

ORIX LEASING MALAYSIA BERHAD (“THE ISSUER”)

PRINCIPAL TERMS AND CONDITIONS OF THE PROPOSED COMMERCIAL PAPERS/MEDIUM TERM NOTES PROGRAMME OF UP TO RM500.0 MILLION IN NOMINAL VALUE (“ PROPOSED CP/MTN PROGRAMME”)

1. BACKGROUND INFORMATION OF THE ISSUER								
(a)	Issuer							
	(i) Name	ORIX Leasing Malaysia Berhad (the “ Issuer ”)						
	(ii) Address	12th Floor, Menara KH Jalan Sultan Ismail 50250 Kuala Lumpur						
	(iii) Business registration no.	15741-D						
	(iv) Date/place of incorporation	17th September 1973 / Malaysia						
	(v) Date of listing	Not applicable as the Issuer is not a public listed company.						
	(vi) Status – (please indicate either resident controlled company or non-resident controlled company)	Non-resident controlled company						
	(vii) Principal activities	The Issuer and its subsidiaries’ principal activities include leasing and hire purchase of all types of equipment, machinery and motor vehicles, as well as, other financial services.						
	(viii) Board of Directors	The Board of Directors of the Issuer as at 31 October 2012 are as follows: (a) Y.A.M. Tunku Naquiyuddin Ibni Tuanku Ja’afar (b) Lim Beng Chor (c) Fumihiko Sato (d) Hideo Ichida (e) Hayato Karigane (f) Takashi Kitamura (Alternate Director to Hideo Ichida)						
	(ix) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders	Details as at 31 October 2012: <table border="1" data-bbox="685 1562 1357 1768"> <thead> <tr> <th>Shareholder</th> <th>No. of Ordinary Shares</th> <th>Percentage of Shareholding</th> </tr> </thead> <tbody> <tr> <td>ORIX Corporation</td> <td>50,000,000</td> <td>100%</td> </tr> </tbody> </table>	Shareholder	No. of Ordinary Shares	Percentage of Shareholding	ORIX Corporation	50,000,000	100%
Shareholder	No. of Ordinary Shares	Percentage of Shareholding						
ORIX Corporation	50,000,000	100%						
	(x) Authorised and paid-up capital	Details as at 31 October 2012: Authorised Share Capital RM100,000,000 comprising 85,000,000 ordinary shares of RM1.00 each and 150,000,000 redeemable cumulative preference shares of RM0.10 each						

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		Issued and Fully Paid-up Capital RM50,000,000 comprising 50,000,000 ordinary shares of RM1.00 each.	
2. PRINCIPAL TERMS AND CONDITIONS			
(a)	Name of parties involved in the proposed transaction (where applicable)		
	(i) Principal Adviser	AmInvestment Bank Berhad (“ AmInvestment Bank ”).	
	(ii) Lead Arranger	AmInvestment Bank.	
	(iii) Co-arranger	Not applicable.	
	(iv) Solicitor	Messrs. Lee Hishammuddin Allen & Gledhill.	
	(v) Financial Adviser	Not applicable.	
	(vi) Technical Adviser	Not applicable.	
	(vii) Trustee	Pacific Trustees Berhad.	
	(viii) Guarantor	Not applicable.	
	(ix) Valuer	Not applicable.	
	(x) Facility Agent	AmInvestment Bank.	
	(xi) Primary subscriber(s) (under a bought-deal arrangement) and amount subscribed	AmBank (M) Berhad and/or any other financial institutions to be determined prior to issuance of the relevant commercial papers and/or medium term notes.	
	(xii) Underwriter and amount Underwritten	Not applicable.	
	(xiii) Central Depository	Bank Negara Malaysia (“ BNM ”).	
	(xiv) Paying Agent	BNM.	
	(xv) Reporting Accountant	Not applicable.	
	(xvi) Calculation Agent	Not applicable.	
	(xvii) Others (please specify)	1.	Tender Panel Members (“TPM”) <u>In respect of the Commercial Papers</u> Such persons falling within Schedule 6 or Section 229(1)(b) or Schedule 7 or Section 230(1)(b) read together with Schedule 9 or Section 257(3) of the Capital Markets and Services Act 2007 (“ CMSA ”).
		2.	Lead Manager/Bookrunner AmInvestment Bank.

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(b)	Facility description	<p>A Commercial Papers/Medium Term Notes Programme of up to RM500.0 million in nominal value (“CP/MTN Programme”)</p> <p>The commercial papers (“CPs”) and the medium term notes (“MTNs”) are collectively referred to as the “Notes”.</p>
(c)	Issue/programme size	<p>The aggregate outstanding nominal value of the Notes under the CP/MTN Programme shall not at any point in time exceed RM500.0 million.</p>
(d)	Tenor of issue/debt programme (or facility)	<p><u>Tenor of the CP/MTN Programme:</u></p> <p>Up to seven (7) years from the date of the first issuance of the Notes under the CP/MTN Programme (“Availability Period”).</p> <p><u>Tenor of the CPs:</u></p> <p>The CPs shall have a tenor of one (1) to twelve (12) months, provided always that no CPs shall mature beyond the expiry of the Availability Period.</p> <p><u>Tenor of the MTNs:</u></p> <p>The MTNs shall have a tenor of more than one (1) year and up to seven (7) years, provided always that no MTNs shall mature beyond the expiry of the Availability Period.</p> <p>The first issuance of the Notes under the CP/MTN Programme shall be made within two (2) years from the date of the Securities Commission (“SC”)’s approval subject to the conditions precedent for the CP/MTN Programme being complied with.</p>
(e)	Availability period of debt programme (or facility)	<p>The CP/MTN Programme shall be made available for the period commencing on the date of fulfilment of the conditions precedent set out in the programme agreement and ending on the date falling seven (7) years from the date of the first issue of Notes under the CP/MTN Programme.</p>
(f)	Interest/coupon rate	<p><u>CPs</u></p> <p>Not applicable as the CPs are issued at a discount to face value.</p> <p><u>MTNs</u></p> <p>The MTNs may be issued with or without coupon. The coupon rate(s) for the MTNs (if applicable) shall be determined prior to issuance of the respective MTNs.</p>

