

**LMA/England****LSTA/New York****Guarantor coverage test**

Always included.

Not included given general requirement for guarantees and security from all entities (other than excluded subs, immaterial subs, subs unable to provide security due to existing restrictions, etc.).

Typically 70 – 85 percent guarantor coverage (but denominator will usually exclude those entities that cannot/are not required to give guarantees pursuant to the Agreed Security Principles).

N/A

Increasing prevalence for guarantor threshold (5 – 10 percent) to be based just on EBITDA (as opposed to EBITDA and assets).

N/A

**Guarantee limitations**

Often extensive guarantee limitation language to address corporate benefit, financial assistance, thin capitalisation and similar rules.

Guarantee limitation language to deal with fraudulent conveyance.

Recently, US tax code “deemed dividend” issue for corporations largely removed.

**Unrestricted subsidiaries**

Sometimes seen but not always (not contemplated by LMA at all).

Standard.