower under Qualifying Loans made to Qualifying Borrowers; *provided* that the total amount of payments made by USAID to the Guaranteed Party under the Agreement shall not exceed the Guarantee Ceiling. For purposes of clarification, the USAID Guarantee is not a first loss guarantee, but a *pro rata* risk sharing guarantee of losses after collection efforts pursuant to the claim provisions at Article V and a *pro rata* sharing of Recovered Funds as defined at Section 5.02.

Section 1.02. **The Guarantee Ceiling**. The Guarantee Ceiling specified in Section 4 of the Guarantee Term Sheet represents the maximum total amount of payments (stated in U.S. Dollars) that may be made by USAID to pay claims to the Guaranteed Party under the Agreement, including to purchase Local Currency to pay Local Currency claims, as calculated using the Claim Payment Exchange Rate. At such time as the total payments by USAID for this purpose equal the Guarantee Ceiling, USAID shall have no further obligations to the Guaranteed Party under the Agreement.

Section 1.03. **Maximum Authorized Portfolio Amount**. The Maximum Authorized Portfolio Amount is specified in Section 1 of the Guarantee Term Sheet. No new Qualifying Loan may be placed under coverage of the Guarantee unless the principal amount outstanding of all Qualifying Loans then under coverage at the then applicable Reporting Exchange Rate, together with such new Qualifying Loan, will not exceed the Maximum Authorized Portfolio Amount as of the date such new Qualifying Loan is placed under coverage. For the avoidance of doubt, if as a result of the appreciation of the Local Currency against the U.S. Dollar, the U.S. Dollar equivalent of the aggregate amount of Qualifying Loans placed under coverage exceeds the Maximum Authorized Portfolio Amount, the obligations of USAID under the Agreement shall still be subject to the limitation set forth in Section 1.02 (*The Guarantee Ceiling*).

Section 1.04. **Maximum Cumulative Disbursements Amount and Maximum Cumulative Principal Amount of Qualifying Loans Made Per Qualifying Borrower**. The Maximum Cumulative Disbursements Amount is specified in Section 2 of the Guarantee Term Sheet. No new Qualifying Loan may be placed under coverage of the Guarantee unless the principal amount of all prior disbursements made under Qualifying Loans, together with the new Qualifying Loan, will not exceed the Maximum Cumulative Disbursements Amount. The **Maximum Cumulative Principal Amount of Qualifying Loans Made Per Qualifying Borrower** is specified in Section 3 of the Guarantee Term Sheet.

Section 1.05. **Limitation on Interest**. In no event shall USAID be liable for interest, late fees, penalties, or any other costs or expenses with respect to any Qualifying Loan.

Section 1.06. **Reduction of Guarantee Coverage**. USAID has agreed to the Maximum Authorized Portfolio Amount on the understanding that such amount approximates the aggregate principal amount

of the Qualifying Loans which the Guaranteed Party intends to maintain under guarantee coverage of the Guarantee at any one time. Therefore, if at any time after the first twelve (12) months of the Agreement, the Agreement is not being adequately utilized (as determined by USAID), the parties shall reduce the unused portion of the Maximum Authorized Portfolio Amount and/or the Maximum Cumulative Disbursements Amount and the Guarantee Ceiling, as may be mutually agreed; provided, however, that any such agreed reduction shall not affect the coverage under the Guarantee of a Qualifying Loan placed into coverage prior to such reduction.

ARTICLE II

Qualifying Loans

Section 2.01. **Guarantee Coverage.** No Qualifying Loan shall be covered by the terms of the Agreement or placed under the coverage of the Guarantee by the Guaranteed Party unless such Loan is deemed a Qualifying Loan in accordance with the terms of this Agreement.

Section 2.02. **Criteria for a Qualifying Loan.** A Qualifying Loan is a Loan made by the Guaranteed Party that meets the criteria in the Guarantee Term Sheet and that satisfies each of the following statutory or regulatory policy related criteria:

- a) The Qualifying Loan must not be used to finance any of the following:
 - (1) Goods or services which are to be used primarily to meet military requirements or to support police or other law enforcement activities,
 - (2) Surveillance equipment,
 - (3) Gambling equipment, supplies for gambling facilities or any hotels, casinos or accommodations in which gambling facilities are or are planned to be located,
 - (4) Activities which significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas, or
 - (5) Military assistance, explosives or fireworks,
 - (6) Activities which relate to trafficking in persons, forced labor, the practice of prostitution or sex trafficking, or
 - (7) Activities directly or indirectly involving in any way or manner Ammonium Nitrate (AN) or Calcium Ammonium Nitrate (CAN).

(b) The Qualifying Loan must not be used to finance any of the following without the prior written approval of USAID. Moreover, approval of loans to finance activities described in subsections (2), (3), (7) or (8) below will be contingent upon the submission by the Guaranteed Party of evidence

sufficient to demonstrate compliance with local environmental laws and to enable USAID to make an assessment of the environmental impact of such activities:

- (1) Pharmaceuticals,
- (2) Pesticides,
- (3) Logging equipment,
- (4) Luxury goods (including alcoholic beverages and jewelry),
- (5) Establishing or expanding any enterprise that will export raw materials that are likely to be in surplus in world markets at the time such production becomes effective and that are likely to cause substantial injury to U.S. producers,
- (6) Tobacco or agribusiness activities contributing to tobacco production, promotion or use,
- (7) Activities which would result in the loss of forest lands due to livestock rearing, road construction or maintenance, colonization of forest lands or construction of dams or other water control structures,
- (8) Activities which are likely to have a significant adverse effect on the environment, including any of the following (to the extent such activities are likely to have a significant adverse impact on the environment):
 - (a) programs of river basin development,
 - (b) irrigation or water management projects (including dams and impoundments),
 - (c) agricultural land leveling,
 - (d) drainage projects,
 - (e) large scale agricultural mechanization,
 - (f) new lands development,
 - (g) resettlement projects,
 - (h) penetration road building or road improvement projects,
 - (i) power plants,
 - (j) industrial plants, or
 - (k) potable water and sewerage projects other than those that are small-scale.

- (9) Activities which the Guaranteed Party is aware are reasonably likely to contribute to the violation of internationally recognized rights of workers, or
- (10) Activities directly associated with relocating jobs from the United States to another country.

(c) The Qualifying Loan must not be used to finance equipment, research and/or services related to involuntary sterilization or the performance of abortion as a method of family planning.

(d) The Qualifying Loan must not be used to provide family planning services unless the Qualifying Borrower (i) provides those services on a voluntary and informed choice basis and (ii) provides information, access, or referral to a range of family planning methods. To help ensure this, the Guaranteed Party will include the following statement in the loan agreement: “The Borrower agrees that any family planning services provided by the enterprise or organization financed by this loan are provided on a voluntary and informed choice basis, and provide information, access, or referral to a range of family planning methods.”

(e) The Qualifying Loan must be made at interest rates and on terms consistent with those generally prevailing among private commercial lenders in the Qualifying Borrower’s country.

(f) The Qualifying Loan must be funded from the Guaranteed Party’s capital or funds acquired by the Guaranteed Party on a market basis, and not from subsidized loan capital received from government sources, international agencies, not-for-profit institutions or private third parties.

(g) Except as otherwise agreed by USAID in writing, the Qualifying Loan must not be made in connection with the refinancing, repayment or repurchase of an existing loan in substantially the same amount as such Qualifying Loans and substantially simultaneously with the maturity date of such existing loan.

(h) The Qualifying Loan must have been placed under coverage of the Guarantee in compliance with Article III and each other applicable provision of the Agreement.

(i) The Qualifying Loan must not be convertible into any kind of equity.

Section 2.03. **Revisions to Qualifying Loan Criteria.** USAID shall have the right at any time to revise, add to or delete any of the Qualifying Loan criteria set forth in Section 2.02 by providing written notice to the Guaranteed Party and any such change will become effective 30 business days after the receipt of such notice by the Guaranteed Party. No change in the Qualifying Loan criteria taken pursuant to this Section 2.03 shall affect the eligibility of any Qualifying Loan that was placed under the coverage of the Guarantee prior to the effective date of any such change.

Section 2.04. **Determinations Regarding Qualifying Loans.** The determination that a Loan placed under coverage of the Guarantee meets the definition of a Qualifying Loan shall be made and certified to by the Guaranteed Party by submitting a Transaction Report in USAID’s internet-based credit management system (“CMS”) (at <https://admin.cms.usaid.org>) (See CMS screen shots attached as Appendix 2.)

Upon receipt by USAID of the certification through CMS, each Loan entered in CMS shall be deemed a Qualifying Loan under this Agreement.

The certification made by the Guaranteed Party that a Loan meets the definition of a Qualifying Loan will be binding on the Parties in the absence of a determination by USAID that such certification was the result of gross negligence, fraud or misrepresentation, and upon any such determination, such Loan shall no longer be deemed a Qualifying Loan under the Agreement and shall no longer be covered under this Agreement and USAID shall have no obligations whatsoever with respect to such Loan.

