



Independent auditor's reasonable assurance report

To the Directors of Vector Limited and to the New Zealand Commerce Commission

Report on the Gas Transmission Information Disclosure requirements 2012 for the year ended 30 June 2014

We were engaged by the board of directors of Vector Limited to report on Vector's Gas Transmission Information Disclosure Requirements Information Templates comprising the following: Schedules 1, 2, 3, 4, 5 (a-g), 6 (a-b), 7 and 14 (boxes 1-12) as at 30 June 2014 for the year then ended (the "schedules") in the form of an independent reasonable assurance conclusion about whether the schedules are prepared, in all material respects, in compliance with the Commerce Commission Information Disclosure Determination 2012 and the related Reasons Paper and Input Methodologies (together "the determination").

Vector Limited's responsibilities

The directors of Vector Limited are responsible for preparing schedules that are free from material misstatement in compliance with the determination and for the information contained therein.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of schedules that are free from material misstatement, whether due to fraud or error. It also includes ensuring that Vector Limited complies with the determination; designing, implementing and effectively operating controls to achieve the stated control objectives; selecting and applying policies; making judgments and estimates that are reasonable in the circumstances; and maintaining adequate records in relation to the schedules.

The directors are also responsible for preventing and detecting fraud and for identifying and ensuring that Vector Limited complies with laws and regulations applicable to its activities. The directors are responsible for ensuring that management and staff involved with the preparation of the schedules are properly trained, systems are properly updated and that any changes in reporting encompass all significant business units.

Our responsibility

Our responsibility is to express a conclusion to the directors and the New Zealand Commerce Commission on the preparation and presentation of the schedules in compliance with the determination.

We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (New Zealand) (ISAE (NZ)) 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and Standard on Assurance Engagements (SAE) 3100 *Compliance Engagements* issued by the External Reporting Board of New Zealand and accordingly included such tests and procedures as we considered necessary in the circumstances. Our procedures included obtaining an understanding of the schedules and examination, on a test basis, of evidence supporting the schedules. These procedures have been undertaken to form an opinion whether, in all material respects, the schedules have been prepared in compliance with the determination for the year ended 30 June 2014.

In making our risk assessments, we have considered internal control relevant to the preparation of the schedules in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of Vector Limited's internal control over the preparation of the schedules. Our engagement also included: assessing the appropriateness of the schedules, the suitability of the criteria used by Vector Limited in preparing the schedules in the circumstances of the engagement, evaluating the appropriateness of the methods, policies and procedures, and models used in the preparation of the schedules and the reasonableness of estimates made by Vector Limited and evaluating the overall presentation of the schedules. Reasonable assurance is less than absolute assurance.

Our firm has also provided audit and other assurance services to Vector Limited.

Other than in our capacity as statutory auditor and assurance practitioner, we have no relationship with, or interest in, Vector Limited.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In our opinion;

- Schedules 1, 2, 3, 4, 5 (a-g), 6 (a-b), 7 and 14 (boxes 1-12) as at 30 June 2014 for the year then ended are prepared in compliance with the determination, in all material respects;
- As far as appears from an examination of them, proper records to enable the complete and accurate compilation of the schedules as at 30 June 2014 have been kept by Vector Limited and
- The information used in the preparation of the schedules as at 30 June 2014 has been properly extracted from Vector Limited's accounting and other records and has been sourced, where appropriate, from Vector Limited's financial and non-financial systems.

In accordance with the terms of our engagement, this independent reasonable assurance report on the schedules has been prepared for the directors and the New Zealand Commerce Commission solely in connection with the directors responsibilities under the determination and for no other purpose or in any other context.

Restriction of distribution and use

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Vector Limited and the New Zealand Commerce Commission in relation to section 2.8.1 of the Gas Transmission Information Disclosure Determination 2012 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 conclusions 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 (except for Vector Limited's own internal purposes) or in part, without our prior written consent.

A handwritten signature in blue ink that reads 'KPMG'.

Auckland

4 December 2014