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(g)	Interest/coupon payment frequency	<p><u>CPs</u></p> <p>Not applicable as the CPs are issued at a discount to face value.</p> <p><u>MTNs</u></p> <p>(a) MTNs issued with coupons: To be paid semi-annually or such other period as the Issuer and Lead Manager may agree.</p> <p>(b) MTNs issued without coupons: Not applicable.</p>
(h)	Interest/coupon payment basis	<p><u>CPs</u></p> <p>Not applicable as the CPs are issued at a discount to face value.</p> <p><u>MTNs</u></p> <p>Coupon shall be calculated on the basis of the actual number of days elapsed and 365 days basis (actual/365).</p>
(i)	Security/ Collateral	Not applicable
(j)	Details on utilisation of proceeds by Issuer. If proceeds are to be utilised for project or capital expenditure, description of the project or capital expenditure, where applicable	<p>The proceeds from the CP/MTN Programme will be utilised for the following purposes:</p> <p>(i) for general investment purposes, business expansion and working capital requirements of the Issuer and its subsidiaries;</p> <p>(ii) to refinance existing borrowings (whether in whole or in part) of the Issuer and its subsidiaries (if required); and</p> <p>(iii) to defray expenses incurred in establishing the CP/MTN Programme.</p>
(k)	Sinking fund and designated accounts (if any)	Not applicable.
(l)	Rating	
	- Credit rating assigned (Please specify if this is an indicative rating or if the credit rating is not assigned for the full amount in the case of debt programme, adequate disclosures under paragraph 7.02 of these guidelines to be made)	<p><u>CPs</u></p> <p>Indicative rating of P1</p> <p><u>MTNs</u></p> <p>Indicative rating of A1</p>

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	- Name of rating agency	RAM Rating Services Berhad (“RAM Ratings”).
(m)	Mode of issue	<p><u>CPs</u></p> <p>Via tender, private placement on a best efforts basis or book-building on a best efforts basis or on a bought deal basis.</p> <p><u>MTNs</u></p> <p>Via private placement on a best efforts basis or book-building on a best efforts basis or on a bought deal basis.</p> <p><u>Tender</u></p> <p>The issuance of the CPs may be effected by way of tender panel bidding under the Fully Automated System for Issuing/Tendering (“FAST”) whereby the TPM will be invited to bid competitively for the discount rate to and volume of the CPs in accordance with Malaysian Electronic Clearing Corporation Sdn Bhd (“MyClear”)’s Operational Procedures for Securities Services (“OPSS”)</p> <p><u>Private Placement / Book-building / Bought Deal</u></p> <p>At the option of the Issuer, the issuance may also be effected by way of private placement on a best efforts basis or via book-building on a best efforts basis or on a bought deal basis without prospectus. The Issuer may request the Lead Manager to make a direct or private placement of the Notes. The issuance of the Notes will be reported in FAST.</p>
(n)	Selling restrictions, including tradability (i.e. tradable or non-tradable)	<p>The Notes are tradable. The selling restrictions are as follows:</p> <p><u>Selling Restrictions at Issuance</u></p> <p>The Notes may not be offered, sold or delivered, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia or anywhere else, other than to persons falling within Schedule 6 or Section 229(1)(b) or Schedule 7 or Section 230(1)(b) read together with Schedule 9 or Section 257(3) of the CMSA.</p> <p><u>Selling Restrictions Thereafter</u></p> <p>The Notes may not be offered, sold or delivered, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within Schedule 6 or Section 229(1)(b) read together with Schedule 9 or Section 257(3) of the CMSA.</p>

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(o)	Listing status and types of listing	The Notes may be listed on Bursa Malaysia Securities Berhad under an Exempt Regime pursuant to Chapter 4B of Main Market Listing Requirements. The SC will be notified accordingly in the event of such listing.
(p)	Other regulatory approvals required in relation to the issue, offer or invitation and whether or not obtained (please specify)	Not applicable.
(q)	Conditions precedent	<p>The availability of the CP/MTN Programme shall be subject to conditions precedent, including but not limited to:</p> <ul style="list-style-type: none"> (i) the CP/MTN Programme shall be subject to the prior approval of the SC; (ii) the Issuer shall have obtained a rating of P1/A1 for the CP/MTN Programme from RAM Ratings at the point of first issuance of Notes; (iii) receipt of the solicitors’ confirmation that the relevant documents pertaining to the CP/MTN Programme (“Transaction Documents”) shall have been satisfactorily completed, executed, stamped (or duly endorsed as being exempted from stamp duty, as the case may be) and, where applicable, presented for registration; (iv) the Issuer and/or its subsidiaries, where applicable and required, shall have procured the requisite consent from all existing lenders whose consent is required for the establishment of the CP/MTN Programme; (v) satisfactory legal due diligence as required under the CMSA; (vi) receipt of a certified true copies of the Memorandum and Articles of Association of the Issuer and resolutions passed by the Board of Directors of the Issuer authorising, amongst others, the establishment of the CP/MTN Programme and the execution of the Transaction Documents; (vii) receipt of a list of the Issuer’s authorised signatories and their respective specimen signatures; (viii) receipt of a report of the relevant company search of the Issuer; (ix) receipt of a report of the relevant winding-up search or the relevant statutory declaration of the Issuer;

