

Seaspan CORP  
Form 424B5  
March 06, 2017  
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**Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-211545**

**PROSPECTUS SUPPLEMENT**

(To Prospectus dated March 3, 2017)

# **Seaspan Corporation**

## **Class A Common Shares**

### **Having an Aggregate Offering Price of Up to \$75,000,000**

We have entered into an equity distribution agreement, the equity distribution agreement, with Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and FBR Capital Markets & Co. relating to the Class A common shares of Seaspan Corporation offered by this prospectus supplement and the accompanying prospectus. In accordance with the terms of the equity distribution agreement, we may offer and sell Class A common shares having an aggregate offering price of up to \$75,000,000 from time to time through Citigroup Global Markets Inc., Credit Suisse Securities and FBR Capital Markets & Co. as our sales agents.

Sales of the Class A common shares, if any, will be made by means of ordinary brokers' transactions on the New York Stock Exchange, or the NYSE, at market prices, in block transactions, or as otherwise agreed upon by the sales agents and us.

We will pay the sales agents a commission of up to 2.0% of the gross sales price per Class A common share sold through them as sales agents under the equity distribution agreement.

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Under the terms of the equity distribution agreement, we also may sell Class A common shares to the sales agents as principals for their own account at a price agreed upon at the time of sale. If we sell Class A common shares to the sales agents as principals, we will enter into a separate terms agreement with the sales agents, and we will describe this agreement in a separate prospectus supplement or pricing supplement.

The sales agents are not required to sell any specific number or dollar amount of our Class A common shares but will use their reasonable efforts, as our agents and subject to the terms of the equity distribution agreement, to sell the Class A common shares offered, as instructed by us. The offering of our Class A common shares pursuant to the equity distribution agreement will terminate upon the earlier of (1) the sale of all of the Class A common shares subject to the equity distribution agreement and (2) the termination of the equity distribution agreement by either the sales agents or us.

Our Class A common shares are listed on the New York Stock Exchange under the symbol **SSW**. The last reported sale price of our Class A common shares on the New York Stock Exchange on March 3, 2017 was \$8.10 per share.

**Investing in our Class A common shares involves risks. Please read Risk Factors beginning on page S-2 of this prospectus supplement and page 3 of the accompanying base prospectus.**

**Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying base prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**Citigroup**

**Credit Suisse**

**FBR**

March 6, 2017

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

**This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying base prospectus, which gives more general information, some of which may not apply to this offering. Generally, when we refer to the prospectus, we are referring to both parts combined. If information in the prospectus supplement conflicts with information in the accompanying base prospectus, you should rely on the information in this prospectus supplement.**

**Any statement made in this prospectus or in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated by reference into this prospectus modifies or supersedes that statement. Any statement so modified or superseded will be deemed not to constitute a part of this prospectus except as so modified or superseded.**

**You should rely only on the information contained in or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of our Class A common shares in any state or jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus or the information that is incorporated by reference herein is accurate as of any date other than its respective date.**

Unless we otherwise specify, when used in this prospectus supplement, the terms Seaspan, the Company, we, our and us refer to Seaspan Corporation and its subsidiaries, except that when such terms are used in this prospectus supplement in reference to the Class A common shares, they refer specifically to Seaspan Corporation. Unless otherwise indicated, all references in this prospectus supplement to dollars and \$ are to, and amounts are presented in, U.S. Dollars, and financial information presented in this prospectus supplement is prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP.

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**OUR COMPANY**

We are a leading independent charter owner and manager of containerships, which we charter primarily pursuant to long-term, fixed-rate time charters with major container liner companies. We operate a fleet of 88 containerships, and we have entered into contracts for the purchase of an additional eight newbuilding containerships, which have scheduled delivery dates through 2017. We primarily deploy our vessels on long-term, fixed-rate time charters to take advantage of the stable cash flow and high utilization rates that are typically associated with long-term time charters.

We are a Marshall Islands corporation incorporated on May 3, 2005. We maintain our principal executive offices at Unit 2, 2nd Floor, Bupa Centre, 141 Connaught Road West, Hong Kong, China. Our telephone number is (852) 2540-1686. We maintain a website at [www.seaspancorp.com](http://www.seaspancorp.com). The information on our website is not part of this prospectus, and you should rely only on the information contained in this prospectus and the documents we incorporate by reference herein when making a decision as to whether to invest in the Class A common shares.

**THE OFFERING**

**Issuer** Seaspan Corporation

**Class A common shares offered to the public by us** Class A common shares having an aggregate offering price of up to \$75,000,000.

**Use of Proceeds** We intend to use the net proceeds of this offering of the Class A common shares, after deducting the sales agents' commissions and our offering expenses, for general corporate purposes, which may include, among other things, funding acquisitions, funding capital expenditures on existing newbuild vessels and debt repayments.

**New York Stock Exchange Symbol** SSW

**Risk Factors** An investment in our Class A common shares involves risks. You should carefully consider each of the factors described or referred to under **Risk Factors** beginning on page S-2 of this prospectus supplement, page 3 of the accompanying base prospectus and in the documents incorporated by reference into this prospectus supplement and accompanying prospectus before you make an investment in our Class A common shares.

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**FORWARD-LOOKING STATEMENTS**

The prospectus and the documents incorporated by reference herein and therein contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. This Act provides a safe harbor for forward-looking statements to encourage companies to provide prospective information about themselves so long as they identify these statements as forward-looking and provide meaningful cautionary statements identifying important factors that could cause actual results to differ from the projected results. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. They often include words such as anticipate, believe, continue, could, estimate, projects, forecasts, potential, expect, intend, may, might, plan, predict, or negative of those terms, or comparable terminology. These forward-looking statements are all based on currently available operating, financial and competitive information and are subject to various risks and uncertainties. Our actual future results and trends may differ materially depending on a variety of factors, including, but not limited to, the risks and uncertainties discussed under the sections entitled Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations in our annual reports on Form 20-F and any reports on Form 6-K incorporated herein by reference.

Any or all of our forward-looking statements in the prospectus and the documents incorporated by reference herein may turn out to be inaccurate. Incorrect assumptions we might make and known or unknown risks and uncertainties may affect the accuracy of our forward-looking statements. Forward-looking statements reflect our current expectations or forecasts of future events or results and are inherently uncertain, and accordingly, you should not place undue reliance on forward-looking statements.

Although we believe that the expectations and forecasts reflected in the forward-looking statements are reasonable, we cannot guarantee future results, performance, or achievements. Consequently, no forward-looking statement can be guaranteed and future events and actual or suggested results may differ materially. We expressly disclaim any obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise. You are advised, however, to consult any further disclosures we make in our Annual Reports on Form 20-F and any reports on Form 6-K that we incorporate herein by reference, as well as in any prospectus supplement relating to this prospectus and other public filings with the U.S. Securities Exchange Commission, or the Commission.

**RISK FACTORS**

Any investment in our Class A common shares involves a high degree of risk. You should consider carefully the information contained in this prospectus supplement, the accompanying base prospectus and the documents incorporated by reference in this document before making an investment in our Class A common shares, including those risks discussed under the caption Risk Factors in our latest Annual Report on Form 20-F filed with the Commission and any reports on Form 6-K that we incorporate herein by reference. If any of these risks were to occur, our business, financial condition or operating results could be harmed, which may reduce our ability to pay dividends, and lower the trading price of, our Class A common shares. You may lose all or part of your investment. In addition, we are subject to the following risks and uncertainties:

**Risks of Investing in our Class A Common Shares**

*The price of our Class A common shares may be volatile, and the value of an investment in our Class A common shares may decline.*

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The trading price of our Class A common shares has been volatile. During the period from January 1, 2016 to March 3, 2017, the most recent trading day of our Class A common shares on The New York Stock Exchange, the trading price of our Class A common shares has been as high as \$20.00 and as low as \$6.62 per share. Please

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read Price Range of Class A Common Shares and Dividends. The market price of our Class A common shares could be subject to wide fluctuations in response to many of the risk factors discussed in this prospectus and others beyond our control, including:

our ability to charter ships that are currently off-charter, on short term charter or coming off long-term charter shortly;

the market for similar securities;

general economic and financial market conditions;

our issuance of debt or preferred equity securities;

our financial condition, results of operations and prospects;

the rates we obtain from our charters or recharterers and the ability of our customers to perform their obligations under their charters;

the level of our operating costs;

the number of off-charter or unscheduled off-hire days for our fleet and the timing of, and number of days required for, dry-docking of our containerships;

delays in the delivery of new vessels and the beginning of payments under charters relating to those ships;

prevailing global and regional economic and political conditions;

the effect of governmental regulations and maritime self-regulatory organization standards on the conduct of our business;

changes in the basis of taxation of our activities in various jurisdictions;

our ability to service and refinance our current and future indebtedness;

our ability to raise additional debt and equity to satisfy our capital needs;

our ability to draw on our existing credit facilities and the ability of our lenders and lessors to perform their obligations under their agreements with us;



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announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures or capital-raising activities or commitments;

changes in our dividend policy or amounts;

fluctuations in the valuation of companies perceived by investors to be comparable to us;

issuance of new or updated research reports by securities analysts;

sales of our Class A common shares by us or our shareholders; and

stock price and volume fluctuations attributable to inconsistent trading volume levels of our Class A common shares.

Many of these factors will also affect the amount of cash we have available to pay dividends on our Class A common shares.

In addition, the stock markets in recent years have experienced substantial price and volume fluctuations that have affected and continue to affect the market prices of securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as factors such as those listed above, may negatively impact the price of our Class A common shares. If the market price of our Class A common shares declines, you may not realize any return on your investment in us and may lose some or all of your investment. In the past, companies that have

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experienced volatility in the market price of their stock have been subject to securities class action litigation. Current or future securities litigation against us could result in substantial costs and divert management's attention from other business concerns, which could harm our business, results of operations and financial condition.

*Future sales of our Class A common shares in the public market could cause our share price to decline.*

We cannot predict the effect, if any, that market sales of shares or the availability of shares for sale will have on the prevailing trading price of our Class A common shares from time to time. Sales of a substantial number of our Class A common shares could cause our share price to decline.

