**The conclusion of the Audit committee of the Board of Directors of PJSC "Lenenergo" about the level of efficiency and quality process of external audit**

In accordance with subparagraph 294.2 and 294.3 of The Corporate Governance Code approved by the Board of Directors of the Bank of Russia on March 21, 2014, the Audit committee of the Board of Directors of PJSC "Lenenergo" (hereinafter - the Company) assessed the effectiveness of the process of the external audit of the accounting (financial) statements of the Company for the year 2016 which was prepared in accordance with RAS; the Audit committee also evaluated of the Audit report issued on the results of this audit.

According to the results of the open competitive negotiations without preliminary qualification selection for the right to conclude contract for rendering services on audit of financial (accounting) statements prepared in accordance with RAS, on audit of consolidated financial statements prepared in accordance with IFRS, which is valid for the period of 2015-2018 years, LLC "RSM RUS" was declared the winner, (minutes of the meeting of the Procurement commission No. 5/552 dated April 20, 2015).

On the basis of decisions of the Annual General Meeting of shareholders (minutes
No. 1/2016 dated June 9, 2016), of the Board of Directors (minutes dated No. 49 dated May 4, 2016) the Company has concluded the Contract No. 16-8864/161а064 dated August 18, 2016 with
LLC "RSM RUS" (hereinafter - External auditor).

The legal address of the External auditor: 119285, Russia, Moscow,
Pudovkina st., 4.

LLC "RSM RUS" is a member of the self-regulatory organisation of auditors Non-profit audit association “Sodruzhestvo” of Russia, which is included in the unified state register of self-regulatory organisations of auditors on September 25, 2013, register No. 6938 and is located at: 119192, Moscow, Michurinskii pr., 21, building 4 (membership certificate
No. 11306030308).

Independence and objectivity in accordance with the criteria established by the Federal law No. 307-FZ "On audit" dated December 30, 2008 is confirmed by the letter of the External auditor No. RSM-2202 dated April 18, 2017.

In addition, it should be noted that the independence of the external auditor is confirmed by the fact that LLC "RSM RUS" doesn't have an extended period of rendering of services by external audit for the Company. LLC "RSM RUS" carried out audit of financial (accounting) statements of the Company for 2015 and 2016 years.

OOO "RSM RUS" did not render other services to the Company during the 2015-2016 year period.

The external auditor prepared and submitted the following documents:

* Written information (report) to the management of the Company on the results of the interim audit of accounting (financial) statements prepared in accordance with Russian accounting standards for the 9 months ending on September 9, 2016 year (30 sheets).
* Written information (report) to the management of the Company by the results of audit of accounting (financial) statements prepared in accordance with Russian accounting standards for the year ending on December 31, 2016 (34 sheets).
* Auditor's conclusion on accounting (financial) statements of the Company for the year 2016 (2 sheets).

The Audit committee of the Board of Directors of the Company at its meetings reviewed the aforementioned documents prepared by LLC "RSM RUS", discussed with the External auditor and management of the Company the main problems of the accounting (financial) statements of the Company prepared in accordance with Russian accounting standards (hereinafter - RAS) (minutes No. 77 dated December 23, 2016, minutes No. 83 dated May 10, 2017).

The contents of Written information (report) prepared by
LLC "RSM RUS" meets the requirements of paragraph 10 of the Regulation (Standard) No. 22 "Communication of the information received by the results of audit to the management of the audited entity and representatives of its owner".

Procedures carried out by LLC "RSM RUS" in the course of external audit of accounting (financial) statements of the Company for the year 2016 prepared in accordance with RAS comply with the terms of the contract and the requirement of the Federal law
No. 307-FZ "On audit" dated December 30, 2008.

Presented Audit report meets the requirements of the Federal law "On audit" No. 307-FZ dated December 30, 2008, Federal regulations (standards) of audit activity approved by the Resolution of the Government of the Russian Federation No. 696 dated September 2, 2002.