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		<p>(x) confirmation from the Issuer that, as at the time when such confirmation is made, apart from the disclosed existing indebtedness there are no other bank borrowings;</p> <p>(xi) confirmation that the Debt to Equity ratio does not exceed 8:1 by two (2) directors of the Issuer based on the latest quarterly unaudited consolidated accounts of the Issuer; and</p> <p>(xii) such other conditions precedent as may be advised by the Solicitors and to be agreed by the Issuer .</p> <p><u>Conditions precedent for subsequent issuances of the Notes</u></p> <p>(a) confirmation from the Issuer that all relevant representations and warranties remain true and correct; and</p> <p>(b) no Event of Default has occurred or is continuing or will occur as a result of the issuances; and</p> <p>(c) such other conditions precedent as maybe advised by the Solicitors and to be agreed by the Issuer.</p>
<p>(r)</p>	<p>Representations and warranties</p>	<p>The CP/MTN Programme shall be subject to such representations and warranties as may be deemed standard for a facility of this nature or as may be advised by the Solicitors. This shall include but not be limited to:</p> <p>(i) the Issuer is a company with limited liability duly incorporated and validly existing under the laws of Malaysia, has full power to carry on its business and to own its property and assets, and has full beneficial ownership of all its assets;</p> <p>(ii) the Memorandum and Articles of the Issuer incorporate provisions which authorise, and all necessary corporate and other relevant actions have been taken to authorise, and all relevant requisite consents and approvals of any administrative, governmental or other authority or body in Malaysia have been duly obtained and are in full force and effect to authorize the Issuer to execute and deliver and perform the transactions contemplated in the Transaction Documents in accordance with their terms;</p>

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		<p>(iii) neither the execution and delivery of any of the Transaction Documents nor the performance of any of the transactions contemplated by the Transaction Documents did or does as at the date this representation and warranty are made or repeated (a) contravene or constitute a default under any provision contained in any agreement, instrument, law, ordinance, decree, judgment, order, rule, regulation, licence, permit or consent by which the Issuer or any of its assets is bound or which is applicable to the Issuer or any of its assets; (b) cause any limitation on the Issuer or the powers of its directors, whether imposed by or contained in its memorandum and articles of association or in any agreement, instrument, law, ordinance, decree, order, rule, regulation, judgment or otherwise, to be exceeded; or (c) cause the creation or imposition of any security interest or restriction of any nature on any of the Issuer’s assets;</p> <p>(iv) each of the Transaction Documents is or will when executed and/or issued, as the case may be, be in full force and effect and constitutes valid and legally binding obligations of the Issuer, enforceable in accordance with its terms;</p> <p>(v) Issuer’s audited accounts are prepared in accordance with generally accepted accounting principles and standards in Malaysia and they fairly represent the Issuer’s financial position as at that date;</p> <p>(vi) to the best of the knowledge, information and belief of the Issuer, no tax liabilities of any kind are outstanding in payments and all computations and payments should be made to the Department of Inland Revenue or other relevant authorities have been duly made within the requisite timeframe and are up-to-date, correct and made on a proper basis;</p> <p>(vii) the written information furnished by the Issuer in all material respects in connection with the Transaction Documents does not contain any untrue statement or omit to state any fact the omission of which makes the statements therein, in the light of the circumstances under which they were made, misleading, and all expressions of expectation, intention, belief and opinion contained therein were honestly made on reasonable grounds after due and careful enquiry by the Issuer;</p>
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		<p>(viii) to the best of the knowledge, information and belief of the Issuer, there is no litigation, arbitration or administrative proceeding or claim which might by itself or together with any other such proceedings or claims either have a Material Adverse Effect (as defined herein) on the financial condition of the Issuer or materially and adversely affect the Issuer’s ability to perform its obligations under the Transaction Documents in accordance with their terms that is presently in progress or pending or threatened against the Issuer or any of its or their assets;</p> <p>(ix) to the best of the knowledge, information and belief of the Issuer, the Issuer is unaware and has no reason to believe that an event has occurred which constitutes, or which with the giving of notice and/or the lapse of time and/or a relevant determination would constitute, a contravention of, or default under, any agreement or instrument by which the Issuer or any of its assets are bound or affected, being a contravention or default which might have a Material Adverse Effect;</p> <p>(x) the Issuer is in compliance and will comply with any applicable laws and regulations; and</p> <p>(xi) such other representations and warranties which may be advised by the Solicitors.</p>
<p>(s)</p>	<p>Events of default (or enforcement event, where applicable)</p>	<p>Standard Events of Default shall apply and shall include but not limited to the following:</p> <p>(i) Non-payment: where the Issuer fails to pay any amount that is due and payable from it under any of the Notes issued under the CP/MTN Programme on the due date or, if so payable, on demand;</p> <p>(ii) Breach of obligations under the Transaction Documents: default is made in the performance or observance of any other obligations of the Issuer under or in respect of the Notes and the Transaction Documents other than the obligation referred to in item 2(s)(i) above, and such default which in the opinion of the Trustee is capable of being remedied, remains unremedied within a period of thirty (30) days after the Issuer has been notified by the Trustee of the breach;</p>