*We may not have sufficient cash from our operations to enable us to pay dividends on our Class A common shares, and the amount of cash we have available for dividends will not depend solely on our profitability.*

We recently reduced our quarterly dividend on our common shares from \$0.375 per share to \$0.125 per share. Any quarterly dividends paid on our Class A common stock will be paid from funds legally available for such purpose when, as and if declared by our board of directors. We may not have sufficient cash available each quarter to pay dividends. The actual amount of cash we will have available for dividends on our Class A common shares may fluctuate significantly from period to period and depends on many factors, including, among others:

changes in our operating cash flow, capital expenditure requirements, working capital requirements and other cash needs;

restrictions under our existing or future credit and lease facilities or any future debt securities, including existing restrictions under our credit and lease facilities on our ability to declare or pay dividends if an event of default has occurred and is continuing or if the payment of the dividend would result in an event of default;

restrictions under our existing or future preferred shares, including existing restrictions on our ability to declare or pay dividends on our Class A common shares if full cumulative dividends have not been paid or set aside on the preferred shares, or if the Net Worth to Preferred Stock Ratio (as defined in the statements of designation relating to our preferred shares) is less than or equal to 1.00;

the amount of any reserves established by our board of directors; and

restrictions under Marshall Islands law, which generally prohibits the payment of dividends other than from surplus (i.e., retained earnings and the excess of consideration received for the sale of shares above the par value of the shares) or while a company is insolvent or would be rendered insolvent by the payment of such a dividend.

The amount of cash we generate from our operations may differ materially from our net income or loss for the period, which is affected by non-cash items, and our board of directors in its discretion may elect not to declare any dividends. As a result of these and the other factors mentioned above, we may pay dividends during periods when we record losses and may not pay dividends during periods when we record net income.

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Our board of directors periodically assesses our need to retain funds rather than pay them out as dividends. Unless we are successful in making acquisitions with outside sources of financing that add a material amount to our cash available for retention in our business or unless our board of directors concludes that we will likely be able to re-charter our fleet upon expiration of existing charters at rates higher than the rates in our current charters, our board of directors may determine at some future date to reduce, or possibly eliminate, our dividend to provide reasonable assurance that we are retaining funds necessary to preserve our capital base.

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**Table of Contents****Tax Risks**

*U.S. tax authorities could treat us as a passive foreign investment company, which could have adverse U.S. federal income tax consequences to U.S. shareholders.*

A non-U.S. entity treated as a corporation for U.S. federal income tax purposes will be treated as a passive foreign investment company, or a PFIC, for such purposes in any taxable year for which either (a) at least 75% of its gross income consists of passive income or (b) at least 50% of the average value of the corporation's assets is attributable to assets that produce, or are held for the production of, passive income. For purposes of these tests, passive income includes dividends, interest, gains from the sale or exchange of investment property, rents and royalties (other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business) but does not include income derived from the performance of services. There are legal uncertainties involved in determining whether the income derived from our time-chartering activities constitutes rental income or income derived from the performance of services, including the decision in *Tidewater Inc. v. United States*, 565 F.3d 299 (5th Cir. 2009), which held that income derived from certain time chartering activities should be treated as rental income rather than services income for purposes of a foreign sales corporation provision of the U.S. Internal Revenue Code of 1986, as amended, or the Code. However, the U.S. Internal Revenue Service, or IRS, stated in an Action on Decision (AOD 2010-01) that it disagrees with, and will not acquiesce to, the way that the rental versus services framework was applied to the facts in the Tidewater decision, and in its discussion stated that the time charters at issue in Tidewater would be treated as producing services income for PFIC purposes. The IRS's statement with respect to Tidewater cannot be relied upon or otherwise cited as precedent by taxpayers. Consequently, in the absence of any binding legal authority specifically relating to the statutory provisions governing PFICs, there can be no assurance that the IRS or a court would not follow the Tidewater decision in interpreting the PFIC provisions of the Code. Nevertheless, based on the current composition of our assets and operations (and those of our subsidiaries), we intend to take the position that we are not now and have never been a PFIC, and our counsel, Perkins Coie LLP, is of the opinion that we should not be a PFIC based on applicable law, including the Code, legislative history, published revenue rulings and court decisions, and representations we have made to them regarding the composition of our assets, the source of our income and the nature of our activities and other operations following this offering. No assurance can be given, however, that the opinion of Perkins Coie LLP would be sustained by a court if contested by the IRS, or that we would not constitute a PFIC for any future taxable year if there were to be changes in our assets, income or operations.

If the IRS were to find that we are or have been a PFIC for any taxable year during which a U.S. Holder (as defined below under Material United States Federal Income Tax Considerations U.S. Federal Income Taxation of U.S. Holders ) held shares, such U.S. Holder would face adverse tax consequences. For a more comprehensive discussion regarding our status as a PFIC and the tax consequences to U.S. Holders if we are treated as a PFIC, please read Material United States Federal Income Tax Considerations U.S. Federal Income Taxation of U.S. Holders PFIC Status and Significant Tax Consequences.

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**USE OF PROCEEDS**

We intend to use the net proceeds of this offering of the Class A common shares, after deducting the sales agents' commissions and our offering expenses, for general corporate purposes, which may include, among others funding acquisitions, funding capital expenditures on existing newbuild vessels and debt repayments.

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**Table of Contents****CAPITALIZATION**

The following table sets forth our consolidated cash and cash equivalents and our capitalization as of December 31, 2016. The information in this table should be read in conjunction with the financial statements and the notes thereto incorporated by reference into this prospectus supplement.

	<b>ACTUAL</b> <b>(dollars in thousands)</b>
Cash and cash equivalents	\$ 367,901
Long-term debt:	
Long-term debt (including current portion)	\$ 2,884,514
Long-term obligations under capital lease (including current portion)	487,219
Other long-term liabilities (including current portion)	216,219
Shareholders' equity(1):	
Share capital:	
Series D preferred shares, \$0.01 par value; 20,000,000 shares authorized; 4,981,029 shares issued and outstanding	
Series E preferred shares, \$0.01 par value; 15,000,000 shares authorized; 5,370,600 shares issued and outstanding	
Series F preferred shares, \$0.01 par value; 20,000,000 shares authorized; 5,600,000 shares issued and outstanding	
Series G preferred shares, \$0.01 par value; 15,000,000 shares authorized; 7,800,000 shares issued and outstanding	
Series H preferred shares, \$0.01 par value; 15,000,000 shares authorized; 9,000,000 shares issued and outstanding	
Class A common shares, par value \$0.01 per share, 200,000,000 shares authorized; 105,722,646 shares issued and outstanding	1,385
Treasury shares (Class A common shares)	(367)
Additional paid-in capital	2,580,274
Deficit	(807,496)
Accumulated other comprehensive loss	(26,547)
Total shareholders' equity	1,747,249
Total capitalization	\$ 5,335,201

- (1) Excludes references to our Series A preferred shares, Series B preferred shares, Series C preferred shares, Series R preferred shares, Class B common shares and Class C common shares, all of which have no shares issued and outstanding.

**Table of Contents****PRICE RANGE OF CLASS A COMMON SHARES AND DIVIDENDS**

Our Class A common shares were listed on The New York Stock Exchange on August 12, 2005. Our Class A common shares are traded on The New York Stock Exchange under the symbol SSW.

The following table sets forth, for the periods indicated, the high and low sales prices for our Class A common shares as reported on The New York Stock Exchange and quarterly dividend paid per Class A common share. The closing sale price of our Class A common shares on The New York Stock Exchange on March 3, 2017 was \$8.10 per share.

<b>Year Ended</b>	<b>Price Ranges</b>		<b>Dividend per share(1)</b>
	<b>High</b>	<b>Low</b>	
December 31, 2017(2)	\$ 11.76	\$ 6.62	
December 31, 2016	20.00	8.08	
December 31, 2015	20.87	14.02	
December 31, 2014	24.36	16.81	
December 31, 2013	25.10	16.46	
December 31, 2012	19.98	13.50	
<b>Quarter Ended</b>			
March 31, 2017(2)	\$ 11.76	\$ 6.62	
December 31, 2016	13.67	8.08	\$ 0.375
September 30, 2016	15.49	13.16	0.375
June 30, 2016	18.36	13.53	0.375
March 31, 2016	20.00	13.67	0.375
December 31, 2015	17.28	14.02	0.375
September 30, 2015	19.70	14.80	0.375
June 30, 2015	20.87	18.11	0.375
March 31, 2015	19.10	17.04	0.375
<b>Month Ended</b>			
March 31, 2017(2)	\$ 8.92	\$ 7.26	
February 28, 2017	9.00	6.62	
January 31, 2017	11.76	9.16	
December 31, 2016	10.03	8.70	
November 30, 2016	12.67	8.08	
October 31, 2016	13.67	12.21	
September 30, 2016	14.55	13.16	

(1) Dividends are shown for the quarter with respect to which they were declared.

(2) Period ending March 3, 2017.

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**MARSHALL ISLANDS COMPANY CONSIDERATIONS**

Our corporate affairs are governed by our articles of incorporation and bylaws and by the Marshall Islands Business Corporations Act, or the BCA. The provisions of the BCA resemble provisions of the corporation laws of a number of states in the United States. While the BCA also provides that it is to be interpreted according to the laws of the State of Delaware and other states with substantially similar legislative provisions, there have been few, if any, court cases interpreting the BCA in the Marshall Islands and we cannot predict whether Marshall Islands courts would reach the same conclusions as United States courts. Accordingly, you may have more difficulty in protecting your interests in the face of actions by our management, directors or controlling shareholders than would shareholders of a corporation incorporated in a United States jurisdiction that has developed a substantial body of case law. The following table provides a comparison between the statutory provisions of the BCA and the Delaware General Corporation Law relating to certain shareholders' rights.