Section 2.05. **Amendments, Assignment, Restructuring and Transfer of Qualifying Loans.** The Guaranteed Party shall not restructure or make any material amendments or modifications to the terms or conditions of a Qualifying Loan without the written consent of USAID, including extensions of the final principal repayment date (provided that acceptance by the Guaranteed Party of late payments under a Qualifying Loan shall require only written notice to USAID). No assignment or transfer of any of the Guaranteed Party's rights or obligations under any Qualifying Loan or the Agreement (including any syndication of a Qualifying Loan or the offering of a participation in a Qualifying Loan) shall be made without the written consent of USAID. For the avoidance of doubt, the Guaranteed Party shall not restructure a Qualifying Loan to place any form of capitalized interest, accumulated fees or administrative expenses under coverage of this Agreement.

ARTICLE III

Placing Qualifying Loans Under Guarantee Coverage

Section 3.01. **Conditions for Placing Qualifying Loans under Coverage.** Except as USAID may otherwise agree in writing, no Qualifying Loan shall be covered by the terms of the Agreement unless (i) such Qualifying Loan is made on or prior to the Final Date for Placing Qualifying Loans under Coverage as indicated in Section 6 of the Guarantee Term Sheet; (ii) such Qualifying Loan is identified to USAID in the first Qualifying Loan Schedule required to be submitted to USAID after the date of the initial disbursement of such Qualifying Loan; (iii) such Qualifying Loan is provided in U.S. Dollars, unless otherwise agreed to in writing by USAID; and (iv) each of the other applicable conditions in this Agreement have been satisfied.

Section 3.02. **Procedure for Placing Qualifying Loans under Coverage.** Subject to Sections 2.04, 3.01, 7.01, 9.05 and each other requirement of this Agreement, each Qualifying Loan will be deemed to be covered under the Agreement automatically on the date the Guaranteed Party enters the Qualifying Loan in CMS and certifies in CMS that such loan meets the criteria for a Qualifying Loan. Nothing in this Section shall preclude the Parties from addressing the issue of the eligibility of a Loan for coverage under the Agreement after the Loan is placed under coverage.

Section 3.03. **Procedure for Removing Loans from Coverage.**

(a) **Removal by USAID.** Subject to the provisions of Sections 2.03 and 2.04, at any time USAID may remove any Loan from the coverage of the Guarantee if USAID reasonably determines that such Loan is not a Qualifying Loan. Such removal will be effective upon receipt by the Guaranteed Party of a notice from USAID indicating the Loan to be removed from coverage and stating the reason for

such removal. USAID shall use reasonable efforts to consult with the Guaranteed Party prior to issuing any such notice in order to verify that the Loan is not a Qualifying Loan.

(b) **Removal by the Guaranteed Party.** The Guaranteed Party may remove any Qualifying Loan from the coverage of the Guarantee at any time for any reason; provided, however, for the avoidance of doubt, any Loan that is placed under coverage and approved by USAID shall be included in the calculations pertaining to Maximum Cumulative Disbursements Amount notwithstanding its subsequent removal. The Guaranteed Party shall promptly notify USAID by written notice of its decision to remove any Qualifying Loans from coverage.

(c) **No Reinstatement of Coverage.** No Qualifying Loan removed from the coverage of the Guarantee may be placed again under coverage.

(d) **No Effect on other Qualifying Loans.** The removal of a Qualifying Loan from coverage, whether by USAID under Section 3.03(a) or by the Guaranteed Party under Section 3.03(b), shall not affect the coverage under the Guarantee of any other Qualifying Loan.

ARTICLE IV

Guarantee Fees

Section 4.01. **Guarantee Fees.** In consideration for the Guarantee, the Guaranteed Party shall pay to USAID the following non-refundable fees (the “**Guarantee Fees**”):

(a) **Origination Fee.** No later than seventy-five (75) days after the date of the Agreement, the Guaranteed Party shall pay to USAID a one-time Origination Fee, as specified in Section 16(a) of the Guarantee Term Sheet. No Loans may be placed under coverage until such fee is paid in full.

(b) **Utilization Fee.** The Guaranteed Party shall pay to USAID the Utilization Fee, as specified in Section 16(b) of the Guarantee Term Sheet, with respect to each Guarantee Period. The Utilization Fee shall be due no later than thirty (30) days after receipt of a Notice of Due Payment.

Section 4.02. **Failure to Pay Guarantee Fees.** If either the Origination Fee or the Utilization Fee is not paid as and when due, USAID may, upon written notice to the Guaranteed Party, terminate or suspend (and subsequently terminate at its discretion) the Agreement, and upon any such termination or suspension USAID shall have no obligations under the Agreement.

Section 4.03. **Currency of Guarantee Fee Payments.** Payments of amounts owing to USAID under this Article IV shall be made in the Currency of Guarantee Fee Payments. With respect to the Utilization Fee, in the event the (i) Guarantee Fee is to be paid in U.S. Dollars and (ii) Qualifying Loan is in Local Currency, the fee shall be calculated at the Reporting Exchange Rate as specified in the Notice of Due Payment.

ARTICLE V

Claim Procedures

Section 5.01. **Claim Requirements.** No claim relating to the Guaranteed Party's losses in connection with a Qualifying Loan shall be honored by USAID unless the Guaranteed Party certifies to USAID, and USAID thereafter reasonably determines, that each of the following requirements has been met:

(a) as a consequence of a default by a Qualifying Borrower under any Qualifying Loan (such borrower, a "**Defaulting Borrower**"), the total outstanding principal amount of the applicable Qualifying Loan has become immediately due and payable, and the Guaranteed Party has made a written demand upon the Defaulting Borrower for full payment of all amounts due and payable, and the Qualifying Borrower has defaulted on its obligation to pay such total outstanding principal amount;

(b) "reasonable collection efforts" have been diligently pursued against the Defaulting Borrower and any other entity that may be liable on the Qualifying Loan, in accordance with Applicable Law and standard banking practice in the country where the Qualifying Loan is made; and

(c) after such collection activities, the Guaranteed Party has either (i) certified to USAID that it has written off the entire outstanding balance (including principal and interest) of the Qualifying Loan as a bad debt expense, or (ii) certified to USAID that it (A) is unable, because of a legal impediment or significant impracticality, to take the action described in (i) above, and (B) has established a specific provision of funds (which is evidenced on its balance sheet or income statement) for possible loan losses associated with the default by the Defaulting Borrower, and the amount of such provision equals or exceeds 20% of the amount of defaulted principal.

For purposes of this Agreement "reasonable collection efforts" include (i) reasonable investigation of the likelihood of repayment before declaring a default, (ii) sending notices to the Qualifying Borrower and any other entity that may be liable on the Qualifying Loan pursuant to agreement with the Borrower or by operation of law, (iii) reasonably pursuing, collecting and accepting payments to cure any payment defaults by the Qualifying Borrower, (iv) exercising rights of collateral (which, for the avoidance of doubt, shall include parent guarantees from the parent company with respect to the Qualifying Borrower) and (v) exercising setoff rights or other rights to debit an account of the Qualifying Borrower. "Reasonable collection efforts" is not required to include the commencement of bankruptcy proceedings nor completion of legal proceedings against a Qualifying Borrower.

Section 5.02. **Submission of Claim.** The Guaranteed Party shall make a claim with respect to any Qualifying Loan by submitting to USAID a claims form in the format set forth in Appendix 1 (*Request for Payment of Claim*) for each such Qualifying Loan. The Guaranteed Party shall also provide (i) borrower's statement(s), (ii) copies of demand letters, (iii) proof of loan disbursement, and (iv) proof of requirements in 5.01(c).

Section 5.03. **Time Period for Submission of Claim.** In order to ensure that reasonable collection efforts have been diligently pursued, no claim shall be submitted earlier than ninety (90) days after the written final demand for full payment under the Qualifying Loan has been made by the Guaranteed Party against the Defaulting Borrower; provided, however, that in the sixth-month period immediately

preceding the maturity date of the bonds due 2020 issued by the Guaranteed Party, no claim shall be submitted earlier than forty-five (45) days after the written final demand for full payment under the Qualifying Loan has been made by the Guaranteed Party against the Defaulting Borrower. In order to ensure that claims are submitted in a timely manner, no claim shall be submitted later than the Final Date for Submitting Claims; provided, however, that no claim may be submitted to USAID if the date of such demand for payment occurs after the cancellation of coverage pursuant to Section 12.02 (*Termination or Suspension by USAID for Cause*) or Section 4.02 (*Failure to Pay Guarantee Fees*).

