

4. TRANSWASTE CANTERBURY LTD - LOAN FINANCE MAJOR TRANSACTION

The Subcommittee considered a report from Mr Stephen Watson, Pricewaterhouse Coopers, on behalf of Transwaste Canterbury Ltd, relating to the decision by the Transwaste Canterbury Ltd Board to seek funding facilities from the Westpac Banking Corporation.

The report gave background to the decision and the action required by the Subcommittee in terms of the Companies Act, Shareholders Agreement and Constituting Agreement as detailed in the report and correspondence. Mr Watson attended the meeting to answer questions from members and to provide additional information relating to the forecast bank funding requirements for the joint venture company. It was noted that over the longer term it is expected that the debt/equity ratio will reduce back to the company's intended ratios as a consequence of the sale of surplus land.

Councillor Robbie Brine indicated that he would like an information summary for his council and the Subcommittee agreed that a report be drafted to the shareholder councils concerning the current funding requirements and budget for Transwaste Canterbury Ltd.

The Subcommittee then formally **resolved** as a special resolution, in accordance with section 122 of the Companies Act 1993 ("the Act"), that the proposed transactions set out in the directors resolutions as listed in the agenda be approved as a major transaction for the purposes of section 129 of the Act and that Councillor Ron Wright be authorised to sign the resolution on behalf of the Canterbury Waste Subcommittee and Canterbury Joint Standing Committee.