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INDEPENDENT ASSURANCE REPORT TO INTERSTATE BATTERY SYSTEM OF CANADA, INC. STEWARDSHIP AGENCY

We have audited the following Sections within Interstate Battery System of Canada, Inc. Stewardship Agency (“Interstate” or “Stewardship Agency”) Annual Report for the year ended December 31, 2013 (together the “Subject Matter”) in accordance with the evaluation criteria presented in Attachment 1:

- Collection facilities;
- Product sold and collected;
- Recovery rate; and
- Performance for the year in relation to targets in the approved Stewardship Plan.

The Subject Matter is the responsibility of the Stewardship Agency’s management who has 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 independent opinion on this Subject Matter in accordance with the evaluation criteria presented in Attachment 1 based on our audit. Our audit does not constitute a legal determination on the Interstate's compliance with the BC Recycling Regulations.

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 compliance with the evaluation criteria, evaluating the overall compliance with the evaluation criteria, and the use of judgment in gathering and evaluating evidence and forming conclusions based on that evidence.



The main elements of our work were:

- Understanding and evaluating the design of the key processes and controls for managing and reporting the selected data used in preparing the annual report as it pertains to the Subject Matter;
- Assessing the risk that the subject matter information may be materially misstated;
- Responding to assessed risk through testing, on a selective basis, the preparation and collation of selected data prepared by management and reported in the Annual Report by management;
- Performing further procedures such as inquiring, inspecting, observing, vouching to independent sources, recalculating and re-performing procedures to obtain corroborating information to address identified risks linked to the subject matter; and
- Evaluating the sufficiency and appropriateness of evidence.

OPINION

In our opinion, the Subject Matter within the Stewardship Agency's Annual Report for Report for the year ended December 31, 2013 presents fairly in accordance with the evaluation criteria presented in Attachment 1, in all material respects:

- 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;
- the description of how total amounts of the producer's product sold and collected and, if applicable, the producer's recovery rate has been calculated in accordance with Section 8(2)(e) and;
- the description of performance for the year in relation to targets in the approved stewardship plan under Section 8(2)(b) and (e) of the Recycling Regulation.

Our opinion has been formed on the basis of, and is subject to the inherent limitations outlined elsewhere in this independent assurance report.

Our report has been prepared solely for the purposes of management's stewardship under the BC Recycling Regulations 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 Interstate, and accordingly, we do not accept any responsibility for loss incurred to any other party acting or refraining from acting based on this report.

/s/ BDO Canada LLP

Chartered Accountants
Langley, British Columbia

June 30, 2014



Attachment 1 to the Assurance Report

Evaluation Criteria

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.

- The list of collection facilities is complete;
- Any change in the number of collection facilities is appropriately explained;
- The facility meets the requirement of a collection facility; and
- The number of collection facilities disclosed in the annual report are supported by evidence, neutral and understandable.

The following evaluation criteria were applied to the assessment of the description of how the total amounts of the producer's product sold and collected and, if applicable, the producer's recovery rate has been calculated in accordance with Section 8(2)(e) of the Recycling Regulation.

- Product sold has been calculated using the source data from the independent sources described in the annual report;
- Product recovered has been calculated using the source data from independent sources described in the annual report;
- Product re-used (Econo-line) has been calculated using the source data from independent sources described in the annual report;
- Source data for sold, recovered and re-used is complete; and
- Data used to calculate the recovery rate in the annual report is accurate and complete.

The following evaluation criteria were applied to the assessment of the description performance for the year in relation to targets in the approved stewardship plan under Section 8(2)(b) and (e) of the Recycling Regulation.

- The list of targets is complete;
- The targets are neutral and consistent with the targets approved in the stewardship plan; and
- The performance of the targets is supportable by independent evidence.