



Independent Reasonable Assurance Report to the Directors of Vector Limited and to the New Zealand Commerce Commission

Opinion

Our reasonable assurance opinion has been formed on the basis of the matters outlined in this report.

In our opinion, in all material respects, Vector Limited has complied with clause 11 of the *Electricity Distribution Services Default Price-Quality Path Determination 2020* (the "Determination") in preparing the Annual Compliance Statement for the assessment period ended 31 March 2022.

As far as appears from an examination, the information used in the preparation of the Annual Compliance Statement for the assessment period ended 31 March 2022 has been properly extracted from Vector Limited's accounting and other records, sources from its financial and non-financial systems.

Information subject to assurance

We have performed an engagement to provide reasonable assurance in relation to Vector Limited's Annual Compliance Statement for the assessment period ended 31 March 2022. This Compliance Statement will accompany our report, for the purpose of reporting to the Directors of Vector Limited and the New Zealand Commerce Commission.

Criteria

We have performed an engagement to provide reasonable assurance in relation to the attached statement, which is an Annual Compliance Statement in respect of the default price-quality path prepared by Vector Limited for the assessment period ended 31 March 2022 and to be dated 30 August 2022 for the purposes of clause 11 of the Determination.

Summary of Work Performed

In relation to the price path set out in clause 8 of the Determination, our assurance engagement included examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 5 to 9 and 21 to 23 of the Annual Compliance Statement.

In relation to the System Average Interruption Duration Index ("SAIDI") and System Average Interruption Frequency Index ("SAIFI") statistics for the assessment period ended 31 March 2022, including the calculation of the Assessed Values, which are relevant to the quality standards set out in clause 9 of the Determination, our assurance engagement included examination, on a test basis, of evidence relevant to the amounts and disclosures contained on pages 10 to 20 and 24 to 53 of the Annual Compliance Statement.

Standards we followed

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements other than audits or reviews of historical financial information* and Standard on Assurance Engagements SAE 3100 (Revised) *Assurance Engagements on Compliance*. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. In accordance with those standards we have:

- used our professional judgement to assess the risk of material misstatement and non-compliance and plan and perform the engagement to obtain reasonable assurance that the Annual Compliance Statement is free from material misstatement and non-compliance, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express an opinion on the effectiveness of these controls; and
- ensured that the engagement team possesses the appropriate knowledge, skills and professional competencies.



How to interpret reasonable assurance and material misstatements and non compliance

Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material misstatement or non-compliance when it exists.

Misstatements, including omissions, within the Annual Compliance Statement and non-compliance are considered material if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the Annual Compliance Statement.

Use of this Assurance Report

Our report should not be regarded as suitable to be used or relied on by any party's other than Vector Limited and the New Zealand Commerce Commission for any purpose or in any context. Any party other than Vector Limited and the New Zealand Commerce Commission who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Vector Limited and the New Zealand Commerce Commission for our work, for this independent reasonable assurance report, or for the opinions we have reached.

Our report is released to Vector Limited and the New Zealand Commerce Commission on the basis that it shall not be copied, referred to or disclosed, in whole (save for Vector Limited's and the New Zealand Commerce Commission's own internal purposes) or in part, without our prior written consent.

Vector Limited's responsibility for the Annual Compliance Statement

Vector Limited is responsible for the preparation and presentation of the Annual Compliance Statement in accordance with the Determination. This responsibility includes such internal control as Vector Limited determine is necessary to enable the preparation of the Annual Compliance Statement that is free from material misstatement or non-compliance whether due to fraud or error.

Our responsibility

Our responsibility is to express an opinion to the directors of Vector Limited and the New Zealand Commerce Commission on whether, in all material respects, Vector Limited has complied, with the Determination in preparing the Annual Compliance Statement for the assessment period ended 31 March 2022.

We are also responsible for expressing an opinion on whether, as far as appears from an examination, the information used in the preparation of the Annual Compliance Statement for the assessment period ended 31 March 2022 has been properly extracted from Vector Limited's accounting and other records, sources from its financial and non-financial systems.

Our independence and quality control

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 (Amended) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our firm has also provided other services to the group in relation to annual audit and half-yearly review of the financial statements, regulatory assurance services, other assurance services, enterprise risk management coaching and compliance services in relation to R&D tax credits Subject to certain restrictions, partners and employees of our firm may also deal with Vector Limited on normal terms within the ordinary course of trading activities of the business of Vector Limited. These matters have not impaired our independence as assurance providers of Vector Limited for this engagement. The firm has no other relationship with, or interest in, Vector Limited.

KPMG
Auckland

25 August 2022