



Independent assurance report to New Zealand Depository Limited on the depository maintained by the Company

We were engaged by New Zealand Depository Limited (“NZDL” or the “company”) to report on the depository maintained by the company (the “depository”), in the form of an independent reasonable assurance conclusion as to whether the company has complied, in all material respects with the internal policies and procedures in relation to reconciling securities balances held in the depository (the “internal policies and procedures”) for the year ended 31 December 2015.

Director's responsibilities

The directors of New Zealand Depository Limited are responsible for maintaining the depository in accordance with the company’s internal policies and procedures which includes reconciliation of securities held at each relevant securities register for the year ended 31 December 2015.

This responsibility includes: designing, implementing and maintaining internal control relevant to maintaining depository records that are free from material misstatement, whether due to fraud or error. It also includes ensuring that the company complies with the internal policies and procedures.

The directors are also responsible for preventing and detecting fraud and for identifying and ensuring that NZDL complies with laws and regulations applicable to its activities.

The directors are responsible for ensuring that management and other staff involved with the maintaining the depository are properly trained and systems are properly updated.

Our responsibilities

Our responsibility is to examine the depository records maintained by NZDL and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with Standard on Assurance Engagements 3100 *Compliance Engagements* and International Standard on Assurance Engagements (ISAE) 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by External Reporting Board of New Zealand. These standards require that we comply with ethical requirements, including independence requirements, and plan and perform our procedures to obtain a reasonable level of assurance about whether the company has complied, in all material respects with the internal policies and procedures in relation to reconciling securities balances held in the depository for the year ended 31 December 2015.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement in the depository, whether due to fraud or error. In making these risk assessments, we consider internal control relevant to the depository records in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing a conclusion on the effectiveness of NZDL’s internal control.

Reasonable assurance is less than absolute assurance.

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, the company has complied, in all material respects with the internal policies and procedures in relation to reconciling securities balances held in the depository for the year ended 31 December 2015.



Restriction of use of our report

Our report is prepared solely for the information of NZDL. We acknowledge that our report will be made available to the regulators. However, this report is not to be used for any other purpose or distributed to any other party without our prior written consent. We disclaim any assumption of responsibility for any reliance on this report other than NZDL, or for any other purpose than that for which it was prepared. This report relates only to the items specified above and does not extend to any other financial or non-financial information of the company.

Our assurance engagement was completed on 22 April 2016 and our opinion is expressed as at that date.

A handwritten signature of the KPMG firm, written in black ink.

KPMG

Wellington