Section 5.04. **Approval of Claim for Payment.** USAID reserves the right to request further documentation or clarification of any claim submitted prior to approving a claim for payment, including, but not limited to evidence of other loans to the same Defaulting Borrower which are in default and not covered under this Agreement and evidence of the collection and recovery efforts undertaken by the Guaranteed Party pursuant to Section 5.01 (a) and (b). A claim will be denied if USAID reasonably determines that: (a) the requirements stated in Sections 5.01 through 5.03 above have not been fully satisfied; or (b) the Loan did not qualify as a Qualifying Loan. Neither approval nor payment of a claim shall be deemed to waive USAID's right to contest such claim subsequently on these or any other grounds.

Section 5.05. **Payment of Claim.** In order for USAID to approve a claim for payment, the claim must meet the requirements set forth in Section 5.01 and be submitted in accordance with the procedures set forth in Section 5.02. Upon approval of a claim for payment by USAID and subject to the Guarantee Ceiling, USAID shall pay to the Guaranteed Party the approved amount of the claim in the Currency of Guarantee Payment specified in the Guarantee Term Sheet. USAID shall have the right to reduce the amount of payment of any claim by the amount of any unpaid Guarantee Fees.

Section 5.06. **Repayment.**

- (a) Notwithstanding any other provision of the Agreement, USAID shall have no obligation to make payment to the Guaranteed Party for any loss arising out of gross negligence, fraud or misrepresentation for which the Guaranteed Party is, directly or indirectly, responsible or for any claim that is otherwise illegal, invalid or materially inconsistent with the provisions of the Agreement.
- (b) USAID reserves the right to demand a refund of any payment made to the Guaranteed Party if, prior to or at the time such payment was made (i) with respect to Qualifying Loans provided in India or Laos, the Guaranteed Party or any of the Key Individuals specified in Section 7.01(ii)(b) was convicted of a narcotics offense or was engaged in drug trafficking as defined in Part 140 of Title 22 of the United States Code of Federal Regulations or (ii) the Guaranteed Party, Fund Manager or any of the individuals named in Section 8.16 is found to be in violation of the Foreign Corrupt Practices Act and/or other applicable anti-corruption violations set forth at Section 8.16.
- (c) If, subsequent to paying any claim made by the Guaranteed Party, USAID determines that either subsection (a) or (b) above applies, the Guaranteed Party shall, upon the request of USAID, refund immediately to USAID the appropriate amount of the payment obtained plus, if USAID so requests, pay interest accruing from the date of the payment at the rate of one percent (1%) per month.

ARTICLE VI

Post-Claim Recoveries

Section 6.01. **Duty to Pursue Collection.** After making a claim under and in accordance with the Agreement, the Guaranteed Party shall continue to diligently pursue all reasonable collection efforts against the Defaulting Borrower for so long as commercially reasonable and in accordance with the Guaranteed Party's standard collections procedures and policies.

Section 6.02. **Reimbursement of USAID.** If USAID has paid a claim with respect to a Qualifying Loan, and the Guaranteed Party receives or recovers any funds relating to or in satisfaction of amounts owed by the Defaulting Borrower under the Qualifying Loan, whether received or recovered directly from the Qualifying Borrower, another guarantor, a collateral agent or any other party, (any such funds, hereinafter defined as "**Recovered Funds**"), the Guaranteed Party shall promptly first reimburse USAID on a *pro rata* basis the Recovered Funds (which, for the avoidance of doubt, is the Guarantee Percentage of Recovered Funds), after deducting reasonable and documented expenses actually incurred in its collection efforts. If a Defaulting Borrower is in default on one or more additional loans made by the Guaranteed Party that are not covered by the Agreement, the Guaranteed Party shall pursue collection on the Qualifying Loan made to such Defaulting Borrower prior to, or concurrently with, pursuing collection on such additional loans. Moreover, if the Guaranteed Party obtains Recovered Funds arising from the Qualifying Loan as well as from any other loan made by the Guaranteed Party to a Defaulting Borrower (any such funds from other than a Qualifying Loan, hereinafter defined as the "**Other Recovered Funds**," together with the Recovered Funds, the "**Total Recovered Funds**"), such Total Recovered Funds shall be applied to all defaulted loans made by the Guaranteed party to the Qualifying Borrower on a *pro rata* basis (unless otherwise required by specific collateral arrangements already in place as of the date of this Agreement). Payments made to USAID under this section shall be made in the Currency of Guarantee Payment and must be paid within ninety (90) calendar days from the date of recovery. USAID shall have the right to charge interest at the rate of one percent (1%) per month on any amount not paid to USAID within this ninety (90) day period.

Section 6.03. **Certificate of Post-Claim Recoveries.** Following the payment of any claim under the Agreement, the Guaranteed Party shall deliver to USAID a Certification of Post-Claim Recoveries, substantially in the form set forth in Appendix 3 (*Certification of Post-Claim Recoveries*), for each calendar year. USAID may refuse to pay any future claims if the Guaranteed Party has failed to submit an accurate Certification of Post-Claim Recoveries as required by the preceding sentence. In addition, following the Coverage Expiration Date, the Guaranteed Party shall continue to submit, on an annual basis, a Certification of Post-Claim Recoveries, substantially in the form set forth in Appendix 3 (*Certification of Post-Claim Recoveries*), no later than sixty (60) days after the end of each calendar year until three (3) years after the Coverage Expiration Date or longer if so requested by USAID. The Guaranteed Party further agrees to comply with reasonable requests from USAID concerning post-claim recoveries, including any request to submit an annual or semi-annual schedule of net recoveries with respect to each Defaulting Borrower.

Section 6.04. **Assignment of Claim.** At any time, on or after the date USAID pays a claim in accordance with the terms of this Agreement, upon USAID's request the Guaranteed Party shall execute an assignment to USAID or USAID's designee, in form and substance acceptable to USAID,

of the Guaranteed Party's rights to receive the share of net recoveries due to USAID and/or to pursue collection of USAID's *pro rata* share of net recoveries under each Qualifying Loan.

ARTICLE VII

Conditions

Section 7.01. **Guaranteed Party Conditions Precedent and Subsequent.** Notwithstanding anything in the Agreement to the contrary, USAID's obligation to enter into this Agreement and provide the Guarantee hereunder is subject to USAID receiving the following from the Guaranteed Party and USAID notifying the Guaranteed Party in writing that the materials and information supplied are in form and substance satisfactory to USAID:

- (i) Conditions Precedent to Signing: Concurrently with the signing of this Agreement, the following conditions shall be fulfilled:
 - (a) A copy of the fully executed Agreement signed by the Guaranteed Party, Fund Manager, and USAID.
 - (b) A certificate of the Guaranteed Party, dated as of the date of the Agreement and in form and substance satisfactory to USAID, as to the authority of the persons signing the Agreement and any appendices hereto on behalf of the Guaranteed Party.
 - (c) An Officer's Certificate from a senior officer of the Guaranteed Party certifying that the representations contained in Article VIII are true and complete with respect to the Guaranteed Party.

- (ii) Conditions Subsequent: Within thirty (30) days from the date of this Agreement, the following conditions shall be fulfilled:
 - (a) A legal opinion (from qualified outside or in-house counsel in good standing) stating in effect that, based on facts and circumstances (and/or documents) presented to such legal counsel by the Guaranteed Party (or otherwise), the representations contained in Sections 8.01 through 8.04 of Article VIII are true and complete with respect to the Guaranteed Party.
 - (b) With respect to Qualifying Loans provided in India or Laos, the Guaranteed Party must provide USAID with the names of Key Individuals for the purpose of completing a Certification, in the form of Appendix 4 (*Key Individual Certification*), regarding Narcotics Offenses and Drug Trafficking. In the event that Qualifying Loans are provided in India or Laos and the required Certifications of Narcotics Offenses and Drug Trafficking are not provided to USAID or are not approved by the U.S. Government, the Agreement shall be deemed null and void.
 - (c) Payment of the Origination Fee pursuant to Section 4.01 of the Agreement.
 - (d) Such other documents reasonably requested by USAID.
 - (e) Such other conditions that USAID may reasonably request.

For the avoidance of doubt, the Parties acknowledge and agree that the Guarantee shall not be effective and no Qualifying Loan shall be eligible for coverage under the Guarantee until each of the Conditions Precedent have been satisfied in accordance with the terms and conditions herein.

Section 7.02. **Fund Manager Conditions Precedent and Subsequent.** Notwithstanding anything in the Agreement to the contrary, USAID's obligation to enter into this Agreement and provide the Guarantee hereunder is subject to USAID receiving the following from the Fund Manager and USAID notifying the Fund Manager in writing that the materials and information supplied are in form and substance satisfactory to USAID:

(i) Conditions Precedent to Signing: Concurrently with the signing of this Agreement, the following conditions shall be fulfilled:

(a) A certificate of the Fund Manager, dated as of the date of the Agreement and in form and substance satisfactory to USAID, as to the authority of the persons signing the Agreement and any appendices hereto on behalf of the Fund Manager.