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		<p>(iii) Breach of Other Obligation: there has been a breach by the Issuer of any obligation under any of the Issuer’s existing contractual obligations which may have Material Adverse Effect and, if in the opinion of the Trustee is capable of being remedied, the Issuer does not remedy the breach within a period of thirty (30) days after the Issuer has become aware or has been notified by the Trustee of the breach;</p> <p>(iv) Cross-default: any Financial Indebtedness (as defined under 2(v)(xi)) of the Issuer becomes due or payable or capable of being declared due or payable prior to its stated maturity or any guarantee or similar obligations of the Issuer is not discharged at maturity or when called and such declaration of Financial Indebtedness being due or payable or such call on the guarantee or similar obligations is not discharged or disputed in good faith by the Issuer in a court of competent jurisdiction within thirty (30) days from the date of such declaration or call, or the Issuer goes into default under, or commits a material breach of, any agreement or instrument relating to any such Financial Indebtedness, guarantee or other obligations, or any security created to secure such Financial Indebtedness becomes enforceable, and such situation remain unremedied for thirty (30) days after the Issuer has been notified by the Trustee of the event;</p> <p>(v) Material Adverse Effect: any event or events has or have occurred or a situation exists which in the reasonable opinion of the Trustee may have a Material Adverse Effect on the Issuer, and in the case of the occurrence of such event or situation which in the opinion of the Trustee is capable of being remedied, the Issuer does not remedy it within a period of thirty (30) days after becoming aware or having been notified by the Trustee of the event or situation;</p> <p>(vi) Enforcement proceedings: a distress, attachment, execution, seizure before judgment, sequestration, legal process or any form of execution is levied, enforced or sued upon or against the whole or a material part of the assets or revenues of the Issuer and such action is not discharged or stayed within thirty (30) days after the Issuer has effective notice thereof;</p>
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		<p>(vii) Judgement: the Issuer fails to satisfy any judgement passed against it by any court of competent jurisdiction and no appeal against such judgement or no application for a stay of execution has been made to any appropriate appellate court within the time prescribed by law or such appeal or application for a stay of execution has been dismissed;</p> <p>(viii) Security enforced: a secured party takes possession of, or a receiver, manager, trustee or other similar officer is appointed in respect of the whole or a substantial part of the business or assets of the Issuer and such action is not discharged or stayed within thirty (30) days thereof;</p> <p>(ix) Insolvency, etc.: (1) the Issuer becomes insolvent or is unable to pay its debts as they fall due, (2) any step is taken for the winding up, dissolution or liquidation of the Issuer or a resolution is passed for the winding up of the Issuer or a petition for winding up is presented against the Issuer and the Issuer has not taken any action in good faith to set aside such petition within thirty (30) days from the date of service of such winding up petition or a winding up order has been made against it, or (3) the Issuer ceases or threatens to cease to carry on all or any material part of its business;</p> <p>(x) Winding-up, etc.: The Issuer convenes the meeting of its creditors or proposes or makes any arrangement including any scheme of arrangement or composition with, or begins negotiations with its creditors, or takes any proceedings or other steps, with a view to a rescheduling or deferral of all or any part of its Financial Indebtedness or a moratorium is agreed or declared by a court of competent jurisdiction in respect of or affecting all or any part of its Financial Indebtedness or any assignment for the benefit of its creditors (other than for the purposes of and followed by a reconstruction previously approved in writing by the Trustee, unless during or following such reconstruction the Issuer becomes or is declared to be insolvent) and such action or circumstance has continued or subsisted for a period of not less than thirty (30) days;</p> <p>(xi) Section 176: Where a scheme of arrangement under section 176 of the Companies Act 1965 has been instituted in respect of the Issuer’s debts and such action or circumstance has continued or subsisted for a period of not less than thirty (30) days;</p>
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		<p>(xii) Misrepresentation: any representation or warranty made or given by the Issuer under the Transaction Documents or which is contained in any certificate, document or statement furnished at any time pursuant to the terms of the financing facilities and/or any of the Transaction Documents proves to have been incorrect or misleading in any material respect on or as of the date made or given or deemed made or given, and in the case of a failure which in the opinion of the Trustee is capable of being remedied, the Issuer does not remedy the failure within a period of thirty (30) days after the Issuer has become aware or has been notified by the Trustee of the failure;</p> <p>(xiii) Change of business: the Issuer changes or threatens to change the nature or scope of a substantial part of its business, or suspends or threatens to suspend or cease or threatens to cease the operation of a substantial part of its business which it now conducts directly or indirectly and such change or suspension or cessation in the opinion of the Trustee may have a Material Adverse Effect;</p> <p>(xiv) Analogous event: any event occurs which under the laws of Malaysia has an analogous effect to any of the events referred to in paragraphs (iv) to (ix) above which would have a Material Adverse Effect on the Issuer to perform its obligations under the Notes;</p> <p>(xv) Failure to take action, etc.: any action, condition or thing at any time required to be taken, fulfilled or done in order (1) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the CP/MTN Programme and the Transaction Documents, (2) to ensure that those obligations are legal, valid, binding and enforceable and (3) to make the Notes and the Transaction Documents admissible in evidence in the courts of Malaysia is not taken, fulfilled or done and such situation remains unremedied for thirty (30) days after the Issuer has been notified by the Trustee of such occurrence;</p>
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		<p>(xvi) License, permit, authorisation, approval and consent: where there is a revocation, withholding or modification of any license, permit, authorization, approval or consent which in the reasonable opinion of the Trustee may materially and adversely impair or prejudice the ability of the Issuer to comply with the terms and conditions of the Transaction Documents and such conditions continue unremedied for a period of ninety (90) days;</p> <p>(xvii) Repudiation: the Issuer repudiates any of the Transaction Documents or the Issuer does or causes to be done any act or thing evidencing an intention to repudiate any of the Transaction Documents;</p> <p>(xviii) Government intervention: (1) all or any material part of the undertakings, assets, rights or revenues of the Issuer is nationalized, expropriated, condemned, seized or compulsorily acquired by any person acting or purporting to act under the authority of any national, regional or local government agency of Malaysia or (2) the Issuer is prevented by any such person from exercising normal control over all or any material part of its undertakings, assets, rights or revenues, which in the opinion of the Trustee may have a Material Adverse Effect on the Issuer and such event mentioned in (1) and (2) above continues for more than a period of ninety (90) days; and</p> <p>(xix) such other conditions as may be advised by the Solicitors and to be agreed by the Issuer which shall include those required in order to comply with the SC’s Trust Deeds Guidelines (revised on 12 July 2011 and effective 12 August 2011).</p> <p>Upon occurrence of an Event of Default, the Trustee may or shall (if directed to do so by the holders of the Notes) declare that an Event of Default has occurred and may take such proceedings against the Issuer as it may think fit to enforce the Transaction Documents.</p>
(t)	Covenants	<p><u>Financial covenants</u></p> <p>To include but not limited to the following:</p> <p>(a) <u>Debt to Equity Ratio (“D:E Ratio”)</u></p> <p>The Issuer shall maintain an annual D:E Ratio not exceeding 8:1 throughout the tenor of the CP/MTN Programme.</p> <p>The D:E Ratio is represented by:</p>