**SHAREHOLDER MEETINGS**

**MARSHALL ISLANDS**

**DELAWARE**

Held at a time and place as designated in the bylaws

May be held at such time or place as designated in the certificate of incorporation or the bylaws, or if not so designated, as determined by the board of directors

May be held within or outside the Marshall Islands

May be held within or outside Delaware

Notice:

Notice:

Whenever shareholders are required to take action at a meeting, written notice shall state the place, date and hour of the meeting and indicate that it is being issued by or at the direction of the person calling the meeting

Whenever shareholders are required to take any action at a meeting, a written notice of the meeting shall be given that shall state the place, if any, date and hour of the meeting, and the means of remote communication, if any

A copy of the notice of any meeting shall be given personally or sent by mail not less than 15 nor more than 60 days before the meeting

Written notice shall be given not less than 10 nor more than 60 days before the meeting

**SHAREHOLDERS' VOTING RIGHTS**

**MARSHALL ISLANDS**

**DELAWARE**

Any action required to be taken by meeting of shareholders may be taken without meeting if consent is in writing and is signed by all the shareholders entitled to vote

Shareholders may act by written consent signed by the holders of outstanding shares having the number of votes necessary to take action at a meeting

Any person authorized to vote may authorize another person to act for him by proxy

Any person authorized to vote may authorize another person or persons to act for him by proxy

Unless otherwise provided in the articles of incorporation, a majority of shares entitled to vote constitutes a quorum. In no event shall a quorum consist of fewer than one-third of the shares entitled to vote at a meeting

For stock corporations, certificate of incorporation or bylaws may specify the number to constitute a quorum but in no event shall a quorum consist of less than one-third of shares entitled to vote at a meeting. In the absence of such specifications, a majority of shares entitled to vote shall constitute a quorum

The articles of incorporation may provide for cumulative voting

The certificate of incorporation may provide for cumulative voting



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**DIRECTORS**

**MARSHALL ISLANDS**

Board must consist of at least one member

Number of members can be changed by an amendment to the bylaws, by the shareholders, or by action of the board

If the board is authorized to change the number of directors, it can only do so by an absolute majority (majority of the entire board)

Removal:

Any or all of the directors may be removed for cause by vote of the shareholders

If the articles of incorporation or the bylaws so provide, any or all of the directors may be removed without cause by vote of the shareholders

**DELAWARE**

Board must consist of at least one member

Number of board members shall be fixed by the bylaws, unless the certificate of incorporation fixes the number of directors, in which case a change in the number shall be made only by amendment of the certificate

Removal:

Any or all of the directors may be removed, with or without cause, by the holders of a majority of the shares entitled to vote except: (1) unless the certificate of incorporation otherwise provides, in the case of a corporation whose board is classified, stockholders may effect such removal only for cause, or (2) if the corporation has cumulative voting, if less than the entire board is to be removed, no director may be removed without cause if the votes cast against such director's removal would be sufficient to elect such director if then cumulatively voted at an election of the entire board of directors, or, if there be classes of directors, at an election of the class of directors of which such director is a part

**DISSENTERS RIGHTS OF APPRAISAL**

**MARSHALL ISLANDS**

Shareholders have a right to dissent from a merger or sale of all or substantially all assets not made in the usual course of business, and receive payment of the fair value of their share

A holder of any adversely affected shares who does not vote on or consent in writing to an amendment to the articles of incorporation has the right to dissent and to receive payment for such shares if the amendment:

Alters or abolishes any preferential right of any outstanding shares having preference; or

**DELAWARE**

Appraisal rights shall be available for the shares of any class or series of stock of a corporation in a merger or consolidation, subject to exceptions

The certificate of incorporation may provide that appraisal rights are available for shares as a result of an amendment to the certificate of incorporation, any merger or consolidation or the sale of all or substantially all of the assets

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**DISSENTERS RIGHTS OF APPRAISAL**

**MARSHALL ISLANDS**

**DELAWARE**

Creates, alters, or abolishes any provision or right in respect to the redemption of any outstanding shares

Alters or abolishes any preemptive right of such holder to acquire shares or other securities; or

Excludes or limits the right of such holder to vote on any matter, except as such right may be limited by the voting rights given to new shares then being authorized of any existing or new class

**SHAREHOLDERS DERIVATIVE ACTIONS**

**MARSHALL ISLANDS**

**DELAWARE**

An action may be brought in the right of a corporation to procure a judgment in its favor, by a holder of shares or of voting trust certificates or of a beneficial interest in such shares or certificates. It shall be made to appear that the plaintiff is such a holder at the time of bringing the action and that he was such a holder at the time of the transaction of which he complains, or that his shares or his interest therein devolved upon him by operation of law

Complaint shall set forth with particularity the efforts of the plaintiff to secure the initiation of such action by the board or the reasons for not making such effort

Such action shall not be discontinued, compromised or settled, without the approval of the High Court of the Republic of the Marshall Islands

Attorney's fees may be awarded if the action is successful

Corporation may require a plaintiff bringing a derivative suit to give security for reasonable expenses if the plaintiff owns less than 5% of any class of stock and the shares have a value of less than \$50,000

In any derivative suit instituted by a shareholder or a corporation, it shall be averred in the complaint that the plaintiff was a shareholder of the corporation at the time of the transaction of which he complains or that such shareholder's stock thereafter devolved upon such shareholder by operation of law

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**MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

The following is a discussion of material United States federal income tax considerations that may be relevant to prospective holders of our Class A common shares, unless otherwise noted in the following discussion, is the opinion of Perkins Coie LLP, our U.S. counsel, insofar as it relates to matters of U.S. federal income tax law and legal conclusions with respect to those matters. The opinion of our counsel is dependent on the accuracy of representations made by us to them, including descriptions of our operations contained herein.

This discussion is based upon the provisions of the Code, applicable U.S. Treasury Regulations promulgated thereunder, legislative history, judicial authority and administrative interpretations, as of the date of this prospectus supplement, all of which are subject to change, possibly with retroactive effect, or are subject to different interpretations. Changes in these authorities may cause the U.S. federal income tax considerations to vary substantially from those described below.

This discussion applies only to beneficial owners of our common shares that own the shares as capital assets (generally, for investment purposes) and does not comment on all aspects of U.S. federal income taxation that may be important to certain shareholders in light of their particular circumstances, such as shareholders subject to special tax rules (*e.g.*, financial institutions, regulated investment companies, real estate investment trusts, insurance companies, traders in securities that have elected the mark-to-market method of accounting for their securities, persons liable for alternative minimum tax, broker-dealers, tax-exempt organizations, or former citizens or long-term residents of the United States) or shareholders that will hold our common shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes, all of whom may be subject to U.S. federal income tax rules that differ significantly from those summarized below. If a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes holds our common shares, the tax treatment of its partners generally will depend upon the status of the partner and the activities of the partnership. Partners in partnerships holding our common shares should consult their own tax advisors to determine the appropriate tax treatment of the partnership's ownership of our common shares.

No ruling has been requested from the IRS regarding any matter affecting us or our shareholders. Instead, we will rely on the opinion of Perkins Coie LLP. Unlike a ruling, an opinion of counsel represents only that counsel's legal judgment and does not bind the IRS or the courts. Accordingly, the opinion and statements made herein may not be sustained by a court if contested by the IRS.

This discussion does not address any U.S. estate, gift or alternative minimum tax considerations or tax considerations arising under the laws of any state, local or non-U.S. jurisdiction. Shareholders are urged to consult their own tax advisors regarding the U.S. federal, state, local, non-U.S. and other tax consequences of owning and disposing of our common shares.

**U.S. Federal Income Taxation of U.S. Holders**

As used herein, the term "U.S. Holder" means a beneficial owner of our common shares that is, for U.S. federal income tax purposes: (a) a U.S. citizen or U.S. resident alien, or a U.S. Individual Holder; (b) a corporation, or other entity taxable as a corporation, that was created or organized under the laws of the United States, any state thereof, or the District of Columbia; (c) an estate whose income is subject to U.S. federal income taxation regardless of its source; or (d) a trust that either is subject to the supervision of a court within the United States and has one or more U.S. persons with authority to control all of its substantial decisions or has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

*Distributions on Our Common Shares*

Subject to the discussion of PFICs below, any distributions made by us with respect to our common shares to a U.S. Holder generally will constitute dividends, which may be taxable as ordinary income or qualified

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dividend income as described in more detail below, to the extent of our current and accumulated earnings and profits allocated to the U.S. Holder's shares, as determined under U.S. federal income tax principles. Distributions in excess of our current and accumulated earnings and profits allocated to the U.S. Holder's shares will be treated first as a nontaxable return of capital to the extent of the U.S. Holder's tax basis in our common shares and thereafter as capital gain, which will be either long-term or short-term capital gain depending upon whether the U.S. Holder has held the shares for more than one year. U.S. Holders that are corporations generally will not be entitled to claim a dividends received deduction with respect to any distributions they receive from us. For purposes of computing allowable foreign tax credits for U.S. federal income tax purposes, dividends received with respect to our common shares will be treated as foreign source income and generally will be treated as passive category income.

Under current law, subject to holding-period requirements and certain other limitations, dividends received with respect to our common shares by a U.S. Holder who is an individual, trust or estate, or a Non-Corporate U.S. Holder, generally will be treated as qualified dividend income that is taxable to such Non-Corporate U.S. Holder at preferential capital gain tax rates (provided we are not classified as a PFIC for the taxable year during which the dividend is paid or the immediately preceding taxable year).

Special rules may apply to any extraordinary dividend paid by us. Generally, an extraordinary dividend is a dividend with respect to a common share that is equal to or in excess of 10% of a common shareholder's adjusted tax basis (or fair market value upon the shareholder's election) in such common share. In addition, extraordinary dividends include dividends received within a one year period that, in the aggregate, equal or exceed 20% of a shareholder's adjusted tax basis (or fair market value). If we pay an extraordinary dividend on our common shares that is treated as qualified dividend income, then any loss recognized by a Non-Corporate U.S. Holder from the sale or exchange of such shares will be treated as long-term capital loss to the extent of the amount of such dividend.

### ***Sale, Exchange or Other Disposition of Our Common Shares***

Subject to the discussion of PFICs, below, a U.S. Holder generally will recognize capital gain or loss upon a sale, exchange or other disposition of our common shares in an amount equal to the difference between the amount realized by the U.S. Holder from such sale, exchange or other disposition and the U.S. Holder's tax basis in such shares.

Subject to the discussion of extraordinary dividends above, gain or loss recognized upon a sale, exchange or other disposition of our common shares generally will be treated as (a) long-term capital gain or loss if the U.S. Holder's holding period is greater than one year at the time of the sale, exchange or other disposition, or short-term capital gain or loss otherwise and (b) U.S. source income or loss, as applicable, for foreign tax credit purposes. Non-Corporate U.S. Holders may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. A U.S. Holder's ability to deduct capital losses is subject to certain limitations.