(b) An Officer's Certificate from a senior officer of the Fund Manager certifying that the representations contained in Article VIII are true and complete with respect to the Fund Manager.

(ii) Conditions Subsequent: Within thirty (30) days from the date of this Agreement, the following conditions shall be fulfilled:

(a) A legal opinion (from qualified outside or in-house counsel in good standing) stating in effect that, based on facts and circumstances (and/or documents) presented to such legal counsel by the Fund Manager (or otherwise), the representations contained in Sections 8.01 through 8.04 of Article VIII are true and complete with respect to the Fund Manager.

(b) Such other documents reasonably requested by USAID.

(c) Such other conditions that USAID may reasonably request.

ARTICLE VIII

Representations and Warranties

For purposes of the Agreement, the Guaranteed Party (and, where noted, the Fund Manager) represents and warrants as to itself as of the date hereof, as of the date the Qualifying Loan is entered into and at the end of each Guarantee Period, in each case by reference to the facts and circumstances existing at such date, that:

Section 8.01. **Organization, Existence.** The Guaranteed Party and Fund Manager are duly organized and validly existing where incorporated or chartered. The Guaranteed Party and Fund Manager have full power, authority and legal right to carry out their business as currently conducted, to execute, deliver and perform the Agreement and all other documents which the Agreement contemplates will be executed by the Guaranteed Party and/or Fund Manager and to carry out all the activities which the Agreement contemplates will be carried out by the Guaranteed Party and/or Fund Manager.

Section 8.02. **Authorization, Binding Effect.** The execution, delivery and performance by the Guaranteed Party and Fund Manager of the Agreement have been duly authorized by all necessary actions of the Guaranteed Party and/or Fund Manager, and the Agreement constitutes a legal, valid and binding obligation of the Guaranteed Party and Fund Manager enforceable in accordance with its terms.

Section 8.03. **No Conflict.** Neither the entry into the Agreement nor the compliance with its terms will conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default or require any consent under, any instrument or arrangement to which the Guaranteed Party and/or Fund Manager is a party or by which it is bound, or violate any of the terms or provisions of their organizational documents, any judgment, decree or order or any Applicable Law.

Section 8.04. **Governmental Approvals.** No approval, consent, registration, filing, agreement, certificate, permit, authority or exemption of any kind is required from any governmental authority in order for the Guaranteed Party and/or Fund Manager to enter into the Agreement and perform its duties, except such as have already been obtained and are in full force and effect.

Section 8.05. **Debarment Status.** For the three (3) years preceding the date of the Agreement the Guaranteed Party and Fund Manager have not been on any list of ineligible or debarred suppliers or firms maintained by the U.S. Government. A list of organizations suspended or debarred by the U.S. Government is available at www.SAM.gov.

Section 8.06. **No Amendments to Charter.** The Guaranteed Party's and Fund Manager's organizational documents have not been amended since June 27, 2016 and January 31, 2016, respectively.

Section 8.07. **Compliance with Law.** The Guaranteed Party and Fund Manager are in compliance in all material respects with all Applicable Law.

Section 8.08. **Litigation.** There are no pending legal, arbitration, or governmental actions or proceedings to which the Guaranteed Party and/or Fund Manager is a party or to which any of their property is subject which, if adversely determined, could have a material adverse effect on the condition, financial or otherwise, operations, properties, profits or business of the Guaranteed Party and/or Fund Manager, or on the ability of the Guaranteed Party and/or Fund Manager to perform its obligations under the Qualifying Loan or this Agreement, and to the best of the Guaranteed Party's and Fund Manager's knowledge, no such actions or proceedings are threatened or contemplated.

Section 8.09. **Financial Statements; No Material Adverse Change; Etc.** All financial statements submitted to USAID in connection with this Agreement fairly and fully present the financial condition of the Guaranteed Party and Fund Manager and the results of the Guaranteed Party's and Fund Manager's operations for the periods covered thereby and are prepared in accordance with accounting standards generally recognized in Singapore consistently applied. Since the dates thereof, there has been no material adverse change in the financial condition or operations of the Guaranteed Party and Fund Manager.

Section 8.10. **Defaults Under Other Agreements.** The Guaranteed Party and Fund Manager are not in default under any agreement or instrument to which they are a party or under which any of its properties are subject that is material to its financial condition, operations, properties, profits, or business.

Section 8.11. **Pari Passu.** Payment obligations under any Qualifying Loan covered under this Agreement constitutes the direct, general and unconditional obligations of the Qualifying Borrower and

rank in all respects at least *pari passu* in priority of payment and in right of security with the payment obligations of all other unsecured and unsubordinated debt of such Qualifying Borrower.

Section 8.12. Disclosure of Lobbying Activities.

- (a) No registered lobbyists have made lobbying contacts on behalf of the Guaranteed Party or Fund Manager in connection with the Agreement.
- (b) No registered lobbyists shall make lobbying contacts on behalf of the Guaranteed Party or Fund Manager in connection with the Agreement unless the Guaranteed Party and/or Fund Manager complies with the requirements of 31 USC 1352(b) and any other applicable U.S. law.

Section 8.13. Drug Trafficking. The Guaranteed Party and Fund Manager: (1) have not been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States or any other country concerning narcotic or psychotropic drugs or other controlled substances; (2) are not or have not been an illicit trafficker in any such drug or controlled substance; and (3) are not or have not been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such drug or substance.

Section 8.14. Trafficking in Persons. The Guaranteed Party and Fund Manager not been involved in any activities which relate to trafficking in persons, forced labor, the practice of prostitution or sex trafficking.

Section 8.15 Terrorism.

- (a) The Guaranteed Party and Fund Manager, to the best of their current knowledge, have not provided, within the previous ten years, material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated, or participated in terrorist acts.
- (b) Notwithstanding any other provision of the Agreement, loans to any such individuals or entities described in the first sentence of paragraph (a) above are not eligible for coverage under the Agreement and USAID shall have no obligation to pay claims in connection with any such loans, including loans to individuals or entities that:
 - (i) appear on the master list of Specially Designated Nationals and Blocked Persons, which list is maintained by the U.S. Treasury's Office of Foreign Assets Control (OFAC) and is available online at OFAC's website: <http://www.treasury.gov/resource-center/sanctions/Pages/default.aspx>;
 - (ii) appear on any list of supplemental information concerning prohibited individuals provided by USAID to the Guaranteed Party; and
 - (iii) have been designated by the United Nations Security Council UNSC (the "Security Council") sanctions committee as individuals and entities subject to sanctions measures imposed by the Security Council. To determine whether there has been a published designation of an individual or entity by the Security Council, the Guaranteed Party should refer to the

consolidated list available online at the Committee's website:
<https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list>

Section 8.16. **FCPA Compliance**. Without limiting any other provision of this Article VIII, the internal management and accounting practices and controls of the Guaranteed Party and Fund Manager are adequate to ensure compliance with the United States Foreign Corrupt Practices Act and/or any other Applicable Law, regulation, order, decree or directive having the force of law and relating to bribery, kick-backs or similar business practices. The Guaranteed Party and Fund Manager and each of their officers, directors, owners, partners, agents, key employees, other persons with primary management or supervisory responsibilities individually and affiliates are otherwise, to the best of their current knowledge in full compliance with the United States Foreign Corrupt Practices Act and/or any other Applicable Law, regulation, order, decree or directive having the force of law and relating to bribery, kick-backs or similar business practices. The Guaranteed Party and Fund Manager shall not knowingly provide material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in corrupt practices, or has committed, attempted to commit, facilitated, or participated in such practices.

Section 8.17. **Other U.S. Government Agreements**. The Guaranteed Party has not entered into any other guarantees and/or financing agreements with any other U.S. government agency and/or entity and no Qualifying Loan is subject to coverage by any other guarantees and/or financing agreements with any other U.S. government agency and/or entity.

Section 8.18. **No Material Omissions**. None of the representations and warranties in this Section omits any matter the omission of which makes any representations and warranties misleading in any material respect.

Section 8.19. **USAID Reliance**. The Guaranteed Party and Fund Manager acknowledge that they make these representations and warranties with the intention of inducing USAID to enter into this Agreement and that USAID enters into this Agreement on the basis of, and in full reliance on, each of such representations and warranties.

ARTICLE IX

Reporting and Records Requirements

Section 9.01. **Semi-Annual Portfolio Reporting**. No later than thirty (30) days after the end of each Guarantee Period, the Guaranteed Party shall provide to USAID the "Qualifying Loan Schedule" through CMS in effect on the last day of such Guarantee Period.

Section 9.02. **Annual Financial Reporting**. The Guaranteed Party shall prepare annual audited financial statements in accordance with accounting standards generally recognized in Singapore which shall be audited by a firm of independent public auditors acceptable to USAID, and shall submit such audited financial statements to USAID no later than 90 days after the end of each of the Guaranteed Party's fiscal years through the term of this Agreement.

