

Proposed Additions to the Audit & Governance Committee Terms of Reference

- (a) To review, in conjunction with external advisers advising the council as lender, the risks being borne as a result of the funding provided by the council to Mercia Waste Management Ltd and consider whether the risks being borne by the council, as lender, are reasonable and appropriate having regard to the risks typically assumed by long term senior funders to waste projects in the United Kingdom and best banking practice;
- (b) To monitor the administration of the loan to the waste project in line with best banking practice having regard to any such external advice, including the terms of any waivers or amendments which may be required or are desirable;
- (c) To consider what steps should be taken to protect the interests of the council as lender in the event of a default or breach of covenant by Mercia Waste Management Ltd, and make recommendations as appropriate to Full Council, the council's statutory officers or Cabinet as appropriate to ensure the appropriate enforcement of security and litigation in relation to the loan to Mercia Waste Management Ltd;
- (d) To consider and recommend appropriate courses of action to protect the position of the council as lender to the waste project;
- (e) To make recommendations as appropriate to Council with regard to its Budget and Policy Framework and the loan to the waste project;
- (f) Generally to take such other steps in relation to the loan within the scope of these terms of reference as the committee considers to be appropriate.