

PREMIUM COMMERCE BERHAD

(Company No. 648636-X)

(Incorporated in Malaysia)

PRINCIPAL TERMS & CONDITIONS

in respect of

**MEDIUM TERM NOTES SERIES 2014-A OF A NOMINAL VALUE OF RM198.25
MILLION**

in relation to the

RM2 BILLION NOMINAL VALUE

ASSET-BACKED MEDIUM TERM NOTES PROGRAMME

DATED 31 OCTOBER 2014

PRINCIPAL TERMS AND CONDITIONS OF THE NOTES SERIES 2014-A

*The information set out in this section is qualified in its entirety by, and must be read in conjunction with, the further detailed information appearing elsewhere in the Supplementary Information Memorandum dated 24 October 2014 (the “**Supplementary Information Memorandum**”) and the Information Memorandum dated 14 July 2011 (the “**IM**”). Words and expression used and defined here shall, in the event of inconsistency with the definition sections of the Supplementary Information Memorandum, only be applicable for this Principal Terms & Conditions of Notes Series 2014-A.*

*The information herein contains terms and conditions specific to the issue by Premium Commerce Berhad (the “**Issuer**”) of Notes Series 2014-A under the Asset-Backed Medium Terms Notes Programme of up to Nominal Value of RM2 Billion (the “**MTN Programme**”). This term sheet does not contain the general terms and conditions of the MTN Programme and must at all times be read in conjunction with the IM and the Supplementary Information Memorandum (collectively the “**Memoranda**”) issued by the Issuer. Unless otherwise defined herein terms and conditions contained in the Memoranda shall prevail.*

The transaction involves the issuance of the eighth Notes Series under the MTN Programme and will be known as Notes Series 2014-A. Notes Series 2014-A will be backed by the Hire Purchase Receivables generated pursuant the Sale and Purchase Agreement dated 8 June 2009 and the Purchase Agreement Series Supplemental entered or to be entered into between the Originator, the Issuer and the Notes Trustee.

Further description of Hire Purchase Receivables are provided in Section B.

A. Notes Series 2014-A

- (i) **Originator & Servicer** : TC Capital Resources Sdn Bhd (Company No. 676721-D)
- (ii) **Solicitors** : Zul Rafique & partners
- (iii) **Issue** : Notes Series 2014-A will be issued on the Notes Series 2014-A Issue Date and will have a nominal value of RM198.25 million with the following serial tranches:
 - (i) **Class A Tranche 1** Notes: RM55.00 million
 - (ii) **Class A Tranche 2** Notes: RM85.00 million
 - (iii) **Class A Tranche 3** Notes: RM40.00

million

- (iv) Class A Tranche 4 Notes: RM2.00 million
 - (v) Class B Notes: RM4.00million
 - (vi) Class C Notes: RM12.25 million
- (iv) *Preliminary Ratings* :
- (i) Class A Tranche 1 Notes: AAA
 - (ii) Class A Tranche 2 Notes: AAA
 - (iii) Class A Tranche 3 Notes: AAA
 - (iv) Class A Tranche 4 Notes: AAA
 - (v) Class B Notes: AA2
 - (vi) Class C Notes: Unrated
- (v) *Transferability* :
- (i) Class A Notes: Tradable and transferable;
 - (ii) Class B Notes: Tradable and transferable; and
 - (iii) Class C Notes: Non-tradable and non-transferable.
- (vi) *Tenure/Maturity Dates* :
- (i) Class A Tranche 1 Notes: 12 months
 - (ii) Class A Tranche 2 Notes: 36 months
 - (iii) Class A Tranche 3 Notes: 60 months
 - (iv) Class A Tranche 4 Notes: 84 months
 - (v) Class B Notes: 84 months
 - (vi) Class C Notes: 84 months
- Failure to repay principal in full by the Maturity Date of any tranche of Class A Notes, Class B Notes and/or Class C Notes will constitute an Event of Default. However, principal may be repaid prior to the Maturity Date without penalty.
- (vii) *Coupon Rate* :
- Notes Series 2014-A will carry a fixed rate of interest based on the nominal value of the Notes as follows:
- (i) Class A Tranche 1 Notes: 4.05% per annum

- (ii) Class A Tranche 2 Notes: 4.30% per annum
- (iii) Class A Tranche 3 Notes: 4.50% per annum
- (iv) Class A Tranche 4 Notes: 4.70% per annum
- (v) Class B Notes: 5.25% per annum
- (vi) Class C Notes: 3.00% per annum

Subject to what is stated in Section (v) of the Principal Terms and Conditions as set out in the IM under the heading "Failure to pay Coupon on Class C Notes", if the Issuer fails to pay Coupon on the Class C Notes on any Payment Date such amount will accrue to the next Payment Date without penalty and without resulting in an Event of Default.

