

Canadian Battery Association
2013 Report to Director, Waste Management

INDEPENDENT AUDITORS' REPORT

To the Members of Canadian Battery Association (the "Association")

We have audited the following sections within the Association's Annual Report relating to activity in the Province of British Columbia for the year ended December 31, 2013 (together the "Subject Matter"):

- Section 2: Collection System and Accessibility; and
- Section 3.2: Collection Rates.

The objective of this Report is to disclose how the Association's management has discharged its responsibility to report on the Subject Matter in accordance with Sections 8(2)(b) and (e) of the Recycling Regulation.

The Subject Matter is the responsibility of the Association's management who have prepared the Subject Matter in accordance with the evaluation criteria which are an integral part of the Subject Matter. Our responsibility is to express an opinion on this Subject Matter based on our audit. Our audit does not constitute a legal determination on the Association's compliance with the Recycling Regulation.

EVALUATION CRITERIA

The suitability of the evaluation criteria is the responsibility of management. The evaluation criteria presented in Attachment 1 are an integral part of the Subject Matter and address the relevance, completeness, reliability, neutrality and understandability of the Subject Matter.

SCOPE OF THE AUDIT

We carried out our audit in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000) published by the International Federation of Accountants. This Standard requires, amongst others, that the assurance team possesses the specific knowledge, skills and professional competencies needed to understand and audit the information included within the Subject Matter, and that they comply with specific requirements to ensure their independence.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures within the Subject Matter. An audit also includes assessing the evaluation criteria used and the

PARTNERS • INCORPORATED PROFESSIONALS

GEORGE FROBEEN, CA • GEORGE WONG, CA, CPA (ILLINOIS)
I. KEITH SMITH, CA • MICHAEL TUCKEY, CA, CFP

ASSOCIATES

RICHARD TUCKEY, CA* • JOSEPH WEICKER, CGA
EDUARD MANN, CA, CPA (OREGON)

THIRD FLOOR
1006 FORT STREET
VICTORIA, BC V8V 3K4

T 250 • 386 • 3389
F 250 • 386 • 5614
WWW.GREENHORWOOD.COM



SCOPE OF THE AUDIT (continued)

significant estimates made by management, as well as evaluating the overall presentation of the Subject Matter. The main elements of our work were:

- Inquiring and discussing with the Association's management to obtain an understanding of the management and information systems, processes and relevant controls used to generate, aggregate and report the data in the Annual Report;
- Agreeing the number of collection facilities to supporting documentation;
- Confirming the existence of collection facilities including address, types of product accepted and hours of operation;
- Investigating any significant fluctuation in the total number of collection facilities over the past two years;
- Agreeing the total amounts of the producer's product sold and collected during the year to source records on a test basis;
- Agreeing data used in calculations to source records on a test basis; and
- Re-performing calculations on a test basis including the recovery rate calculation.

OPINION

In our opinion, the Subject Matter within the Association's Annual Report relating to activity in the Province of British Columbia for the year ended December 31, 2013 presents fairly in accordance with the evaluation criteria, in all material respects:

- The number and location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of the Recycling Regulation; and,
- The total amounts of the producer's product sold and collected and the producer's recovery rate has been calculated in accordance with Section 8(2)(e)

Our report has been prepared solely for the purposes of management's stewardship under the Recycling Regulation and is not intended to be and should not be used for any other purpose. Our duties in relation to this report are owed solely to the Association, and accordingly, we do not accept any responsibility for loss occasioned to any other party acting or refraining from acting based on this report.

Green Horwood & Co LLP

GREEN HORWOOD & CO LLP
CHARTERED ACCOUNTANTS

Victoria, Canada

November 5, 2014

PARTNERS • INCORPORATED PROFESSIONALS

GEORGE FROBEEN, CA • GEORGE WONG, CA, CPA (ILLINOIS)
I. KEITH SMITH, CA • MICHAEL TUCKEY, CA, CFP

ASSOCIATES

RICHARD TUCKEY, CA* • JOSEPH WEICKER, CGA
EDUARD MANN, CA, CPA (OREGON)

THIRD FLOOR
1006 FORT STREET
VICTORIA, BC V8V 3K4

T 250 • 386 • 3389
F 250 • 386 • 5614
WWW.GREENHORWOOD.COM



Canadian Battery Association
2013 Report to Director, Waste Management

Attachment 1

Canadian Battery Association ("CBA") Assurance / Evaluation Criteria
For Data From Reporting Year Ended December 31, 2013

Collection Facilities

The following evaluation criteria were applied to the assessment of the location of collection facilities, and any changes in the number and location of collection facilities from the previous report in accordance with Section 8(2)(b) of the Recycling Regulation.

1. The number of collection facilities is measured by the number of depots where the public and industry can drop off end-of-life lead acid batteries at no cost;
2. The location of collection facilities is included in the list of depots that is provided on the CBA website as at December 31, 2013;
3. The change in the number and location of collection facilities is based on direct comparison of the number of depots compared to the equivalent data for the preceding year.

Recovery Rate

The following evaluation criteria were applied to the assessment of the description of how the total amounts of the producers product sold and collected and the producers recovery rate has been calculated in accordance with section 8(2)[e] of the Recycling Regulation.

1. The recovery rate is expressed as a percentage of the number of units (units are defined as weight of product expressed in kilograms) collected divided by the number of units sold.
 - a. The number of units collected is recorded at the time the product is shipped from a CBA member to a smelter to be recycled as recorded on the associated shipping manifest;
 - b. The number of units sold is recorded at the time the product is sold and shipped to a location in British Columbia by a CBA member.