LMA Leveraged Facilities Agreement Compounded Rate and Term Date

28.16 Negative pledge

In this Clause 28.16, "Quasi-Security" means an arrangement or transaction described in paragraph (b) below. Except as permitted under paragraph (c) below:

(a) No Obligor shall (and the Parent shall ensure that no other member of the Group will) create or permit to subsist any Security over any of its assets.

(b) No Obligor shall (and the Parent shall ensure that no other member of the Group will):

1. sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor [or any other member of the Group];
2. Sell, transfer or otherwise dispose of any of its receivables on recourse terms;
3. enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
4. enter into any other preferential arrangement having a similar effect, in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

(c) Paragraphs (a) and (b) above do not apply to any Security or (as the case may be) Quasi-Security, which is:

1. Permitted Security; or
2. a Permitted Transaction.