### ***Consequences of CFC Classification***

If CFC Shareholders (generally, U.S. Holders who each own, directly, indirectly or constructively, 10% or more of the total combined voting power of all classes of our outstanding shares entitled to vote) own directly, indirectly or constructively more than 50% of either the total combined voting power of all classes of our outstanding shares entitled to vote or the total value of all of our outstanding shares, we generally would be treated as a controlled foreign corporation, or a CFC. We were treated as a CFC in 2016, and we believe that we will be treated as a CFC in 2017. It is unclear whether we would be treated as a CFC in future years.

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CFC Shareholders are treated as receiving current distributions of their respective share of certain income of the CFC without regard to any actual distributions. In addition, CFC Shareholders are subject to certain burdensome U.S. federal income tax and administrative requirements, but generally are not also subject to the

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requirements generally applicable to shareholders of a PFIC (as discussed below). In addition, a person who is or has been a CFC Shareholder may recognize ordinary income on the disposition of shares of the CFC. U.S. persons who may obtain a substantial interest in us should consider the potential implications of being treated as a CFC Shareholder. The U.S. federal income tax consequences to U.S. Holders who are not CFC Shareholders would not change if we are a CFC.

### *PFIC Status and Significant Tax Consequences*

Special and adverse U.S. federal income tax rules apply to a U.S. Holder that holds stock in a non-U.S. entity treated as a corporation and classified as a PFIC for U.S. federal income tax purposes. In general, we will be treated as a PFIC for any taxable year in which either (a) at least 75% of our gross income (including the gross income of certain of our subsidiaries) consists of passive income or (b) at least 50% of the average value of our assets (including the assets of certain of our subsidiaries) is attributable to assets that produce, or are held for the production of, passive income. For purposes of these tests, passive income includes dividends, interest, gains from the sale or exchange of investment property and rents and royalties (other than rents and royalties that are received from unrelated parties in connection with the active conduct of a trade or business) but does not include income derived from the performance of services.

There are legal uncertainties involved in determining whether the income derived from our time chartering activities constitutes rental income or income derived from the performance of services, including legal uncertainties arising from the decision in *Tidewater Inc. v. United States*, 565 F.3d 299 (5th Cir. 2009), which held that income derived from certain time chartering activities should be treated as rental income rather than services income for purposes of a foreign sales corporation provision of the Code. However, the IRS stated in an Action on Decision (AOD 2010-01) that it disagrees with, and will not acquiesce to, the way that the rental versus services framework was applied to the facts in the *Tidewater* decision, and in its discussion stated that the time charters at issue in *Tidewater* would be treated as producing services income for PFIC purposes. The IRS's statement with respect to *Tidewater* cannot be relied upon or otherwise cited as precedent by taxpayers. Consequently, in the absence of any binding legal authority specifically relating to the statutory provisions governing PFICs, there can be no assurance that the IRS or a court would not follow the *Tidewater* decision in interpreting the PFIC provisions of the Code. Nevertheless, based on the current composition of our assets and operations (and that of our subsidiaries), we intend to take the position that we are not now and have never been a PFIC, and our counsel, Perkins Coie LLP, is of the opinion that we should not be a PFIC based on applicable law, including the Code, legislative history, published revenue rulings and court decisions and representations we have made to them regarding the composition of our assets, the source of our income and the nature of our activities and other operations following this offering, including:

all time charters we have entered into are similar in all material respects to those we have provided to Perkins Coie LLP;

the income from our chartering activities with CSCL Asia, COSCON, MOL, K-Line and Yang Ming Marine will be greater than 25% of our total gross income at all relevant times;

the gross value of our vessels chartered to CSCL Asia, COSCON, MOL, K-Line and Yang Ming Marine will exceed the gross value of all other assets we own at all relevant times;

the estimated useful life of each of our vessels subject to a time charter will be 30 years from the date of delivery under the charter; and

the total payments due to us under the charters are substantially in excess of the bareboat charter rate for comparable vessels in effect at the time the time charters were executed.

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An opinion of counsel represents only that counsel's best legal judgment and does not bind the IRS or the courts. Accordingly, the opinion of Perkins Coie LLP may not be sustained by a court if contested by the IRS. Further, although we intend to conduct our affairs in a manner to avoid being classified as a PFIC with respect to

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any taxable year, there can be no assurance that the nature of our operations, and therefore the composition of our income and assets, will remain the same in the future. Moreover, the market value of our stock may be treated as reflecting the value of our assets at any given time. Therefore, a decline in the market value of our stock (which is not within our control) may impact the determination of whether we are a PFIC. Because our status as a PFIC for any taxable year will not be determinable until after the end of the taxable year, there can be no assurance that we will not be considered a PFIC for the current or any future taxable year.

As discussed more fully below, if we were to be treated as a PFIC for any taxable year, a U.S. Holder generally would be subject to one of three different U.S. income tax regimes, depending on whether the U.S. Holder makes certain elections.

***Taxation of U.S. Holders Making a Timely QEF Election***

If we were classified as a PFIC for a taxable year, a U.S. Holder making a timely election to treat us as a Qualified Electing Fund for U.S. tax purposes, or a QEF Election, would be required to report its pro rata share of our ordinary earnings and our net capital gain, if any, for our taxable year that ends with or within the U.S. Holder's taxable year regardless of whether the U.S. Holder received distributions from us in that year. Such income inclusions would not be eligible for the preferential tax rates applicable to qualified dividend income. The U.S. Holder's adjusted tax basis in our common shares would be increased to reflect taxed but undistributed earnings and profits, and distributions of earnings and profits that had previously been taxed would not be taxed again when distributed but would result in a corresponding reduction in the U.S. Holder's adjusted tax basis in our common shares. The U.S. Holder generally would recognize capital gain or loss on the sale, exchange or other disposition of our common shares. A U.S. Holder would not, however, be entitled to a deduction for its pro-rata share of any losses that we incurred with respect to any year.

A U.S. Holder would make a QEF Election with respect to any year that we are a PFIC by filing IRS Form 8621 with its U.S. federal income tax return and complying with all other applicable filing requirements. However, a U.S. Holder's QEF Election will not be effective unless we annually provide the U.S. Holder with certain information concerning our income and gain, calculated in accordance with the Code, to be included with the U.S. Holder's U.S. federal income tax return. We have not provided our U.S. Holders with such information in prior taxable years and do not intend to provide such information in the current taxable year. Accordingly, you will not be able to make an effective QEF Election at this time. If, contrary to our expectations, we determine that we are or expect to be a PFIC for any taxable year, we will provide U.S. Holders with the information necessary to make an effective QEF Election with respect to our common shares.

***Taxation of U.S. Holders Making a Mark-to-Market Election***

Alternatively, if we were to be treated as a PFIC for any taxable year and, as we believe, our common shares are treated as marketable stock, then a U.S. Holder would be allowed to make a mark-to-market election with respect to our common shares, provided the U.S. Holder completes and files IRS Form 8621 in accordance with the relevant instructions. If that election is made, the U.S. Holder generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of our common shares at the end of the taxable year over the U.S. Holder's adjusted tax basis in our common shares. The U.S. Holder also would be permitted an ordinary loss in respect of the excess, if any, of the U.S. Holder's adjusted tax basis in our common shares over the fair market value thereof at the end of the taxable year (but only to the extent of the net amount previously included in income as a result of the mark-to-market election). The U.S. Holder's tax basis in our common shares would be adjusted to reflect any such income or loss recognized. Gain realized on the sale, exchange or other disposition of our common shares would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of our common shares would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included in income by the U.S. Holder. Because the mark-to-market election only applies to marketable stock, however, it would not apply to a U.S. Holder's indirect interest in any of our subsidiaries that were also determined to be PFICs.



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### ***Taxation of U.S. Holders Not Making a Timely QEF Election or Mark-to-Market Election***

Finally, if we were to be treated as a PFIC for any taxable year and if a U.S. Holder did not make either a QEF Election or a mark-to-market election for that year, the U.S. Holder would be subject to special rules resulting in increased tax liability with respect to (a) any excess distribution (*i.e.*, the portion of any distributions received by the U.S. Holder on our common shares in a taxable year in excess of 125% of the average annual distributions received by the U.S. Holder in the three preceding taxable years, or, if shorter, the U.S. Holder's holding period for our common shares) and (b) any gain realized on the sale, exchange or other disposition of our common shares. Under these special rules:

the excess distribution or gain would be allocated ratably over the U.S. Holder's aggregate holding period for our common shares;

the amount allocated to the current taxable year and any taxable year prior to the year we were first treated as a PFIC with respect to the U.S. Holder would be taxed as ordinary income in the current taxable year;

the amount allocated to each other taxable year would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayers for that year; and

an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year.

Additionally, for each year during which (a) a U.S. Holder owns shares, (b) we are a PFIC and (c) the total value of all PFIC stock that such U.S. Holder directly or indirectly owns exceeds certain thresholds, such U.S. Holder will be required to file IRS Form 8621 with its annual U.S. federal income tax return to report its ownership of our shares. In addition, if a U.S. Individual Holder is an individual who dies while owning our common shares, such U.S. Individual Holder's successor generally would not receive a step-up in tax basis with respect to such shares.

*U.S. Holders are urged to consult their own tax advisors regarding the PFIC rules, including the PFIC annual reporting requirement, as well as the applicability, availability and advisability of, and procedure for, making QEF Elections, mark-to-market elections and other available elections with respect to us, and the U.S. federal income tax consequences of making such elections.*

### ***Medicare Tax on Unearned Income***

Certain Non-Corporate U.S. Holders are subject to a 3.8% tax on certain investment income, including dividends and gain from the sale or other disposition of our common shares. Non-Corporate U.S. Holders should consult their tax advisors regarding the effect, if any, of this tax on their ownership and disposition of our common shares.

### ***U.S. Return Disclosure Requirements for U.S. Individual Holders***

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U.S. Individual Holders that hold certain specified foreign financial assets, including stock in a foreign corporation that is not held in an account maintained by a financial institution, with an aggregate value in excess of \$50,000 on the last day of a taxable year, or \$75,000 at any time during that taxable year, may be required to report such assets on IRS Form 8938 with their tax return for that taxable year. This reporting requirement does not apply to U.S. Individual Holders who report their ownership of our shares under the PFIC annual reporting rules described above. Penalties apply for failure to properly complete and file IRS Form 8938. Investors are encouraged to consult with their own tax advisors regarding the possible application of this disclosure requirement to their investment in our common shares.