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		<p><u>Debt</u></p> <p>(i) All amounts outstanding under the CP/MTN Programme; and</p> <p>(ii) All other indebtedness for borrowed monies (be it actual or contingent) (including other indebtedness raised from the capital markets), hire purchase obligations, finance lease obligations, net exposure determined on a mark to market basis under any derivative instrument and obligations / contingent liabilities under guarantees/call or put options of the Issuer.</p> <p><u>Equity</u></p> <p>The aggregate shareholders' funds of the Issuer including, if any, preference equity, subordinated shareholders' advances, minority interests of the Issuer (if any) and retained earnings/losses.</p> <p>The D:E Ratio calculations shall be duly confirmed by two (2) directors of the Issuer who are in charge of finance on an annual basis and will be based on the latest audited consolidated accounts of the Issuer and if the same is not available, then the D:E ratio calculation shall be based on the latest quarterly unaudited consolidated accounts of the Issuer. The Issuer shall arrange for such confirmations of D:E ratio to be forwarded to the Facility Agent and Trustee. For the avoidance of doubt, any double counting shall be disregarded.</p> <p>(b) Any other financial covenant(s) as may be imposed by the Rating Agency and agreed to by the Issuer.</p> <p><u>Information covenants</u></p> <p>To include but not limited to the following:</p> <p>(a) The Issuer shall provide to the Facility Agent and the Trustee at least on an annual basis, a certificate confirming that it has complied with all of its obligations under the Transaction Documents and the terms and conditions of the Notes and that there does not exist or had not existed, from the date the Notes were issued, any Event of Default and, if such is not the case, to specify the same and the steps being taken to remedy the same;</p>
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PRINCIPAL TERMS AND CONDITIONS OF THE PROPOSED COMMERCIAL PAPERS/MEDIUM TERM NOTES PROGRAMME OF UP TO RM500.0 MILLION IN NOMINAL VALUE (“PROPOSED CP/MTN PROGRAMME”)