Section 9.03 **Borrower Documents**. At USAID's request, the Guaranteed Party shall provide to USAID copies of all documents and reports provided by a Qualified Borrower to the Guaranteed Party under the Qualifying Loan.

Section 9.04. **Other Reporting**. USAID reserves the right to carry out (at its own expense), or to have carried out, such additional audits, financial reviews, or evaluations as it considers appropriate in view of its status as guarantor, including audit reports on Qualifying Borrowers under Qualifying Loans. Should USAID request an audit report on any such party, the Guaranteed Party agrees that it shall use all reasonable means to require and obtain such reports from that party.

Section 9.05. **Failure to Provide Required Reports**. Should the Guaranteed Party fail to provide any reports required by the Agreement to USAID when due, no additional Qualifying Loans shall be placed under the coverage of the Guarantee and USAID may defer payment of any claims until it receives such documentation in form satisfactory to USAID or terminate the Guarantee pursuant to Section 11.01(a).

Section 9.06. **Books and Records**. The Guaranteed Party shall:

- (a) Maintain or cause to be maintained, in accordance with accounting standards generally recognized in Singapore consistently applied, books and records relating to each Qualifying Loan covered by the Agreement, which are adequate to show compliance with the terms of the Agreement. Such books and records will be maintained with respect to each Qualifying Loan, except as USAID may otherwise agree in writing, for a period of three (3) years after the Final Date for Submitting Claims with respect to such Qualifying Loan in accordance with Section 5.03.
- (b) Afford authorized representatives of USAID the opportunity at all reasonable business hours to inspect such books, records and other documents and files relating to the Agreement and the Qualifying Loans covered by the Agreement.
- (c) Promptly make available such other information and records relevant to the Agreement and the Qualifying Loans covered by the Agreement as USAID may reasonably request, including onsite inspections.

ARTICLE X

Covenants

For purposes of the Agreement, the Guaranteed Party (and, where noted, the Fund Manager) makes the following covenants only with respect to itself:

Section 10.01. **Existence; Conduct of Business**. The Guaranteed Party and Fund Manager shall maintain their corporate existence, comply with their organizational documents and qualify and remain qualified to do business in Singapore. The Guaranteed Party shall also qualify and remain qualified to provide Loans in the countries of the Qualifying Borrowers.

Section 10.02. **Future Disclosure**. The Guaranteed Party and Fund Manager shall inform USAID in a timely manner of any facts and circumstances of which it has actual knowledge that arise after the

date of the Agreement and materially affect the Agreement or the discharge of obligations under the Agreement, or the truth and accuracy of any of the representations made in this Article X.

Section 10.03. **Approvals; Applicable Laws.** The Guaranteed Party and Fund Manager shall obtain in a timely manner and maintain in force all approvals that are necessary to carry out their obligations under each Qualifying Loan and this Agreement and shall comply in all material respects with all Applicable Laws the failure to comply with which could, or is likely to have a material adverse effect on the condition, financial or otherwise, operations, properties, or business of the Guaranteed Party or Fund Manager, or on the ability of the Guaranteed Party or Fund Manager to perform their obligations under a Qualifying Loan or this Agreement

Section 10.04. **Change of Control; Non-Sovereign Enterprise.** The Guaranteed Party and Fund Manager acknowledge that USAID is entering into the Agreement partly because it considers the Guaranteed Party and Fund Manager to be good risk-sharing partners. To ensure that the Guaranteed Party and Fund Manager remain good risk-sharing partners, there shall be no Change of Control with respect to the Guaranteed Party or Fund Manager without prior written approval by USAID; provided, however, that the Guaranteed Party and Fund Manager have the option to terminate this Agreement with 30 days prior written notice to USAID in the event it does not want to seek such approval. The Guaranteed Party and Fund Manager further acknowledge that USAID is entering into the Agreement to encourage private sector financing in four countries in Southeast Asia and consequently, the Guaranteed Party and Fund Manager shall remain private, Non-Sovereign Enterprises, with no less than 80% of their equity held by the private sector.

Section 10.05. **Material Adverse Change.** The Guaranteed Party and Fund Manager shall promptly notify USAID of any of the following (each, a “**Material Adverse Change**”):

- (a) a material change in the Guaranteed Party’s or Fund Manager’s lending policies;
- (b) increases in non-performing loans (NPLs) by greater than 50% from the level of NPLs reflected in the most recent financial statements; or
- (c) reductions in capital adequacy to a level below what is required by the Central Bank in Singapore (if any such requirement exists);
- (d) a change in Applicable law that has a material adverse effect on the Guaranteed Party or Fund Manager or any arrangements hereunder or contemplated hereunder.

Section 10.06 **Pari Passu.** The Guaranteed Party shall ensure that the payment obligations of all Qualifying Loans covered under this Agreement will at all times constitute the direct, general and unconditional obligations of each Qualifying Borrower and rank in all respects at least *pari passu* in priority of payment and in right of security with the payment obligations of all other unsecured and unsubordinated debt of such Qualifying Borrower. No Qualifying Loan guaranteed hereunder shall at any time be subordinated to another debt contracted by a Qualifying Borrower or to any other claims against a Qualifying Borrower in case of a default under the Qualifying Loan.

Section 10.07. **USG Transactions.** The Guaranteed Party shall notify USAID of any guarantees and/or other financing agreements that the Guaranteed Party currently has with any other U.S.

government agencies and/or entities. The Guaranteed Party shall not enter into any such transactions during the term of this Agreement without prior written approval from USAID.

Section 10.08. **Arm's Length Transactions**. The Guaranteed Party shall not enter into any transaction with a Qualified Borrower except in the ordinary course of business on the basis of arm's length arrangements.

Section 10.09. **Utilization**. The Guaranteed Party shall consult with USAID concerning any matters that interfere with the adequate utilization of the Agreement.

Section 10.10. **Purpose of Qualifying Loan**. If the Guaranteed Party learns that a Qualifying Borrower is not using the proceeds of its Qualifying Loan for the purpose stated in Part A of the Guarantee Term Sheet, the Guaranteed Party shall promptly inform USAID.

Section 10.11 **Terrorism**. The Guaranteed Party and Fund Manager shall not knowingly provide material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitated, or participated in terrorist acts. The Guaranteed Party shall take all reasonable steps to ensure that none of the loans it seeks to place under coverage of the Guarantee will be made to any such individual or entity, including considering all information about the prospective borrower of which it is aware and all public information that is reasonably available to it or of which it should be aware.

ARTICLE XI

Termination Events

Section 11.01 **Termination Events**. It shall be a "**Termination Event**" if USAID determines, in its reasonable discretion that:

- (a) the Guaranteed Party or Fund Manager has committed a material breach of the Agreement, other than of terms of the Agreement referred to in clauses (b), (c) and (d) of this Section 11.01;
- (b) The Guaranteed Party has failed to pay when due the Guarantee Fees in accordance with Section 4.02 (*Failure to Pay Guarantee Fees*), and such failure shall not have been remedied within 5 days after notice of such failure shall have been given by USAID to the Guaranteed Party;
- (c) The Guaranteed Party has failed to reimburse USAID in accordance with Section 6.02 (*Reimbursement of USAID*), and such failure shall not have been remedied within 5 days after notice of such failure shall have been given by USAID to the Guaranteed Party;
- (d) the Guaranteed Party shall have failed to provide any report or document or maintain any book or record, in each case in compliance with Article IX of the Agreement, and such failure shall not

have been remedied with 30 days after notice of such failure shall have been given by USAID to the Guaranteed Party;

- (e) the Guaranteed Party or Fund Manager has engaged in gross negligence, fraud or misrepresentation which, in the case solely of a misrepresentation, could be reasonably expected to result in an adverse effect in any material respect on USAID;
- (f) an Insolvency Event has occurred;
- (g) any one or more events, conditions or circumstances occurs or exists that, alone or taken together, results in or could reasonably be expected to result in a Material Adverse Change;
- (h) the Guaranteed Party has not made any Qualifying Loans on or prior to September 30, 2017
- (i) the Guaranteed Party or Fund Manager or any of the Key Individuals specified in Section 7.01(c) is found to have been convicted of a narcotics offense or to have been engaged in drug trafficking as defined in Part 140 of Title 22 of the United States Code of Federal Regulations; or
- (j) A Change of Control has occurred without USAID's prior written consent.

ARTICLE XII

Termination and Reduction

Section 12.01. **Term.** Unless terminated at an earlier date by USAID or the Guaranteed Party in accordance with the terms and conditions herein, the Agreement shall terminate on the Coverage Expiration Date, provided that such termination on the Coverage Expiration Date will not (i) relieve USAID of its obligations under the Agreement with respect to claims submitted prior to the Final Date for Submitting Claims or (ii) relieve the Guaranteed Party of its obligations hereunder, under Section 6.02 (*Reimbursement of USAID*) and Section 6.03 (*Certificate of Post-Claim Recoveries*).