### **U.S. Federal Income Taxation of Non-U.S. Holders**

A beneficial owner of our common shares (other than a partnership or an entity or arrangement treated as a partnership for U.S. federal income tax purposes) that is not a U.S. Holder is referred to herein as a non-U.S. Holder.

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***Distributions on Our Common Shares***

In general, a non-U.S. Holder is not subject to U.S. federal income tax on distributions received from us with respect to our common shares unless the distributions are effectively connected with the non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment that the non-U.S. Holder maintains in the United States). If a non-U.S. Holder is engaged in a U.S. trade or business and the distribution is deemed to be effectively connected to that trade or business, the non-U.S. Holder generally will be subject to U.S. federal income tax on that distribution in the same manner as if it were a U.S. Holder.

***Sale, Exchange or Other Disposition of Our Common Shares***

In general, a non-U.S. Holder is not subject to U.S. federal income tax on any gain resulting from the disposition of our common shares unless (a) such gain is effectively connected with the non-U.S. Holder's conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment that the non-U.S. Holder maintains in the United States) or (b) the non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year in which those shares are disposed of (and certain other requirements are met). If a non-U.S. Holder is engaged in a U.S. trade or business and the disposition of common shares is deemed to be effectively connected to that trade or business, the non-U.S. Holder generally will be subject to U.S. federal income tax on the resulting gain in the same manner as if it were a U.S. Holder.

**Information Reporting and Backup Withholding**

In general, payments of distributions with respect to, or the proceeds of a disposition of, our common shares to a Non-Corporate U.S. Holder will be subject to information reporting requirements. These payments to a Non-Corporate U.S. Holder also may be subject to backup withholding if the Non-Corporate U.S. Holder:

fails to timely provide an accurate taxpayer identification number;

is notified by the IRS that it has failed to report all interest or distributions required to be shown on its U.S. federal income tax returns;  
or

in certain circumstances, fails to comply with applicable certification requirements.

Non-U.S. Holders may be required to establish their exemption from information reporting and backup withholding on payments made to them within the United States by certifying their status on an IRS Form W-8BEN, W-8BEN-E, W-8ECI or W-8IMY, as applicable.

Backup withholding is not an additional tax. Rather, a holder generally may obtain a credit for any amount withheld against its liability for U.S. federal income tax (and obtain a refund of any amounts withheld in excess of such liability) by accurately completing and timely filing a U.S. federal income tax return with the IRS.



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**NON-UNITED STATES TAX CONSIDERATIONS**

**Marshall Islands Tax Considerations**

The following discussion is the opinion of Reeder & Simpson, P.C., our counsel as to matters of the laws of the Republic of the Marshall Islands, and the current laws of the Republic of the Marshall Islands applicable to persons who do not reside in, maintain offices in or engage in business in the Republic of the Marshall Islands.

Because we do not, and we do not expect that we will, conduct business or operations in the Republic of the Marshall Islands, and because all documentation related to this offering will be executed outside of the Republic of the Marshall Islands, under current Marshall Islands law you will not be subject to Marshall Islands taxation or withholding on distributions, including upon a return of capital, we make to you as a shareholder. In addition, you will not be subject to Marshall Islands stamp, capital gains or other taxes on the purchase, ownership or disposition of shares and you will not be required by the Republic of the Marshall Islands to file a tax return relating to the shares.

Each prospective shareholder is urged to consult its tax counsel or other advisor with regard to the legal and tax consequences, under the laws of pertinent jurisdictions, including the Marshall Islands, of its investment in us. Further, it is the responsibility of each shareholder to file all state, local and non-U.S., as well as U.S. federal tax returns that may be required of it.

**Canadian Federal Income Tax Considerations**

The following discussion is the opinion of Blake, Cassels & Graydon LLP, our Canadian tax counsel, as to the material Canadian federal income tax consequences under the Income Tax Act (Canada), or the Canada Tax Act, as of the date of this prospectus, that we believe are relevant to prospective shareholders who may purchase our Class A common shares acquired in this offering who are, at all relevant times, for the purposes of the Canada Tax Act and the Canada-United States Tax Convention 1980, or the Canada-U.S. Treaty, resident only in the United States who are qualifying persons for purposes of the Canada-U.S. Treaty and who deal at arm's length with us, or U.S. Resident Holders. This disclosure may not apply to United States limited liability companies; accordingly, such holders should consult their own tax advisors. The opinion of our counsel is dependent on the accuracy of representations made by us to them, including descriptions of our operations contained herein.

Subject to the assumptions below, under the Canada Tax Act no taxes on income (including taxable capital gains and withholding tax on dividends) are payable by U.S. Resident Holders in respect of the acquisition, holding or disposition of our Class A common shares. This opinion is based upon the assumptions that we are not a resident of Canada and such U.S. Resident Holders do not have, and have not had, for the purposes of the Canada-U.S. Treaty, a permanent establishment in Canada to which such shares pertain and, in addition, do not use or hold and are not deemed or considered to use or hold such shares in the course of carrying on a business in Canada. Based on the Canada Tax Act as currently enacted, we will not be resident in Canada in a particular taxation year if our principal business in that year is international shipping, or substantially all of our gross revenue for that year consists of gross revenue from international shipping, and we were not granted articles of continuance in Canada before the end of that year. International shipping is defined as the operation of ships that are owned or leased by an operator and that are used primarily in transporting passengers or goods in international traffic and includes the chartering of ships, provided that one or more persons related to the operator (if the operator and each such person is a corporation), or persons or partnerships affiliated with the operator (in any other case), has complete possession, control and command of the ship. The leasing of a ship by a lessor to a lessee that has complete possession, control and command of the ship is excluded from the international shipping definition, unless the lessor or a corporation, trust or partnership affiliated with the lessor has an eligible interest in the lessee.

The definition of international shipping was introduced following industry consultation, with the intent of providing shipping companies with flexibility in the manner in which they structure their intra-group chartering

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contracts. Based on our operations and our understanding of the foregoing intention of the definition of international shipping, we do not believe that we are, nor do we expect to be, resident in Canada for purposes of the Canada Tax Act, and we intend that our affairs will be conducted and operated in a manner such that we do not become a resident of Canada under the Canada Tax Act. However, if we were or become resident in Canada, we would be or become subject under the Canada Tax Act to Canadian income tax on our worldwide income and our non-Canadian resident shareholders would be or become subject to Canadian withholding tax on dividends paid in respect of our shares. Generally, a corporation that is not resident in Canada will be taxable in Canada on income it earns from carrying on a business in Canada and on gains from the disposition of property used in a business carried on in Canada. However, there are specific statutory exemptions under the Canada Tax Act that provide that income earned in Canada by a non-resident corporation from international shipping, and gains realized from the disposition of ships used principally in international traffic, are not included in the non-resident corporation's income for Canadian tax purposes where the corporation's country of residence grants substantially similar relief to a Canadian resident. A Canadian resident corporation that carries on an international shipping business, as described in the previous sentence, in the Republic of the Marshall Islands is exempt from income tax under the current laws of the Republic of the Marshall Islands.

Subject to the below assumption, we expect that we will qualify for these statutory exemptions under the Canada Tax Act. Based on our operations, we do not believe that we are, nor do we expect to be, carrying on a business in Canada for purposes of the Canada Tax Act other than a business that would provide us with these statutory exemptions from Canadian income tax. The foregoing is based upon the assumption that we are a resident of the Republic of the Marshall Islands. However, these statutory exemptions are contingent upon reciprocal treatment being provided under the laws of the Republic of the Marshall Islands. If in the future as a non-resident of Canada, we are carrying on a business in Canada that is not exempt from Canadian income tax, or these statutory exemptions are not accessible due to changes in the laws of the Republic of the Marshall Islands or otherwise, we would be subject to Canadian income tax on our non-exempt income earned in Canada which could reduce our earnings available for distribution to shareholders.

Please read Item 4. Information on the Company B. Business Overview Taxation of the Company Canadian Taxation in our Annual Report on Form 20-F for the year ended December 31, 2016 for a further discussion, separate from this opinion, of the tax consequences of us becoming a resident of Canada.

Each prospective shareholder is urged to consult its tax counsel or other advisor with regard to the legal and tax consequences, under the laws of pertinent jurisdictions, including Canada, of its investment in us. Further, it is the responsibility of each shareholder to file all state, local and non-U.S., as well as U.S. federal tax returns that may be required of it.

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**PLAN OF DISTRIBUTION**

We have entered into an equity distribution agreement with Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and FBR Capital Markets & Co. under which we may offer and sell Class A common shares having an aggregate offering price of up to \$75.0 million from time to time through Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and FBR Capital Markets & Co., as our sales agents. We have filed the equity distribution agreement as an exhibit to a Report on Form 6-K, dated March 6, 2017, which is incorporated by reference in this prospectus supplement. The sales, if any, of Class A common shares made under the equity distribution agreement will be made by means of ordinary brokers' transactions on the NYSE at market prices, in block transactions, or as otherwise agreed upon by the sales agents and us. As sales agents, Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and FBR Capital Markets & Co. will not engage in any transactions that stabilize the price of our Class A common shares.

Under the terms of the equity distribution agreement, we also may sell Class A common shares to the sales agents as principals for their own account at a price agreed upon at the time of sale. If we sell Class A common shares to the sales agents as principals, we will enter into a separate agreement with the sales agents, and we will describe this agreement in a separate prospectus supplement or pricing supplement.

We will designate the maximum amount of Class A common shares to be sold through the sales agents on a daily basis or otherwise as we and the sales agents agree and the minimum price per Class A common share at which such Class A common shares may be sold. Subject to the terms and conditions of the equity distribution agreement, the sales agents will use their reasonable efforts to sell on our behalf all of the designated Class A common shares. We may instruct the sales agents not to sell any Class A common shares if the sales cannot be effected at or above the price designated by us in any such instruction. We or the sales agents may suspend the offering of Class A common shares at any time and from time to time by notifying the other party.

The sales agents will provide to us written confirmation following the close of trading on the NYSE each day on which Class A common shares are sold under the equity distribution agreement. Each confirmation will include the number of Class A common shares sold on that day, the gross sales proceeds, the net proceeds to us (after regulatory transaction fees, if any, but before other expenses) and the compensation payable by us to the sales agents. We will report at least quarterly the number of Class A common shares sold through the sales agents under the equity distribution agreement, the net proceeds to us (before expenses) and the compensation paid by us to the sales agents in connection with the sales of the Class A common shares.

