Contents

List of Statutes and Conventions x
List of Cases xii
Preface to the Paperback Edition xv
Acknowledgements xvi

Introduction 1
General Introduction 1
Section 1: Principal Types of Loans 3
Section 2: Loan Agreement Overview 8
Section 3: LIBOR-based Lending 15
Section 4: Scope of the Loan Agreement 24
Section 5: Optional Provisions Published by the LMA in 'Kit' Form 32
Section 6: Commodification of Debt 36
Section 7: Asset and Project Finance 40
Section 8: Quasi Security and Financial Indebtedness 43

PART 1 Administrative Provisions 51

1 Interpretation 51
Clause 1: Definitions and Interpretation 51
Section 1 – An Introduction 51
Section 2 – The LMA Definitions 54

2 The Facility 78
Clause 2: The Facility 78
Clause 3: Purpose 82
Clause 4: Conditions of Utilization 83

3 Utilization 91
Clause 5: Utilization 91
Clause 6: Optional Currencies 94

4 Repayment, Prepayment and Cancellation 98
Clause 7: Repayment 98
Clause 8: Prepayment and Cancellation 99
## CONTENTS

### Part I Costs of Utilization
- Clause 9: Calculation of Interest 106
- Clause 10: Interest Periods 109
- Clause 11: Changes to Calculation of Interest 112
- Clause 12: Fees 119

### Part II Additional Payment Obligations
- Clause 13: Tax Gross up and Indemnities 121
  - Section 1 – An Introduction 121
  - Section 2 – The Clause 125
  - Section 3 – FATCA 131
- Clause 14: Increased Costs 133
  - Section 1 – An Introduction 133
  - Section 2 – The Clause 135
- Clause 15: Indemnities 137
- Clause 16: Mitigation 138
- Clause 17: Costs and expenses 138

### Part II Guarantee, Representations, Undertakings and Events of Default

#### 7 Guarantee
- Clause 18: Guarantee and Indemnity 143

#### 8 Representations, Undertakings and Events of Default
- Clause 19: Representations 152
  - Section 1 – An Introduction 152
  - Section 2 – The LMA Term Loan Representations 161
- Clauses 20–22: Undertakings – Introduction 175
- Clause 20: Information Undertakings 179
- Clause 21: Financial Covenants 183
- Clause 22: General Undertakings 196
  - Section 1 – The LMA Undertakings 196
  - Section 2 – Other Common Undertakings 212
- Clause 23: Events of Default 220
  - Section 1 – Introduction 220
  - Section 2 – The LMA Events of Default 223

### Part III Boilerplate and Schedules

#### 9 Changes to Parties
- Clause 24: Changes to Lenders 249
  - Section 1 – Methods of Transfer 249
  - Section 2 – Transfers of Secured Loans 257
  - Section 3 – The LMA Term Loan 262
- Clause 25: Changes to the Obligors 268