Section 12.02. **Termination or Suspension by USAID for Cause.** USAID may terminate or suspend the Agreement at any time by written notice to the Guaranteed Party upon the occurrence of any Termination Event. Any termination or suspension by USAID pursuant to this Section 12.02 shall be based on USAID's opinion and discretion as to the severity and relevance of the alleged breach, and USAID may elect either to continue or to cancel coverage of any then-outstanding Qualifying Loans; provided, however, that, termination or suspension of the Agreement pursuant to Sections 11.01(e), (f) or (i) shall not affect the validity or enforceability of the Agreement on the portions of the Qualifying Loans that have been disbursed prior to such Termination Event.

Section 12.03. **Termination or Suspension for Convenience.** USAID may terminate or suspend the Agreement at its convenience at any time for any reason by written notice to the Guaranteed Party. It is understood that USAID does not expect to exercise this right unless the continuation of the Agreement would not be in the foreign policy interests of the United States or would be in violation

of Applicable Law. Any termination or suspension for convenience by USAID pursuant to this Section 12.03 shall not affect the validity or enforceability of the Agreement on the portions of the Qualifying Loans that have been disbursed prior to the date of such suspension or termination; provided, however, that USAID shall in no event be required to pay a claim to the extent that it is unlawful in any applicable jurisdiction, or contrary to any law, regulation or official sanction to which USAID may from time to time be subject.

Section 12.04. **Survival of Certain Obligations.** Notwithstanding any other provision of the Agreement, the obligations of the Guaranteed Party with respect to any unpaid payment obligation under this Agreement, including all outstanding fees, incurred prior to the date of any termination or suspension of the Agreement, and the obligations of the Guaranteed Party with respect to Sections 5.06 (*Repayment*), 6.02 (*Reimbursement of USAID*) and Section 6.03 (*Certificate of Post-Claim Recoveries*) shall survive any termination or suspension of the Agreement.

ARTICLE XIII

Miscellaneous

Section 13.01. **English Language.**

- (a) The Agreement is prepared in English only.
- (b) All documents to be provided or communications to be given or made under this Agreement shall be in the English language, unless otherwise agreed by USAID in writing.
- (c) To the extent that the original version of any document to be provided, or communication to be given or made, under this Agreement is in a language other than English, that document or communication shall (unless otherwise agreed to in writing by USAID) be accompanied, at the cost and expense of the Guaranteed Party or the Qualifying Borrower, by an English translation certified by an authorized representative acceptable to USAID to be a true and correct translation of the original.

Section 13.02. **Notices and Communications.** Any notices, requests or other communication submitted by any Party to the other Party shall be in writing and shall be deemed to have been given when sent to the receiving Party at the address indicated in the Guarantee Term Sheet.

Section 13.03. **Payments.** All payments by any Party shall be made in accordance with the Payment Instructions indicated in the Guarantee Term Sheet.

Section 13.04. **Exchange Rates.** For purposes of making any calculation under the Agreement, Local Currency /U.S. Dollar equivalencies shall be determined by using the Reporting Exchange Rate with respect to calculations of the Maximum Authorized Portfolio Amount, calculations of the Maximum Cumulative Disbursements Amount, or any other calculations under the Agreement and the payment of Guarantee Fees. For purposes of making any calculation under the Agreement, Local Currency /U.S. Dollar equivalencies shall be determined by using the Claim Payment Exchange Rate with respect to the payment of claims and calculations regarding the Guarantee Ceiling

Section 13.05. **Full Faith and Credit.** The guarantee obligations of USAID under the Agreement for the full payment and performance of the obligations under the Guarantee constitute full faith and credit obligations of the United States of America.

Section 13.06. **Taxation.** The Guaranteed Party agrees to pay all taxes imposed by any government authority in Singapore and any country in which a Qualifying Loan is provided, including any interest and penalties, if any, on or with respect to the Agreement, and hereby indemnifies USAID against any such taxes that may be imposed upon USAID in connection therewith. Payments of all amounts due to USAID under the Agreement shall be made free and clear of and without reduction for such taxes or similar charges or any regulatory fees, wire processing fees, or other costs incurred in Singapore and any country in which a Qualifying Loan is provided in connection with such payments.

Section 13.07. **Information and Publicity.** The Parties agree to cooperate, from time to time, in exchanging information about the Agreement and its implementation and in giving appropriate publicity to the Agreement as a program to which USAID has contributed. The Guaranteed Party and Fund Manager acknowledge that USAID may share information regarding this Agreement within the U.S. Government.

Section 13.08. **Dispute Resolution.** The Agreement shall be governed by and construed in accordance with the laws of the State of New York of the United States of America. The Parties agree to use their best efforts to resolve disputes arising under the Agreement through amicable negotiations. Any disputes, controversies or claims arising between the parties under the Agreement that cannot be resolved in negotiations between the parties shall be finally settled in accordance with the Rules of Arbitration of the International Chamber of Commerce (unless otherwise agreed upon by the Parties) in force at the date of request for arbitration, which rules are deemed incorporated by reference into this clause. Such arbitration shall take place in Washington, DC (unless otherwise agreed upon by the parties), shall be conducted in the English language, and shall be the sole and exclusive forum for the resolution of disputes, and the decision of the arbitrator(s) shall be final and binding on the parties. Judgment on the award may be entered in any court having jurisdiction thereof. Each Party hereby irrevocably consents to the service of process in any action or proceeding under the Agreement by mailing copies thereof to the Party's address set forth in the Guarantee Term Sheet (Attachment 1), by recognized express courier (such as Federal Express or DHL).

In any arbitration arising under this Agreement, the Parties shall be permitted to include, by consolidation, joinder or any other manner, any person or entity not a party to this Agreement if (i) such person or entity is substantially involved in a common question of fact or law, (ii) the presence of such person or entity is required if complete relief is to be accorded in the arbitration, and (iii) such person or entity has consented to such inclusion.

Section 13.09. **Conflicts.** In the event of any conflict, inconsistency or ambiguity between the terms and conditions of the Guarantee Term Sheet and the terms and conditions of the Standard Terms and Conditions, the terms and conditions of these Standard Terms and Conditions shall control.

Section 13.10. **Entire Agreement.** The Agreement constitutes the entire agreement between the Parties concerning the subject matter of the Agreement and supersedes any prior understanding or written or oral agreement.

Section 13.11. **Amendment.** Any amendment, or waiver of, or any consent given under, any provision of the Agreement shall be in writing and, in the case of any amendment, shall be signed by all Parties.

Section 13.12. **Counterparts.** The Agreement may be signed in separate counterparts each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

Section 13.13 **Saving of Rights.** (a) The rights and remedies of USAID shall not be prejudiced by any investigation by or on behalf of USAID into the affairs of the Guaranteed Party, Fund Manager or a Qualifying Borrower.

(b) No waiver by USAID in connection with any conditions under this Agreement shall impair any right, power or remedy of USAID with respect to any other condition under this Agreement.

(c) In the event that any of the terms or provisions of this Agreement are declared invalid or unenforceable in any respect or to any extent in any jurisdiction, the remaining terms and provisions that are not effected thereby shall remain in full force and effect.

Section 13.14. **Successors and Assignees.** This Agreement binds and benefits the respective successors and assignees of the parties; provided, however, the Guaranteed Party and Fund Manager may not assign or delegate any of its rights or obligations under this Agreement without the prior written consent of USAID.

ARTICLE XIV

Definitions

Section 14.01. **Terms.** Throughout the Agreement, terms, when capitalized, shall have the meaning assigned to them as follows:

“**Affiliate**” shall mean, with respect to any party, (i) if such party is an individual, any immediate family member of such party, any person that resides in the same home of such party, any person that is employed by such party or any person that receives substantial monetary or other economic assistance from such party, and (ii) in all other cases, any legal entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or under common control with, such party.

“**Applicable Law**” shall mean all statute, law, treaty, rules, regulations, ordinances, approvals, codes, orders and other governmental determinations, authorizations or restrictions.

“**Certification of Post-Claim Recoveries**” shall mean the certification in the form set out in Appendix 4.

“Change of Control” shall mean any of the following, in each case, with respect to the Guaranteed Party or Fund Manager:

- (a) an acquisition by or merger with another legal entity or person;
- (b) a majority of the equity interests in the Guaranteed Party or Fund Manager is sold to or otherwise acquired by any legal entity or person that does not own at least ten percent (10%) of the equity interests in the Guaranteed Party or Fund Manager, respectively, as of the date of the Agreement, without prior written approval by USAID;
- (c) there is a sale of assets, individually or in the aggregate, or other transactions that results in asset reduction of greater than 30% of total assets immediately prior to such sales or transactions; or

a change relating to how the management and policies of the company are directed (including the composition of the board of directors) that is not provided for in the organizational documents of the Guaranteed Party or Fund Manager or would require amendment or replacement of the organizational documents of the Guaranteed Party or Fund Manager. For the avoidance of doubt, this does not include changes to the membership of the board of directors done through the ordinary course of business.