		<p>(b) The Issuer shall deliver to the Trustee the following:</p> <ul style="list-style-type: none">(i) as soon as they become available (and in any event within one hundred and eighty (180) days after the end of each of its financial years) copies of its consolidated financial statements for that year which shall contain the income statements and balance sheets of the Issuer and which are audited and certified without qualification by a firm of independent certified public accountants acceptable to the Trustee;(ii) as soon as they become available and upon request (and in any event within ninety (90) days after the end of the first half of its financial year) copies of its unaudited half yearly consolidated financial statements for that period which shall contain the income statements and balance sheets of the Issuer which are duly certified by any one (1) of its directors;(iii) promptly, such additional financial or other information relating to the Issuer’s business and its operations as the Trustee may from time to time reasonably request to discharge its duties and obligations as a trustee to the extent permitted by law; and(iv) subject to the Trustee providing to the Issuer such confidentiality, undertaking or indemnity for breach thereof as the Issuer may reasonably require, deliver to the Trustee upon request in writing by the Trustee a copy of any notice, circular or other documents which the Issuer is required by law to issue to its shareholder;
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		<p>(c) The Issuer shall promptly notify the Trustee of any change in its condition (financial or otherwise) and of any litigation or other proceedings of any nature whatsoever being threatened or initiated against the Issuer before any court or tribunal or administrative agency which may materially and adversely affect the ability of the Issuer to perform any of its obligations under any of the Transaction Documents. All such notification shall be given by the Issuer no later than fourteen (14) days after the person in charge has knowledge of the change or of the litigation or other proceedings or threat or initiation thereof and shall include the amount of any actual liability or contingent liability if such amount is ascertainable;</p> <p>(d) The Issuer shall promptly give notice to the Trustee of the occurrence of any Event of Default or any event which, upon the giving of notice and/or lapse of time and/or the issue of a certificate and/or the fulfilment of the relevant requirement as contemplated under the relevant Transaction Document would constitute an Event of Default (“Potential Event of Default”) forthwith upon becoming aware thereof, and it shall take all reasonable steps and endeavour within thirty (30) days to agree with such steps as may reasonably be requested by the Trustee and to remedy and/or mitigate the effect of the Event of Default or the Potential Event of Default. For the avoidance of doubt, this clause shall not be applicable to item 2(s)(i) above; and</p> <p>(e) any other information covenants as advised by the Solicitors and mutually agreed between the Lead Arranger and the Issuer which shall include those required in order to comply with the SC’s Trust Deed Guidelines (revised on 12 July 2011 and effective 12 August 2011).</p> <p><u>Positive covenants</u></p> <p>To include but not limited to the following:</p>
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		<p>(a) The Issuer shall maintain in full force and effect all relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) and will promptly obtain any further authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) which is or may become necessary to enable it to own its assets, to carry on its business or for the Issuer to enter into or perform its obligations under the Transaction Documents or to ensure the validity, enforceability, admissibility in evidence of the obligations of the Issuer or the priority or rights of the financiers under the Transaction Documents and the Issuer shall comply with the same;</p> <p>(b) the Issuer shall at all times on demand execute all such further documents and do all such further acts reasonably necessary at any time or times to give effect to the terms and conditions of the Transaction Documents;</p> <p>(c) The Issuer shall exercise reasonable diligence in carrying out its business and affairs in a proper and efficient manner and in accordance with sound financial and commercial standards and practices;</p> <p>(d) The Issuer shall promptly perform and carry out all of its obligations under all the Transaction Documents (including but not limited to redeeming the Notes on the relevant maturity date(s) or any other date on which the Notes are due and payable) and ensure that it shall immediately notify the Trustee in the event that the Issuer is unable to fulfil or comply with any of the provisions of the Transaction Documents;</p> <p>(e) The Issuer shall prepare its financial statements on a basis consistently applied in accordance with approved accounting principles and standards in Malaysia and those financial statements shall give a true and fair view of the results of the operations of the Issuer in all material respects for the period to which the financial statements are made up and shall disclose or provide against all liabilities (actual or contingent) of the Issuer;</p>
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		<p>(f) Subject to item (f) under “Negative covenants”, the Issuer shall promptly notify the Trustee on any change on its board of directors and/or shareholders;</p> <p>(g) The Issuer shall promptly comply with all applicable laws and regulations including the provisions of the CMSA and/or the notes, circulars, conditions or guidelines issued by SC from time to time;</p> <p>(h) The Issuer shall give to the Trustee such information as it may require in order to discharge its duties and obligations as trustee under the trust deed relating to the Issuer’s affairs to the extent permitted by law;</p> <p>(i) The Issuer shall keep proper books and accounts at all times and provide the Trustee and any person appointed by the Trustee (for example the auditors) access to such books and accounts with fourteen (14) days prior written notice and consent from the Issuer, which consent shall not be unreasonably withheld and such access by the Trustee or the person appointed by the Trustee shall not interfere with the normal operation of the Issuer;</p> <p>(j) Immediately notify the Trustee in the event that the Issuer becomes aware of any event or circumstance that has occurred that would materially prejudice the ability of the Issuer to perform its obligations under the Notes or the ability of the Issuer to perform its obligations under the Transaction Documents;</p> <p>(k) Immediately notify the Trustee in the event that the Issuer becomes aware of any substantial change in the nature of the business of the Issuer;</p> <p>(l) Immediately notify the Trustee in the event that the Issuer becomes aware of a change in the name of the Issuer;</p> <p>(m) Immediately notify the Trustee in the event that the Issuer becomes aware of any cessation in liability of the Issuer for the payment of the whole or any part of the moneys for which it is liable under the Transaction Documents;</p>
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		<p>(n) Immediately notify the Trustee in the event that the Issuer becomes aware of any change in the withholding tax position applicable to payments by the Issuer under the Notes or if the Issuer becomes subject to a taxing jurisdiction in addition to Malaysia;</p> <p>(o) The Issuer shall file all relevant tax returns and pay all taxes promptly upon the same becoming due and payable except to the extent that taxes are being contested in good faith or an adequate reserve has been set aside with respect thereto; and</p> <p>(p) Other covenants as may be mutually agreed by the Issuer and the Lead Arranger and/or required under the SC’s Trust Deeds Guidelines (revised on 12 July 2011 and effective 12 August 2011).</p> <p><u>Negative covenants</u></p> <p>To include but not limited to the following:</p> <p>(a) The Issuer shall at all times not obtain or permit to exist any further borrowings which would cause the Financial Covenants stated herein to be breached;</p> <p>(b) The Issuer shall not create or permit to exist any encumbrance, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment by way of security, trust arrangement for the purpose of providing security or other security interest of any kind including, without limitation, title transfer and/or retention arrangements having a similar effect or any agreement to create any of the foregoing, but excluding liens (1) imposed by law, (2) existing on the date of this Agreement (3) existing on property or asset prior to the acquisition (4) on assets to be acquired which are created to secure obligations which is raised for the purpose of acquiring those asset (5) on fixed assets acquired, constructed and such security interests are incurred prior to or within 90 days after such acquisition (6) on goods or documents securing obligations under trade letters of credit (7) on assets of any person which merges with the Issuer (8) arising pursuant to securitization, derivative transactions or similar transactions entered into in the ordinary course of business (9) not otherwise permitted by this section, and the aggregate book amount of liens on all</p>
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		<p>outstanding debt shall not exceed 5% of the Net Tangible Assets of the Issuer, or (10) any extension, renewal or replacement of the foregoing</p> <p>(c) The Issuer shall not provide or permit to exist any guarantee to any party save and except for any guarantee issued in the course of its business, including corporate guarantees issued to secure banking facilities obtained by its subsidiaries, if allowed by the company's Articles of Association;</p> <p>(d) The Issuer shall not add, delete, amend or substitute its Memorandum or Articles of Association in a manner inconsistent with the provisions of the Transaction Documents;</p> <p>(e) The Issuer shall not reduce its authorised or paid-up share capital, which may trigger the breach in the D:E Ratio whether by varying the amount, structure or value thereof or the rights attached thereto or by converting any of its share capital into stock, or by consolidating, dividing or sub-dividing all or any of its shares, or by any other manner;</p> <p>(f) The issuer shall not cause or permit the ultimate shareholding of ORIX Corporation in the Issuer to fall below 51%;</p> <p>(g) The Issuer shall not make any payments whether in relation to principal, profit or otherwise to its directors in connection with loans or financing or advances from its directors;</p> <p>(h) The Issuer will not enter into a transaction, whether directly or indirectly with interested persons including its shareholders, subsidiaries or associated companies or persons connected with them unless-</p> <p>(a) such transaction shall be on terms that are no less favourable to it than those which could have been obtained in a comparable transaction from persons who are not interested persons; and</p>
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		<p>(b) with respect to transactions</p> <p>(1.) related to any advances and loans to be granted to the Issuer by its shareholder/holding company or advances and loans to be granted by the Issuer to its subsidiary/associated companies involving an aggregate payment or value equal to or greater than Ringgit Malaysia Six Hundred Million (RM600,000,000.00); or</p> <p>(2.) other than the transactions of the types referred to in (1.) above, involving an aggregate payment or value equal to or greater than Ringgit Malaysia Sixty Million (RM60,000,000.00);</p> <p>it obtains certification from an independent adviser that the transaction is carried out on fair and reasonable terms;</p> <p>PROVIDED that it certifies to the Trustee that the transaction complies with paragraph h(a) above and that it has received the certification referred to in paragraph h(b) above (where applicable) and that the transaction has been approved by the Board of Directors of the Issuer or shareholders in a general meeting as the case may require.</p> <p>(i) The Issuer shall not use the proceeds of the CP/MTN Programme except for the purposes set out in item 2(j) above;</p> <p>(j) Save and except in the ordinary course of business, the Issuer shall not lend any money to any party other than to the Issuer's directors, officers or employees as part of their terms of employment; and</p> <p>(k) Other covenants as may be mutually agreed by the Issuer and the Lead Arranger and/or required under the SC's Trust Deeds Guidelines (revised on 12 July 2011 and effective 12 August 2011).</p>
(u)	Provision on buy-back and early redemption of bonds	Not applicable.