- (viii) *Scheduled Principal Balances* : The Scheduled Principal Balances of the Series 2014-A Class A Notes is:

RM million

Class A Tranche 1 Notes:

First Payment Date	55
Second Payment Date	40
Third Payment Date	25
Fourth Payment Date	Zero

Class A Tranche 2 Notes:

First to Sixth Payment Date	85
Seventh Payment Date	70
Eighth Payment Date	55
Ninth Payment Date	40
Tenth Payment Date	25
Eleventh Payment Date	10
Twelfth Payment Date	Zero

Class A Tranche 3 Notes:

First to Twelfth Payment Date	40
Thirteenth Payment Date	35
Fourteenth Payment Date	30
Fifteenth Payment Date	25
Sixteenth Payment Date	20
Seventeenth Payment Date	15
Eighteenth Payment Date	10
Nineteenth Payment Date	5
Twentieth Payment Date	Zero

Class A Tranche 4 Notes:

First to Twenty Seventh Payment Date	2
Twenty Eighth Payment Date	Zero

For avoidance of doubt, failure to meet the Scheduled Principal Balances is not an Event of Default.

B. The Hire Purchase Receivables

- (i) Eligibility Criteria : Additional eligibility criteria specific to the Hire Purchase Receivables Series 2014-A shall be:
- (a) a Hire Purchase Receivable in respect of which the margin of finance is not greater than ninety percent (90%) of the cash purchase price of the vehicle;
 - (b) a Hire Purchase Receivable which is for a vehicle for private motorcars or company motorcars or commercial vehicles, as registered with the Road Transport Department;
 - (c) as of the Series Cut Off Date or Series Sale Date (as applicable), the aggregate outstanding principal balance of Hire Purchase Receivables which are for vehicles registered as commercial

vehicles shall not exceed 12% of the outstanding principal balance of the Hire Purchase Receivables Series;

- (d) a Hire Purchase Receivable which had a maximum initial amount financed of RM350,000;
- (e) a Hire Purchase Receivable in respect of which the remaining hire term is not more than eighty-four (84) months; and
- (f) a Hire Purchase Receivable which satisfies such other criteria which may be set out in the Transaction Documents (if any).

C. Sale of the Hire Purchase Receivables

- (i) Indicative Hire : 3.7126%.
Purchase Discount
Rate

D. Application of Funds

- (i) Collection Account : Rating of the Financial Institution under which
and Liquidity Facility the Collection Account for Notes Series 2014-A shall be opened shall be a minimum of A1/P1 (RAM) or a Financial Institution which is acceptable to RAM.

Rating of the Financial Institution under which the Liquidity Facility shall be obtained shall be a minimum of AA3/P1 (RAM) or a Financial Institution which is acceptable to RAM.

- (ii) Target Level of : Minimum of RM1,000,000 or 1% of the nominal
Liquidity Facility value of the Class A Notes.

E. Servicer & Servicing

- (i) Commission : The Servicer will receive as remuneration for its services an amount equal to zero point two five percent (0.25%) (the “**Revised Rate**”) of the total Collections on all the Hire Purchase Receivables for Notes Series 2014-A collected by the Servicer and deposited into the Notes Series

2014-A Collection Account during each three (3) calendar month period (the “**Commission**”). The Commission will be paid in arrears on each Payment Date. After all the Notes under Notes Series 2014-A have been fully redeemed and sufficient amount has been set aside for the winding-up or dissolution expenses of the Issuer, an amount equivalent to a percentage of the funds remaining in the Notes Series 2014-A Collection Account may be paid to the Servicer as additional Commission in accordance with the applicable provisions in Section (E) of the Principal Terms and Conditions as set out in the IM.

For the avoidance of doubt, the Revised Rate of the Commission stated herein shall only be applicable to Notes Series 2014-A.