We will pay the sales agents a commission for their services in acting as sales agents and/or principals in the sale of the Class A common shares. Additionally, the sales agents may receive customary brokerage commissions from purchasers of the Class A common shares in compliance with FINRA Rule 2121. The sales agents' aggregate compensation will not exceed 2.00% of the gross sales price of any Class A common shares sold through the sales agent under the equity distribution agreement. We have agreed to reimburse the sales agents for certain of their expenses.

Settlement for sales of Class A common shares will occur on the third business day following the date on which any sales were made in return for payment of the net proceeds to us. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

If we or the sales agents have reason to believe that our Class A common shares are no longer an actively-traded security as defined under Rule 101(c)(1) of Regulation M under the U.S. Securities Exchange Act of 1934, as amended, that party will promptly notify the others and notwithstanding any other provision of the equity distribution agreement, no sales agent shall be obligated to act as sales agent until in such party's judgment Rule 101(c)(1) or another exemptive provision is available.



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The offering of Class A common shares pursuant to the equity distribution agreement will terminate upon the earlier of (1) the sale of all Class A common shares subject to the equity distribution agreement and (2) the termination of the equity distribution agreement by us or by the sales agents.

In connection with the sale of the Class A common shares on our behalf, the sales agents may be deemed to be underwriters within the meaning of the U.S. Securities Act of 1933, as amended, or the Securities Act, and the compensation paid to the sales agents may be deemed to be underwriting commissions or discounts. We have agreed to provide indemnification and contribution to the sales agents against certain liabilities, including liabilities under the Securities Act. Citigroup Global Markets Limited, an affiliate of Citigroup Global Markets Inc., and Credit Suisse AG, an affiliate of Credit Suisse Securities (USA) LLC, serve as lenders under certain of our credit facilities.

The sales agents are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The sales agents and their respective affiliates have in the past performed commercial banking, investment banking and advisory services for us from time to time for which they have received customary fees and reimbursement of expenses and may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement.

In compliance with the guidelines of the Financial Industry Regulatory Authority, Inc., or FINRA, the maximum discount or commission to be received by any FINRA member or independent broker-dealer may not exceed 8% of the aggregate offering price of the Class A common shares offered pursuant to this prospectus supplement.

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**LEGAL MATTERS**

The validity of the Class A common shares and certain other legal matters with respect to the laws of the Republic of The Marshall Islands will be passed upon for us by Dennis J. Reeder, Reeder & Simpson, P.C. Certain other legal matters will be passed upon for us by Perkins Coie LLP, Portland, Oregon, and by Blake, Cassels & Graydon LLP, Vancouver, British Columbia. Perkins Coie LLP and Blake, Cassels & Graydon LLP may rely on the opinions of Dennis J. Reeder, Reeder & Simpson, P.C. for all matters of Marshall Islands law. The sales agents have been represented in connection with this offering by Cravath, Swaine & Moore LLP, New York, New York.

**EXPERTS**

The consolidated financial statements of Seaspan Corporation as of December 31, 2016 and 2015, and for each of the years in the three-year period ended December 31, 2016, and management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2016, have been incorporated by reference herein and in the related registration statement in reliance upon the reports of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of such firm as experts in accounting and auditing.

**EXPENSES**

We estimate the expenses in connection with the issuance and distribution of the Class A common shares, other than sales agents' commissions, as follows:

Commission Registration Fee	\$ 8,693*
Printing Expenses	40,000
Legal Fees and Expenses	200,000
Accountants' Fees and Expenses	35,000
Transfer Agent Fees and Expenses	5,000
Miscellaneous Costs	41,307
<b>Total</b>	<b>\$ 330,000</b>

\* Previously paid.

**WHERE YOU CAN FIND ADDITIONAL INFORMATION**

As required by the Securities Act, we filed a registration statement relating to the securities offered by this prospectus with the Commission. This prospectus is a part of that registration statement, which includes additional information.

**Government Filings**

We file and furnish annual and other reports with the Commission. You may read and copy any document that we file or furnish with the Commission at the public reference facilities maintained by the Commission at 100 F Street, N.E., Room 1580, Washington, D.C. 20549-2736. You may obtain information on the operation of the public reference room by calling 1-(800) SEC-0330, and you may obtain copies of documents at prescribed rates from the Public Reference Section of the Commission at its principal office in Washington, D.C. 20549-2736. The Commission maintains a website at [www.sec.gov](http://www.sec.gov) that contains reports, proxy and information statements and other information regarding registrants that file electronically with the Commission. In addition, you can obtain information about us at the offices of The New York Stock Exchange, 20 Broad Street, New York, New York 10005.

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**INFORMATION INCORPORATED BY REFERENCE**

The Commission allows us to incorporate by reference information that we file with it. This means that we can disclose important information to you without actually including the specific information in this prospectus supplement by referring you to other documents filed separately with the Commission. The information incorporated by reference is an important part of this prospectus supplement. Information that we file later with the Commission prior to the termination of this offering will also be considered to be part of this prospectus supplement and will automatically update and supersede previously filed information, including information contained in this document.

We incorporate by reference into this prospectus supplement the documents listed below:

Report on Form 6-K, filed with the Commission on March 6, 2017;

Annual Report on Form 20-F for the year ended December 31, 2016, filed with the Commission on March 6, 2017; and

the description of our common shares contained in our Registration Statement on Form 8-A filed on August 2, 2005, and amended on March 31, 2011, including any subsequent amendments or reports filed for the purpose of updating such description.

We are also incorporating by reference all subsequent annual reports on Form 20-F that we file with the Commission and certain reports on Form 6-K that we furnish to the Commission after the date of this prospectus supplement (if they state that they are incorporated by reference into this prospectus supplement) until we file a post-effective amendment indicating that the offering of the securities made by this prospectus supplement has been terminated. In all cases, you should rely on the later information over different information included in this prospectus supplement or the base prospectus.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the base prospectus. We have not, and the sales agents have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the sales agents are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement and the base prospectus as well as the information we previously filed with the Commission and incorporated by reference, is accurate as of the dates on the front cover of those documents only. Our business, financial condition and results of operations and prospects may have changed since those dates.

You may request a free copy of the above mentioned filings or any subsequent filing we incorporate by reference to this prospectus by writing or telephoning us at the following address:

Seaspan Corporation

Unit 2, 2<sup>nd</sup> Floor

Bupa Centre

Edgar Filing: Seaspan CORP - Form 424B5

141 Connaught Road West

Hong Kong

China

(852) 2540-1686

Attention: Chief Financial Officer

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**PROSPECTUS**

**\$1,000,000,000**

**Common Shares**

**Preferred Shares**

**Convertible Preferred Shares**

**Debt Securities**

**Convertible Debt Securities**

**Warrants**

**Units**

**Seaspan Corporation**

We may, from time to time, offer to sell in one or more offerings up to an aggregate of \$1,000,000,000 of our common shares, preferred shares, convertible preferred shares, debt securities, convertible debt securities, warrants, units representing an interest in two or more other securities or any combination of the foregoing. We refer to our common shares, preferred shares, convertible preferred shares, debt securities convertible debt securities, warrants and units collectively as the *securities*. The securities we may offer may be convertible into or exercisable or exchangeable for other securities. We may offer the securities separately or together, in separate series or classes and in amounts, at prices and on terms described in one or more supplements to this prospectus.

This prospectus describes some of the general terms that may apply to these securities. Each time we sell securities, the specific terms of the securities to be offered, and any other information relating to a specific offering, will be set forth in an amendment to the registration statement of which this prospectus is a part, or in a supplement to this prospectus, or may be set forth in one or more documents incorporated by reference in this prospectus.

We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, or through other means, on a continuous or delayed basis. If any underwriters are involved in the sale of any securities offered by this prospectus and any prospectus supplement, their names, and any applicable purchase price, fee, commission or discount arrangement between or among them, will be set forth, or may be calculable from the information set forth, in the applicable prospectus supplement.

You should read this prospectus and any prospectus supplement carefully before you invest in any of our securities. This prospectus may not be used to offer and sell securities unless accompanied by a prospectus supplement.

Our Class A common shares are listed on the New York Stock Exchange under the symbol SSW. The last reported sale price of our Class A common shares on the NYSE on March 2, 2017 was \$8.13 per share. Our Series D preferred shares, Series E preferred shares, Series G preferred shares and Series H preferred shares are listed on the NYSE under the symbols SSW PR D, SSW PR E, SSW PR G and SSW PR H, respectively. The last reported sale prices of our Series D preferred shares, Series E preferred shares, Series G preferred shares and Series H preferred shares on the NYSE on March 2, 2017 were \$21.11, \$21.43, \$20.79 and \$20.59 per preferred share, respectively. Our 6.375% senior unsecured notes due 2019 are listed on the NYSE under the symbol SSWN. The last reported sale price of our 6.375% senior unsecured notes due 2019 on the NYSE on March 2, 2017 was \$25.28 per note.

**Investing in our securities involves a high degree of risk. Please read the sections entitled Forward-Looking Information and Risk Factors contained on pages 2 and 3 of this prospectus and in the applicable prospectus supplement, as well as documents which are incorporated by reference herein.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is March 3, 2017.**

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You should rely only on the information contained in this prospectus, any prospectus supplement or incorporated by reference herein or therein. We have not authorized any other person to provide you with different information. If anyone provides you with different information, you should not rely on it. We are not making an offer of these securities in any jurisdiction where an offer is not permitted. You should not assume that the information contained in this prospectus or incorporated by reference herein is accurate as of any date other than the date on the front of this prospectus or the date of such incorporated documents, as the case may be.

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**ABOUT THIS PROSPECTUS**

Unless we otherwise specify, when used in this prospectus, the terms Seaspan, the Company, we, our and us refer to Seaspan Corporation and its subsidiaries. Unless otherwise indicated, all dollar references in this prospectus are to U.S. dollars, and financial information presented in this prospectus that is derived from financial statements incorporated by reference is prepared in accordance with accounting principles generally accepted in the United States, or *U.S. GAAP*.

This prospectus is part of a registration statement on Form F-3 we filed with the Securities Exchange Commission, or the *Commission*, using a shelf registration process. Under the shelf registration process, we may sell any combination of the securities described in this prospectus from time to time and in one or more offerings. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities under this prospectus, we will provide a prospectus supplement that contains specific information about the terms of the offering and of the securities being offered. The prospectus supplement may also add, update or change information contained in this prospectus and, accordingly, to the extent inconsistent, information in this prospectus is superseded by the information in the applicable prospectus supplement. You should carefully read both this prospectus and any applicable prospectus supplement together with additional information described below under Information Incorporated By Reference.

