

Proposed Amendment to Interest Rate Control Limits

Interest rate exposure

Exposure to interest rate risk is managed and mitigated through the controls below.
where:

“Debt” is all external debt (existing and forecast including WRC Holdings Limited) at the given debt ending period net of any liquid financial assets and investments and excluding Centreport Limited debt.

“Fixed Rate Debt” is all debt or swaps repricing beyond one year that is fixed rate plus all floating rate debt swapped to a fixed rate maturing beyond one year. Any debt or swap maturing within one year is defined as floating.

“Floating Rate Debt” is defined as an interest rate re-pricing within 12 months. This includes FRN's with a maturity date beyond one year that are not swapped to fixed rate. Floating Rate debt may be spread over any maturity out to 12 months.

Fixed rate debt must be within the following repricing bands:

Debt Interest Rate Policy Parameters
(calculated on rolling monthly basis)

Debt Period Ending	Debt Amount	Minimum Fixed	Maximum Fixed	Actual Fixed	Compliant (Y/N)
Current		50%	95%		
Year 1		45%	95%		
Year 2		40%	90%		
Year 3		35%	85%		
Year 4		30%	80%		
Year 5		25%	75%		
Year 6		15%	70%		
Year 7		5%	65%		
Year 8		0%	60%		
Year 9		0%	55%		
Year 10		0%	50%		
Year 11 plus		0%	<u>425%</u>		
<u>Year 12</u>			<u>40%</u>		
<u>Year 13</u>			<u>35%</u>		
<u>Year 14</u>			<u>30%</u>		
<u>Year 15</u>			<u>25%</u>		

Council management has delegated authority to tactically position the interest rate risk portfolio within approved ranges out to a maximum period of 15years, based on anticipated future interest rate movements.