“Claim Payment Exchange Rate” shall mean the rate of exchange for the conversion of U.S. Dollars to any other currency specified in the Guarantee Term Sheet, as determined by reference to the [US Embassy daily exchange rate, which shall be confirmed by USAID/RDMA on the day of any applicable payment](#), or such other exchange rate as determined by USAID.

“CMS” shall mean USAID’s Credit Management System.

“Coverage Expiration Date” shall have the meaning ascribed to that term in Section 7 of the Guarantee Term Sheet.

“Currency of Guarantee Payment” shall have the meaning ascribed to that term in Section 11 of the Guarantee Term Sheet.

“Currency of Guarantee Fee Payment” shall have the meaning ascribed to that term in Section 17 of the Guarantee Term Sheet.

“days” shall mean calendar days, unless otherwise stated in the Agreement.

“Defaulting Borrower” shall have the meaning assigned thereto in Section 5.01(a).

“Final Date for Placing Qualifying Loans Under Coverage” shall have the meaning ascribed to that term in Section 6 of the Guarantee Term Sheet.

“Financial Agent” shall mean Midland Loan Services., or such other financial agent as designated by USAID in a written notice to the Guaranteed Party.

“Fund Manager” shall mean Impact Investment Exchange (Asia) Pte. Ltd.

“Guarantee” shall have the meaning ascribed to that term in Part A of the Guarantee Term Sheet.

“Guarantee Ceiling” shall have the meaning ascribed to that term in Section 5 of the Guarantee Term Sheet.

“Guarantee Fees” shall have the meaning assigned thereto in Section 4.01.

“Guarantee Percentage” shall have the meaning ascribed to that term in Section 4 of the Guarantee Term Sheet.

“Guarantee Periods” shall have the meaning ascribed to that term in Section 12 of the Guarantee Term Sheet.

“Guarantee Term Sheet” shall mean the guarantee term sheet set forth as Attachment 1 to the Agreement.

“Insolvency Event” shall mean (i) the Guaranteed Party or Fund Manager instituting a voluntary case concerning itself, or undertaking any actions to form an arrangement with creditors for the purpose of paying its past due debts or seeking its liquidation or reorganization or moratorium of its payments; (ii) the Guaranteed Party’s or Fund Manager’s inability to pay debts as they become due; (iii) the Guaranteed Party’s or Fund Manager’s applying for or consent to the appointment of any liquidator, receiver, trustee or administrator for all or a substantial part of its business, or the appointment of a liquidator, receiver, trustee for the Guaranteed Party or Fund Manager, respectively, which continues undismissed, undischarged or unstayed for a period of thirty (30) days; (iv) the commencement of an involuntary case against the Guaranteed Party or Fund Manager under bankruptcy law which is not dismissed within sixty (60) days after commencement of such case; or (v) any other event occurs which, under Applicable Law, would have an effect analogous to any of those events listed in (i) through (iv) of this definition.

“Key Individuals” shall mean any officer, director, owner, partner, agent, employee, or other person with primary management or supervisory responsibilities and affiliates that have decision making authority with respect to this Agreement and/or the transactions contemplated hereunder.

“Loan” shall mean, unless otherwise specifies in the Guarantee Term Sheet, any type of commercial loan, excluding, however, any letter of credit, credit card debt, line of credit, overdraft or other forms of revolving debt

“Local Currency” shall mean the currency in which a Qualifying Loan is provided, other than U.S. Dollars.

“Material Adverse Change” shall have the meaning assigned thereto in Section 10.05.

“Maximum Authorized Portfolio Amount” shall have the meaning ascribed to that term in Section 1 of the Guarantee Term Sheet.

“Maximum Cumulative Disbursements Amount” shall have the meaning ascribed to that term in Section 2 of the Guarantee Term Sheet.

“Maximum Cumulative Principal Amount of Qualifying Loans Per Qualifying Borrower” shall have the meaning ascribed to that term in Section 3 of the Guarantee Term Sheet.

“Non-Sovereign Enterprise” shall mean any business or enterprise that is majority-owned by citizens or permanent residents of Singapore and in which the Singapore government does not own a greater than 20% interest.

“Notice of Due Payment” shall mean a notice sent to the Guaranteed Party and specifying the amount of Utilization Fees that are then due and payable under the Agreement.

“Origination Fee” shall have the meaning ascribed to that term in Section 16(a) of the Guarantee Term Sheet.

“Other Recovered Funds” shall have the meaning assigned thereto in Section 6.02.

“Qualifying Borrower” shall have the meaning ascribed to that term in Section 15 of the Guarantee Term Sheet.

“Qualifying Loan” shall have the meaning ascribed to that term in Section 14 of the Guarantee Term Sheet.

“Recovered Funds” shall have the meaning assigned thereto in Section 6.02.

“Reporting Exchange Rate” shall mean the rate of exchange for conversion of the Local Currency to U.S. Dollars or the conversion of U.S. Dollars to Local Currency, as used by the U.S. Treasury on a quarterly basis and in effect at the time any such conversion is calculated. As of the date of the Agreement, such rates are published at https://www.fiscal.treasury.gov/fsreports/rpt/treasRptRateExch/treasRptRateExch_home.htm.

“Standard Terms and Conditions” shall mean these standard terms and conditions set forth as this Attachment 2 to the Agreement.

“Termination Event” shall have the meaning assigned thereto in Section 11.01.

“Total Recovered Funds” shall have the meaning assigned thereto in Section 6.02.

“Utilization Fee” shall have the meaning ascribed to that term in Section 16(b) of the Guarantee Term Sheet.

APPENDIX 1

REQUEST FOR PAYMENT OF CLAIM

Pursuant to Section 5.02 of Loan Portfolio Guarantee Agreement No. _____ (the “Agreement”) entered into among the United States Agency for International Development (“USAID”), WLB Asset Pte. Ltd. (the “Guaranteed Party”), and Impact Investment Exchange (Asia) Pte. Ltd. (the “Fund Manager”) on [date], we hereby request that you make the following payment with respect to the following loan (the “Loan”):

I. Loan Description: Indicate the following:

- (a) Qualifying Borrower:
- (b) Transaction Report Number:
- (c) Purpose of Qualifying Loan:
- (d) Effective Date (mm/dd/yyyy):
- (e) Date of Final Maturity (mm/dd/yyyy):
- (f) Total Principal Amount:
- (g) Disbursement date(s) (if multiple disbursements, indicate amount disbursed on each date) (mm/dd/yyyy):
- (h) Annual Interest rate:
- (i) Currency:
- (j) Other lenders:
- (k) Other guarantors:
- (l) Other loans to the same borrower which are covered under the Agreement (indicate applicable transaction report number, effective date, maturity date, principal amount, interest rate, and if those loans are also in default):

II. Claim Terms.

- (a) Reason for Default (provide a detailed explanation of the circumstances of the default, including the reason the Borrower defaulted):
- (b) Date(s) of default by the Qualifying Borrower (mm/dd/yyyy):
- (c) Date(s) of final demand by the Guaranteed Party on the Qualifying Borrower (mm/dd/yyyy):
- (d) Description of the collection efforts made pursuant to Section 5.01(b) of the Agreement and the total amount collected to date (net of reasonable expenses actually incurred in such collection efforts):
- (e) Amount of defaulted principal payment (excluding any defaulted interest payments):
- (f) Amount of Claim (default amount(s) less recoveries, multiplied by the Guarantee Percentage expressed as a decimal or fraction):
- (g) Other loans (guaranteed and unguaranteed) to the Qualifying Borrower that are in default (indicate effective date, maturity date, principal amount, and interest rate):

III. Payment Instructions. The Guaranteed Party requests that payment be made by the method and to the account described below:

[Insert]

IV. Claim Certification. The Guaranteed Party hereby certifies that it has complied with the requirements of the Agreement (including the payment of all Guarantee Fees arising under Section 4.01) and will comply with the requirements of Article VI of the Agreement. The Guaranteed Party further certifies that:

(a) The Qualifying Borrower has failed to repay the above-stated principal amount due on the Qualifying Loan;

(b) The Qualifying Borrower has failed to meet the Guaranteed Party's written demand for repayment of the principal amount due on the Qualifying Loan;

(c) The Guaranteed Party has diligently pursued reasonable collection efforts against the Qualifying Borrower (and any other entity that may be liable on the Qualifying Loan), in accordance with Applicable Law and standard banking practice in Singapore and [country where loan was provided]; and

(d) After such collection activities, the Guaranteed Party has (1) written off the entire outstanding balance (including principal and interest) of the Qualifying Loan as a bad debt expense, or (2) it (A) is unable, because of a legal impediment or significant impracticality, to take the action described in (1) above, and (B) has established a specific provision of funds (which is evidenced on its balance sheet or income statement) for possible loan losses associated with the default by the Defaulting Borrower, and the amount of such provision equals or exceeds 20% of the amount of defaulted principal.