You should rely only on the information contained in this prospectus, any prospectus supplement and the documents incorporated by reference herein and therein. We have not authorized anyone to provide you with different information. This prospectus may only be used where it is legal to sell these securities. You should not assume that the information contained in this prospectus, or in any prospectus supplement, is accurate as of any date other than its date regardless of the time of delivery of the prospectus or prospectus supplement or any sale of the securities. Our business, financial condition, results of operations and prospects, as well as other information, may have changed since such dates.

This prospectus does not contain all the information provided in the registration statement we filed with the Commission. For further information about us or the securities offered hereby, you should refer to that registration statement, which you can obtain from the Commission as described below under Where You Can Find More Information.

**ABOUT SEASPAN CORPORATION**

We are a leading independent charter owner and manager of containerships, which we charter primarily pursuant to long-term, fixed-rate time charters with major container liner companies. We operate a fleet of 88 containerships and have entered into contracts for the purchase of an additional eight newbuilding containerships which have scheduled delivery dates through 2017. We primarily deploy our vessels on long-term, fixed-rate time charters to take advantage of the stable cash flow and high utilization rates that are typically associated with long-term time charters.

We are a Marshall Islands corporation incorporated on May 3, 2005. We maintain our principal executive offices at Unit 2, 2<sup>nd</sup> Floor, Bupa Centre, 141 Connaught Road West, Hong Kong, China. Our telephone number is (852) 2540-1686. We maintain a website at [www.seaspancorp.com](http://www.seaspancorp.com). The information on our website is not part of this prospectus, and you should rely only on the information contained in this prospectus, any prospectus supplement and the documents incorporated by reference herein or therein when making a decision whether to invest in our securities.

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**FORWARD-LOOKING INFORMATION**

This prospectus, any prospectus supplement and the documents incorporated by reference herein and therein contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. This Act provides a safe harbor for forward-looking statements to encourage companies to provide prospective information about themselves so long as they identify these statements as forward-looking and provide meaningful cautionary statements identifying important factors that could cause actual results to differ from the projected results. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. They often include words such as anticipate, believe, continue, could, estimate, projects, forecasts, potential, intend, may, might, plan, predict, seek, should or will, or the negative of those terms, or comparable terms. These forward-looking statements are all based on currently available operating, financial and competitive information and are subject to various risks and uncertainties. Our actual future results and trends may differ materially depending on a variety of factors, including, but not limited to, the risks and uncertainties discussed under the sections entitled Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations in our annual reports on Form 20-F and any reports on Form 6-K incorporated herein by reference.

Any or all of our forward-looking statements in this prospectus, any prospectus supplement and the documents incorporated by reference herein and therein may turn out to be inaccurate. Incorrect assumptions we might make and known or unknown risks and uncertainties may affect the accuracy of our forward-looking statements. Forward-looking statements reflect our current expectations or forecasts of future events or results and are inherently uncertain, and accordingly, you should not place undue reliance on forward-looking statements.

Although we believe that the expectations and forecasts reflected in the forward-looking statements are reasonable, we cannot guarantee future results, performance, or achievements. Consequently, no forward-looking statement can be guaranteed and future events and actual or suggested results may differ materially. We expressly disclaim any obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise. You are advised, however, to consult any further disclosures we make in our annual reports on Form 20-F and any reports on Form 6-K that we incorporate herein by reference, as well as in any prospectus supplement relating to this prospectus and other public filings with the Commission.

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	2,537.35
	2,097.57
	2,401.69
Quarter ended September 30	
	2,899.12
	2,281.47
	2,872.63
Quarter ended December 31	
	2,992.08
	2,712.30
	2,964.96
2010	
Quarter ended March 31	
	3,017.85
	2,631.64
	2,931.16
Quarter ended June 30	
	3,012.65
	2,488.50
	2,573.32
Quarter ended September 30	
	2,827.27
	2,507.83
	2,747.90
Quarter ended December 31	
	2,890.64
	2,650.99
	2,792.82
2011	
Quarter ended March 31	
	3,068.00
	2,721.24
	2,910.91
Quarter ended June 30	
	3,011.25
	2,715.88
	2,848.53
Quarter ended September 30	
	2,875.67
	1,995.01
	2,179.66
Quarter ended December 31	
	2,476.92
	2,090.25

2012	2,316.55
Quarter ended March 31	2,608.42
	2,286.45
	2,477.28
Quarter ended June 30	2,501.18
	2,068.66
	2,264.72

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Quarter ended September 30	2,594.56	2,151.54	2,454.26
Quarter ended December 31 2013	2,659.95	2,427.32	2,635.93
Quarter ended March 31	2,749.27	2,570.52	2,624.02
Quarter ended June 30	2,835.87	2,511.83	2,602.59
Quarter ended September 30	2,936.20	2,570.76	2,893.15
Quarter ended December 31 2014	3,111.37	2,902.12	3,109.00
Quarter ended March 31	3,172.43	2,962.49	3,161.60
Quarter ended June 30	3,314.80	3,091.52	3,228.24
Quarter ended September 30	3,289.75	3,006.83	3,225.93
Quarter ending December 31 (through October 8, 2014)	3,195.08	3,053.31	3,053.31

#### The FTSETM 100 Index

The FTSETM 100 Index a free float adjusted index which measures the composite price performance of stocks of the largest 100 companies (determined on the basis of market capitalization) traded on the London Stock Exchange. The 100 stocks included in the FTSETM 100 Index (the “FTSE Underlying Stocks”) are selected from a reference group of stocks trading on the London Stock Exchange which are in turn selected by excluding certain stocks that have low liquidity based on public float, accuracy and reliability of prices, size and number of trading days. The FTSE Underlying Stocks are selected from this reference group by selecting 100 stocks with the largest market value.

This is just a summary of the FTSETM 100 Index. For more information on the FTSETM 100 Index, including information concerning its composition, calculation methodology and adjustment policy, please see the section entitled “The FTSETM 100 Index” in the accompanying underlying supplement No. 1 dated October 1, 2012.

#### Historical Information

The following graph and table set forth the historical performance of the FTSETM 100 Index based on the daily closing levels from October 8, 2009 through October 8, 2014. The closing level of the FTSETM 100 Index on October 8, 2014 was 6,482.24. We obtained the historical closing levels below from Bloomberg, and we have not participated in the preparation of, or verified, such information.

The historical closing levels of the FTSETM 100 Index should not be taken as an indication of future performance, and no assurance can be given as to the Closing Level on the Determination Date. We cannot give you assurance that the performance of the FTSETM 100 Index will result in the return of any of your initial investment.

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## Quarterly High, Low and Closing Levels of the FTSETM 100 Index

	High	Low	Close
2009			
Quarter ended March 31	4,638.92	3,512.09	3,926.14
Quarter ended June 30	4,506.19	3,925.52	4,249.21
Quarter ended September 30	5,172.89	4,127.17	5,133.90
Quarter ended December 31	5,437.61	4,988.70	5,412.88
2010			
Quarter ended March 31	5,727.65	5,060.92	5,679.64
Quarter ended June 30	5,825.01	4,914.22	4,916.87
Quarter ended September 30	5,602.54	4,805.75	5,548.62
Quarter ended December 31	6,008.92	5,528.27	5,899.94
2011			
Quarter ended March 31	6,091.33	5,598.23	5,908.76
Quarter ended June 30	6,082.88	5,674.38	5,945.71
Quarter ended September 30	6,054.55	5,007.16	5,128.48
Quarter ended December 31	5,713.82	4,944.44	5,572.28
2012			
Quarter ended March 31	5,965.58	5,612.26	5,768.45
Quarter ended June 30	5,874.89	5,260.19	5,571.15
Quarter ended September 30	5,915.55	5,498.32	5,742.07
Quarter ended December 31	5,961.59	5,605.59	5,897.81
2013			
Quarter ended March 31	6,529.41	6,027.37	6,411.74
Quarter ended June 30	6,840.27	6,029.10	6,215.47
Quarter ended September 30	6,681.98	6,229.87	6,462.22
Quarter ended December 31	6,777.70	6,337.91	6,749.09

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2014			
Quarter ended March 31	6,865.86	6,449.27	6,598.37
Quarter ended June 30	6,878.49	6,541.61	6,743.94
Quarter ended September 30	6,877.97	6,567.36	6,622.72
Quarter ending December 31 (through October 8, 2014)	6,563.65	6,446.39	6,482.24

#### The Tokyo Stock Price Index

The Tokyo Stock Price Index consists of all domestic common stocks listed on the First Section of the Tokyo Stock Exchange and measures changes in the aggregate market value of those stocks. Listings of stock on the First Section of the Tokyo Stock Exchange are typically limited to larger, longer established and more actively traded issues. The component stocks of the Tokyo Stock Exchange are determined based on market capitalization and liquidity. Review and selection of the component stocks is conducted semiannually, based on market data as of the base date for selection.

This is just a summary of the Tokyo Stock Price Index. For more information on the Tokyo Stock Price Index, including information concerning its composition, calculation methodology and adjustment policy, please see the section entitled “The Tokyo Stock Price Index” in the accompanying underlying supplement No. 1 dated October 1, 2012.

#### Historical Information

The following graph and table set forth the historical performance of the Tokyo Stock Price Index based on the daily closing levels from October 8, 2009 through October 8, 2014. The closing level of the Tokyo Stock Price Index on October 8, 2014 was 1,274.85. We obtained the historical closing levels below from Bloomberg, and we have not participated in the preparation of, or verified, such information.

The historical closing levels of the Tokyo Stock Price Index should not be taken as an indication of future performance, and no assurance can be given as to the Closing Level on the Determination Date. We cannot give you assurance that the performance of the Tokyo Stock Price Index will result in the return of any of your initial investment.