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(v)	Other principal terms and conditions for the issue	
	(i) Material Adverse Effect	As used in this Principal Terms and Conditions, a Material Adverse Effect is any material adverse effect on the business or condition (financial or otherwise) or results of the operations of the Issuer or the ability of the Issuer to perform any of its obligations under any of the Transaction Documents.
	(ii) Changes in Circumstances	<p>If, as a result of any change in applicable law, regulation or regulatory requirement or in the interpretation or application thereof or if compliance by the Lead Arranger / Lead Manager / Facility Agent / Primary Subscriber(s) / Noteholders (collectively the “Transaction Parties”) with the applicable direction, request or requirement (whether or not having the force of law) will impose on the Transaction Parties any condition, burden or obligation, and upon written notice to the Issuer after becoming aware of such occurrence or within such reasonable period as may be permitted by law or the authorities:</p> <p>(a) where the change, interpretation or application makes it unlawful for the Transaction Parties to make available the Notes, without breaching such law or regulation, the Transaction Parties shall terminate their obligations in respect of the Notes; and</p> <p>(b) where the change, interpretation or application causes the Transaction Parties to incur additional costs or be required to make further payments then the Issuer shall compensate the Transaction Parties for the additional cost incurred or payments made.</p>
	(iii) Withholding Tax	All payments by the Issuer in respect of the CP/MTN Programme shall be made without any withholding or deduction for or on account of any present or future tax, duty or charge of whatsoever nature imposed or levied by or on behalf of Malaysia or Malaysian law unless such withholding or deduction is required by law, in which event, the Issuer shall be required to make such additional payments (or gross up) so that the payee would receive the full amount which the payee would have received if no such withholding or deductions are made.
	(iv) Repurchase and Cancellation	The Issuer and/or any of its related corporations (within the meaning of the Companies Act 1965) may at any time acquire the Notes in the open market or otherwise, at any price, provided:

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		<p>(a) any of the Notes so acquired by the Issuer and/or by its subsidiaries and/or by agent(s) of the Issuer who is acting for the redemption or purchase shall be cancelled and cannot be resold; or</p> <p>(b) any of the Notes acquired by the Issuer's related corporations (other than the Issuer's subsidiaries) need not be cancelled but shall not entitle them to participate in the voting of any noteholders' resolution nor form part of the quorum of any meeting.</p> <p>The Issuer shall confirm in writing to the Trustee that (i) the amounts paid in respect of such Notes as have been redeemed or paid or cancelled; (ii) the aggregate nominal amount and certificate numbers (if applicable) of those Notes which have been acquired and cancelled, and (iii) that such Notes have been cancelled, as soon as reasonably possible (and in any event within fourteen (14) days after the date of acquisition).</p>
	(v) Interest on Late Payment	<p>In the event of any overdue payment of any sums due under the Notes, the Issuer shall pay interest at the rate of 1% per annum above the Prescribed Rate, which is defined below:</p> <p>(a) in relation to the CP holders, the applicable yield of the relevant CPs;</p> <p>(b) in relation to the MTN holders, the coupon rate of the relevant MTNs.</p>
	(vi) Status	<p>The Notes shall constitute direct, unsecured and unconditional obligations of the Issuer and will rank equally and rateably (pari passu) in point of priority and security amongst themselves and pari passu with all its other unsecured liabilities (both actual and contingent) except (a) liabilities which benefits from liens or are subject to rights of set-off arising in the normal course of business or by operation of law and not by way of contract, sale or assignment under an asset securitization scheme for fund raising and those securities described herein; and (b) liabilities which are preferred solely by the laws of Malaysia.</p>
	(vii) Redemption	<p>Unless previously purchased and cancelled, the Notes shall be redeemed by the Issuer at their face value on the respective maturity dates or upon declaration that an Event of Default has occurred in respect of the Notes, whichever is earlier.</p>

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	<p>(viii) Clear Market</p>	<p>Until 60 days following the Closing Date (being the date on which all conditions precedent are met or waived), the Issuer shall not and shall not attempt to, and shall not suffer or permit any other party to or attempt to, syndicate, distribute or place any other debt or similar credit facilities issued by the Issuer, if such debt issuances or credit facilities might, in Lead Arranger/Lead Manager’s sole opinion (which opinion shall be conclusive, final and binding on the Issuer), have a detrimental effect on the successful completion of the CP/MTN Programme and/or the offering and distribution of the Notes or dealings in the Notes in the secondary market upon successful completion of the arrangement of the CP/MTN Programme.</p>
	<p>(ix) Adverse Market Condition</p>	<p>From the date of a provision of a formal appointment of the Lead Arranger/Lead Manager by the Issuer, the Lead Arranger/Lead Manager retains the right to amend, withdraw and/or terminate the arrangement of the CP/MTN Programme, if there occurs any event or circumstances which, in the reasonable opinion of the Lead Arranger/Lead Manager, may materially and adversely affect any of the international and/or domestic money, capital and/or syndicated loans markets, the business activities of the Issuer and/or any of its subsidiaries, and/or associate companies, and/or the social, political, financial and/or economic situation in Malaysia.</p>
	<p>(x) Incidental Expenses and Legal Fees</p>	<p>All legal and professional fees, the cost of due diligence exercises, stamp duties (where applicable), taxes and any other out-of-pocket expenses, reasonably incurred pursuant to the Issuer’s acceptance of the CP/MTN Programme and for purposes of preparation and submission of this application/prospectus/information memorandum (as the case may be) shall be borne by the Issuer.</p>
	<p>(xi) Definitions</p>	<p>Financial Indebtedness means any indebtedness for or in respect of:</p> <ul style="list-style-type: none"> (a) monies borrowed; (b) any amount raised by acceptance under any acceptance credit facility (not being acceptances of trade bills in respect of the sale or purchase of goods in the ordinary course of trading without recourse to the Issuer); (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stocks or any similar instrument;

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		<p>(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with accounting principles and standards generally accepted in Malaysia, be treated as a finance or capital lease;</p> <p>(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);</p> <p>(f) any amount raised under any other transaction (including any forward sale or purchase agreement) required under accounting principles and standards generally accepted in Malaysia to be shown as a borrowing in the financial statements of the Issuer;</p> <p>(g) any derivative transaction entered into in connection with the protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account) required under accounting principles and standards generally accepted in Malaysia to be shown in the financial statements of the Issuer (including the notes to such financial statements);</p> <p>(h) shares which are expressed to be redeemable (other than those redeemable solely at the option of the Issuer);</p> <p>(i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or a financial institution; and</p> <p>(j) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in items 2(v)(xi)(a) to (i) above.</p>
	<p>(xii) Illegality</p>	<p>Where the introduction, imposition or variation of any law, order, rule, regulation or official directive (whether or not having the force of law) or any change in the interpretation or application thereof or any compliance therewith makes it apparent that it will be unlawful or impractical without breaching any such law, order, regulation or official directive (whether or not having the force of law) for the Lead Arranger/Lead Manager to give effect to their obligations herein, the commitment of the Lead Arranger/Lead Manager to the Notes will end upon notice to the Issuer of the happening of such events after becoming aware thereof.</p>
	<p>(xiii) Governing Laws</p>	<p>The Notes and the Transaction Documents are governed by, and shall be construed in accordance with, the laws of Malaysia and subject to the non-exclusive jurisdiction of the courts of Malaysia.</p>

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	(xiv) Others	Other terms and conditions customary to this type of financing as advised by the Solicitors.
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