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX 2

Part 1: Reporting Qualifying Loans in Credit Management System: Transaction Reports

A Transaction Report is created by the Guaranteed Party each time that a loan is placed under guarantee coverage. It contains information that is pertinent to the particular loan in question. Only one Transaction Report is created per loan, not per disbursement. If there are multiple disbursements, this information will be reflected in the Qualifying Loan Schedule. Transaction Reports can be created at any time, although USAID recommends that they be created at the time of loan disbursement.

The Guaranteed Party is advised to carefully review the data recorded in each Transaction Report to ensure that it is correct before submitting the information to USAID. At the time of submission, the Guaranteed Party will certify that the Loan is a Qualifying Loan as defined in the Agreement and that the information submitted is true and correct in all respects. Once the Transaction Report is submitted, only USAID is permitted to make any changes.

The screenshot shows the 'Create Transaction Report' form in the USAID CMS. The form is titled 'Create Transaction Report' and is located at the URL <https://admin.cms.usaid.org/transactionReport/create?creditAgreementId=508>. The form fields are as follows:

Field Name	Value
Transaction Report Number	Set Upon Submission
Credit Agreement Guarantee Number	497-DCA-10-004
Country and Currency	Indonesia - INDONESIA - RUPIAH
Credit Type	Term Loan
Exchange Rate	Set Upon Submission
Borrower Name	
City/Town	
State/Province/Region	
Business/Sector	Agriculture
Additional Information	
Purpose of Loan	
Transaction Amount	0.00

The information contained in CMS are trade secrets and commercial or financial information which are privileged and confidential and exempt from disclosure under the Freedom of Information Act, 5 U.S.C. Sec. 552. Furthermore, this information is prohibited from disclosure under the Trade Secrets Act, 18 U.S.C. Sec 1905.

APPENDIX 2
(cont.)

Part 2: Reporting Qualified Loans in Credit Management System (Loan Schedule Screen Shot)

At the end of each six-month guarantee or reporting period, the Guaranteed Party creates a new Qualifying Loan Schedule in CMS and update loan activity for that period. USAID will use its best efforts to notify the Guaranteed Party as soon as the Reporting Exchange Rate for that period has been updated in CMS. CMS will automatically incorporate any new Qualifying Borrowers for whom Transaction Reports were created during the last reporting period. The ending loan balance for the previous period will become the opening balance for the current period. It is up to the Guaranteed Party to update the aggregate Disbursements, aggregate Payments, Arrears (Days) and Removed Coverage Date columns to reflect loan activity that occurred during the current reporting period. CMS will automatically calculate the ending balance. Updated Qualifying Loan Schedules are due no later than thirty (30) days following the last day of the reporting period.

The Guaranteed Party is advised to carefully review the data recorded in the Qualifying Loan Schedule to ensure that it is correct before submitting this information to USAID. At the time of submission, the Guaranteed Party will certify that the loans are Qualifying Loans as defined in the Agreement and that the information submitted is true and correct. Once the Qualifying Loan Schedule has been submitted to USAID, only USAID can make changes.

Loan Schedule Summary
Report Period Start Date: 2015/04/01
Report Period End Date: 2015/09/30
Status: Draft

Loan Schedule Items, Grouped by Country and Currency
Sort Loan Schedule Summary By: Sort By Date | Sort By Name

Philippines: PHILIPPINES - PESO

NAME	TYPE	START	AMOUNT	OPEN	DISBURSE	PAYMENT	END	ARREARS (DAYS)	GTE %	REMOVED FROM COVERAGE DATE
Panay Cold Chain Services Corporation	TL	2014/07/21	12,393,166.13	10552131.79	0.00	0.00	10,552,131.79	0	50.00%	
International Contract Manufacturing Corporation	TL	2014/08/19	7,039,162.00	6972481.18	0.00	0.00	6,972,481.18	0	50.00%	
International Contract Manufacturing Corporation	TL	2014/08/19	25,880,418.55	25577102.34	0.00	0.00	25,577,102.34	0	50.00%	
International Contract Manufacturing Corporation	TL	2014/08/19	25,880,418.55	25476502.33	0.00	0.00	25,476,502.33	0	50.00%	
CYS AQ AG ENTERPRISES, INC.	TL	2014/11/05	19,292,700.00	17409410.39	0.00	3442133.70	13,967,276.69	0	50.00%	
Panay Cold Chain Services Corporation	TL	2014/11/10	8,000,000.00	7565548.77	0.00	790439.39	6,775,109.38	0	50.00%	
Orion St. Michael Hospital, Inc.	TL	2015/01/25	13,584,000.00	13584000.00	0.00	1259068.44	12,324,931.56	0	50.00%	

Ending Balance Subtotal: 101,645,535.27 (PHILIPPINES - PESO)
Exchange Rate: 46.680
Ending Balance Subtotal: \$2,177,496.47 (USD)

Save Cancel

The information contained in CMS are trade secrets and commercial or financial information which are privileged and confidential and exempt from disclosure under the Freedom of Information Act, 5 U.S.C. Sec. 552. Furthermore, this information is prohibited from disclosure under the Trade Secrets Act, 18 U.S.C. Sec 1905.

**APPENDIX 3
CERTIFICATION OF POST-CLAIM RECOVERIES**

Attention:

Ref: Loan Portfolio Guarantee Agreement No. DCA – 486-DCA-16-001

Capitalized terms used but not defined herein shall have the meanings assigned thereto in the loan portfolio guarantee agreement No. 486-DCA-16-001 (the “Agreement”) dated _____, among the United States Agency for International Development (“USAID”), WLB Asset Pte. Ltd. (the “Guaranteed Party”), and Impact Investment Exchange (Asia) Pte. Ltd. (the “Fund Manager”). The Guaranteed Party hereby certifies that it was paid [insert amounts] by USAID in connection with claims submitted under the Agreement.

The Guaranteed Party further certifies that, as of the date hereof, it has received [insert amount] in Recovered Funds (as defined in Section 6.02 of the Agreement). Such amount is net of [] in reasonable collection costs incurred by the Guaranteed Party in pursuing such recoveries. [Insert brief description of collection efforts and related costs incurred].

The Guaranteed Party acknowledges that USAID may refuse to honor any future claims under the Agreement if the specified amount of Recovered Funds above is not accurate.

Guaranteed Party

By (Signature)

Name (please print)

Title (please print)

Date

APPENDIX 4

**KEY INDIVIDUAL CERTIFICATION
NARCOTICS OFFENSES AND DRUG TRAFFICKING**

I hereby certify that within the last ten years:

1. I have not been convicted of a violation of, or a conspiracy to violate, any law or regulation of the United States or any other country concerning narcotic or psychotropic drugs or other controlled substances.
2. I am not and have not been an illicit trafficker in any such drug or controlled substance.
3. I am not and have not been a knowing assistor, abettor, conspirator, or colluder with others in the illicit trafficking in any such drug or substance.

Signature: _____

Date: _____

Name:

Organization:

Position:

Address:

National ID#:

Date of Birth:

NOTICE:

1. You are required to sign this Certification under the provisions of 22 CFR Part 140, Prohibition on Assistance to Drug Traffickers. These regulations were issued by the Department of State and require that certain key individuals of organizations must sign this Certification.
2. If you make a false Certification you are subject to U.S. criminal prosecution under 18 U.S.C. 1001.

APPENDIX 5

QUALIFYING BORROWERS

Chamroeun Microfinance Limited (Cambodia)
KREDIT Microfinance Institution Limited (Cambodia)
SAMIC Plc (Cambodia)
iCare Benefits Asia Pte. Ltd. (Singapore)
Viet Phu Payment Services Support Corporation (Vietnam)
Negros Women for Tomorrow Foundation (Philippines)
ECHOglobal Holdings, Inc. (Philippines)
Hybrid Social Solutions, Inc. (Philippines)

ISSUER

WLB Asset Pte. Ltd.
One Raffles Place, #13-01
Singapore 048616

SERVICER AND PORTFOLIO MANAGER

Impact Investment Exchange (Asia) Pte. Ltd.
1 King George's Avenue, #05-00
Singapore 059917

AUDITORS OF THE COMPANY

Grant Thornton Singapore
39 Robinson Road
18-04 Robinson Point
Singapore 068911

BONDS TRUSTEE AND PRINCIPAL PAYING AGENT

The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL, United Kingdom

REGISTRAR AND TRANSFER AGENT

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building - Polaris – 2-4 rue. Eugène Ruppert
L-2453 Luxembourg

SECURITY TRUSTEE

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WLB Asset Pte. Ltd.
US\$8,000,000
5.65% Women's Livelihood Bonds due 2021

Portfolio Manager



Placement Agents



Impact Advisor and Impact Verification Agent