## Quarterly High, Low and Closing Levels of the Tokyo Stock Price Index

	High	Low	Close
2009			
Quarter ended March 31	888.25	700.93	773.66
Quarter ended June 30	950.54	793.82	929.76
Quarter ended September 30	975.59	852.42	909.84
Quarter ended December 31	915.87	811.01	907.59
2010			
Quarter ended March 31	979.58	881.57	978.81
Quarter ended June 30	998.90	841.42	841.42
Quarter ended September 30	870.73	804.67	829.51
Quarter ended December 31	908.01	803.12	898.80
2011			
Quarter ended March 31	974.14	766.73	869.38
Quarter ended June 30	865.55	805.34	849.22
Quarter ended September 30	874.34	728.85	761.17
Quarter ended December 31	771.43	706.60	728.61
2012			
Quarter ended March 31	872.42	727.15	854.35
Quarter ended June 30	856.05	695.51	770.08
Quarter ended September 30	777.11	706.46	737.42
Quarter ended December 31	859.80	713.95	859.80
2013			
Quarter ended March 31	1,058.10	859.80	1,036.78
Quarter ended June 30	1,276.03	991.34	1,133.84
Quarter ended September 30	1,222.72	1,106.05	1,194.10
Quarter ended December 31	1,302.29	1,147.58	1,302.29
2014			
Quarter ended March 31	1,306.23	1,139.27	1,202.89
Quarter ended June 30	1,269.04	1,132.76	1,262.56
Quarter ended September 30	1,346.43	1,228.26	1,326.29
Quarter ending December 31 (through October 8, 2014)	1,318.21	1,274.85	1,274.85

## The Swiss Market Index

The Swiss Market Index represents approximately 85% of the free-float capitalization of the Swiss equity market. The Swiss Market Index consists of the 20 largest and most liquid equities of the Swiss Performance Index®. The composition of the Swiss Market Index is reviewed annually, and in order to ensure a high degree of continuity in the composition of the Swiss Market Index, the component stocks are subject to a special procedure for adding them to the Swiss Market Index or removing them based on free float market capitalization and liquidity.

This is just a summary of the Swiss Market Index. For more information on the Swiss Market Index, including information concerning its composition, calculation methodology and adjustment policy, please see the section entitled “The Swiss Market Index” in the accompanying underlying supplement No. 1 dated October 1, 2012.

## Historical Information

The following graph and table set forth the historical performance of the Swiss Market Index based on the daily closing levels from October 8, 2009 through October 8, 2014. The closing level of the Swiss Market Index on October 8, 2014 was 8,517.29. We obtained the historical closing levels below from Bloomberg, and we have not participated in the preparation of, or verified, such information.

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The historical closing levels of the Swiss Market Index should not be taken as an indication of future performance, and no assurance can be given as to the Closing Level on the Determination Date. We cannot give you assurance that the performance of the Swiss Market Index will result in the return of any of your initial investment.

Quarterly High, Low and Closing Levels of the Swiss Market Index

	High	Low	Close
2009			
Quarter ended March 31	5,799.31	4,307.67	4,927.43
Quarter ended June 30	5,521.84	4,974.20	5,403.97
Quarter ended September 30	6,349.83	5,237.81	6,323.18
Quarter ended December 31	6,608.52	6,150.17	6,545.91
2010			
Quarter ended March 31	6,897.74	6,264.33	6,873.37
Quarter ended June 30	6,967.56	6,091.55	6,128.06
Quarter ended September 30	6,471.77	5,942.25	6,296.33
Quarter ended December 31	6,613.37	6,248.80	6,436.04
2011			
Quarter ended March 31	6,717.25	6,021.55	6,357.55
Quarter ended June 30	6,564.15	5,990.82	6,187.07
Quarter ended September 30	6,243.01	4,791.96	5,531.74
Quarter ended December 31	5,936.23	5,386.14	5,936.23

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2012			
Quarter ended March 31	6,341.33	5,970.49	6,235.51
Quarter ended June 30	6,299.38	5,713.34	6,066.86
Quarter ended September 30	6,613.45	6,109.41	6,495.88
Quarter ended December 31	6,973.69	6,508.66	6,822.44
2013			
Quarter ended March 31	7,864.39	6,822.44	7,813.67
Quarter ended June 30	8,407.61	7,249.47	7,683.04
Quarter ended September 30	8,105.39	7,675.29	8,022.60
Quarter ended December 31	8,351.38	7,755.26	8,202.98
2014			
Quarter ended March 31	8,532.99	8,092.53	8,453.82
Quarter ended June 30	8,752.86	8,280.53	8,554.52
Quarter ended September 30	8,840.17	8,274.65	8,835.14
Quarter ending December 31 (through October 8, 2014)	8,789.53	8,517.29	8,517.29

#### The S&P/ASX 200 Index

The S&P/ASX 200 Index is designed to be the primary gauge for the Australian equity market. It is recognized as an investable benchmark in Australia. The S&P/ASX 200 Index measures the performance of the 200 largest index-eligible stocks listed on the Australian Securities Exchange by float-adjusted market capitalization, and is widely considered Australia's benchmark index. The index is float-adjusted, covering approximately 80% of Australian equity market capitalization.

This is just a summary of the S&P/ASX 200 Index. For more information on the S&P/ASX 200 Index, including information concerning its composition, calculation methodology and adjustment policy, please see the section entitled "The S&P/ASX 200 Index" in the accompanying underlying supplement No. 1 dated October 1, 2012.

#### Historical Information

The following graph and table set forth the historical performance of the S&P/ASX 200 Index based on the daily closing levels from October 8, 2009 through October 8, 2014. The closing level of the S&P/ASX 200 Index on October 8, 2014 was 5,241.266. We obtained the historical closing levels below from Bloomberg, and we have not participated in the preparation of, or verified, such information.

The historical closing levels of the S&P/ASX 200 Index should not be taken as an indication of future performance, and no assurance can be given as to the Closing Level on the Determination Date. We cannot give you assurance that the performance of the S&P/ASX 200 Index will result in the return of any of your initial investment.

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## Quarterly High, Low and Closing Levels of the S&amp;P/ASX 200 Index

	High	Low	Close
2009			
Quarter ended March 31	3,779.700	3,145.500	3,582.100
Quarter ended June 30	4,062.200	3,579.700	3,954.900
Quarter ended September 30	4,753.100	3,737.500	4,743.600
Quarter ended December 31	4,870.600	4,508.000	4,870.600
2010			
Quarter ended March 31	4,950.700	4,505.100	4,875.500
Quarter ended June 30	5,001.900	4,265.300	4,301.500
Quarter ended September 30	4,675.400	4,222.100	4,582.900
Quarter ended December 31	4,800.600	4,579.200	4,745.200
2011			
Quarter ended March 31	4,938.400	4,528.700	4,837.900
Quarter ended June 30	4,971.200	4,451.700	4,608.000
Quarter ended September 30	4,654.700	3,863.900	4,008.600
Quarter ended December 31	4,353.300	3,872.100	4,056.561
2012			
Quarter ended March 31	4,343.514	4,101.157	4,335.242
Quarter ended June 30	4,435.907	3,985.025	4,094.633
Quarter ended September 30	4,418.360	4,067.971	4,387.018
Quarter ended December 31	4,671.299	4,336.848	4,648.950
2013			
Quarter ended March 31	5,146.905	4,690.250	4,966.499
Quarter ended June 30	5,220.987	4,655.960	4,802.591
Quarter ended September 30	5,307.061	4,710.289	5,218.877
Quarter ended December 31	5,441.411	5,062.516	5,352.210
2014			
Quarter ended March 31	5,462.309	5,070.311	5,394.831

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Quarter ended June 30	5,536.073	5,358.948	5,395.747
Quarter ended September 30	5,658.511	5,264.217	5,292.812
Quarter ending December 31 (through October 8, 2014)	5,334.130	5,241.266	5,241.266

#### Supplemental Plan of Distribution (Conflicts of Interest)

Deutsche Bank Securities Inc. (“DBSI”), acting as agent for Deutsche Bank AG, will not receive a discount or commission but will allow as a concession or reallocation to other dealers discounts and commissions of 3.70% or \$37.00 per Face Amount of notes. DBSI will sell all of the notes that it purchases from us to an unaffiliated dealer at 96.30% or \$963.00 per Face Amount of notes. DBSI, the agent for this offering, is our affiliate. Because DBSI is both our affiliate and a member of the Financial Industry Regulatory Authority, Inc. (“FINRA”), the underwriting arrangements for this offering must comply with the requirements of FINRA Rule 5121 regarding a FINRA member firm’s distribution of the securities of an affiliate and related conflicts of interest. In accordance with FINRA Rule 5121, DBSI may not make sales in offerings of the notes to any of its discretionary accounts without the prior written approval of the customer.

#### Settlement

We expect to deliver the notes against payment for the notes on the Original Issue Date indicated above, which will be a date that is greater than three business days following the Trade Date. Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days, unless the parties to a trade expressly agree otherwise. Accordingly, if the Original Issue Date is more than three business days after the Trade Date, purchasers who wish to transact in the notes more than three business days prior to the Original Issue Date will be required to specify alternative settlement arrangements to prevent a failed settlement.

#### Validity of the Notes

In the opinion of Davis Polk & Wardwell LLP, as special United States products counsel to the Issuer, when the notes offered by this pricing supplement have been executed and issued by the Issuer and authenticated by the authenticating agent, acting on behalf of the trustee, pursuant to the senior indenture, and delivered against payment as contemplated herein, such notes will be valid and binding obligations of the Issuer, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors’ rights generally, concepts of reasonableness and equitable principles of general applicability (including, without limitation, concepts of good faith, fair dealing and the lack of bad faith), provided that such counsel expresses no opinion as to the effect of fraudulent conveyance, fraudulent transfer or similar provision of applicable law on the conclusions expressed above. This opinion is given as of the date hereof and is limited to the laws of the State of New York. Insofar as this opinion involves matters governed by German law, Davis Polk & Wardwell LLP has relied, without independent investigation, on the opinion of Group Legal Services of Deutsche Bank AG, dated as of September 28, 2012, filed as an exhibit to the letter of Davis Polk & Wardwell LLP, and this opinion is subject to the same assumptions, qualifications and limitations with respect to such matters as are contained in such opinion of Group Legal Services of Deutsche Bank AG. In addition, this opinion is subject to customary assumptions about the trustee’s authorization, execution and delivery of the senior indenture and the authentication of the notes by the authenticating agent and the validity, binding nature and enforceability of the senior indenture with respect to the trustee, all as stated in the letter of Davis Polk & Wardwell LLP dated September 28, 2012, which has been filed as an exhibit to the registration statement referred to above.

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