

Audit Committee of the Board of Directors Report External Auditor's Performance and Effectiveness of the External Audit

Pursuant to the Corporate Governance Code (Clauses 294.2 and 294.2) approved on March 21, 2014 by the Board of Directors of the Bank of Russia, the Audit Committee of the Board of Directors of PJSC «Lenenergo» («Company») has assessed the external auditor's performance and effectiveness of the external audit of the Company's RAS accounting (financial) statements for 2021. Also, the Committee assessed the compliance of the Auditor's Report with the applicable regulations and standards.

The Auditor, PricewaterhouseCoopers Audit Joint-Stock Company (JSC PwC Audit) won the electronic public bid for the statutory audit contract for the audit of the statements of the subsidiaries and affiliates of PJSC «Rosseti» for 2021-2021 (Bidding Commission Record of March 11, 2021).

The Company signed audit contract No. 21-4139 of March 25, 2021 amended by Amendment No. 1 of February 11, 2022 with PricewaterhouseCoopers Audit Joint-Stock Company ("External Auditor") for the audit of the Company's financial statements for 2021.

Before the External Auditor's appointment, the Audit Committee of the Board of Directors of «Rosseti Lenenergo», PJSC considered the External Auditor as a nominee for the Company's auditor (Minutes No. 139 of April 21, 2021) and recommended that the Board of Directors propose said nominee for approval as auditor for «Rosseti Lenenergo», PJSC at its Annual General Meeting. The resolution passed by the Company's Board of Directors on May 18, 2021 (Minutes No. 70 of May 21, 2021) recommended that the Company's General Meeting approve JSC PwC Audit as auditor for the Company. The General Meeting approved JSC PwC Audit as auditor for the Company on June 18, 2021 (Minutes No. 1/2021 of June 21, 2021).

External Auditor's registered office: Russia, 125047, Moscow, Butyrsky Val, 10.

JSC PwC Audit is a member of the Sodruzhestvo Association (SRO AAS), a self-regulatory auditor organization, where it has Main Registration Record Number (ORNZ) 12006020338, having its office at: Russia, 119192, Moscow, Michurinsky prospekt, 21, bldg. 4.

JSC PwC Audit has provided the following information to prove that it operates without bias on an arm's length basis as the External Auditor for the Company:

- JSC PwC Audit follows the professional ethical standards prescribed by the Code of Ethics for Professional Accountants;

- JSC PwC Audit independence is unlikely to be compromised due to provision of services other than audit services, since JSC PwC has not provided any such services to the Company since contract No. 21-4139 was signed;
- Services other than audit services that JSC PwC Audit provides (plans to provide) to PJSC «Rosseti» (the Company's parent company) in Russia have been analyzed and are unlikely to affect JSC PwC Audit's arm's-length operation as auditor for «Rosseti Lenenergo», PJSC.

It should also be noted that the External Auditor is independent from the Company, since it has not provided statutory audit services to the Company over a long period of time.

The External Auditor has prepared and submitted the following documents:

- Written Report (Auditor's Report) to the Management and Audit Committee of PJSC «Lenenergo» concerning the interim audit of the RAS accounting statements of «Rosseti Lenenergo», PJSC for 9 months of 2021 (15 pages);
- Written Report (Auditor's Report) to the Management and Audit Committee of PJSC «Lenenergo» concerning the interim audit of the RAS accounting statements of «Rosseti Lenenergo», PJSC for 2021 (14 pages);
- Auditor's Report regarding the Company's accounting statements for 2021 (72 pages (together with the statements)).

The Audit Committee has considered the Written Report (Auditor's Report) concerning the interim audit of the RAS accounting statements of «Rosseti Lenenergo», PJSC for 9 months of 2021 (Minutes No. 154 of December 28, 2021).

It has also considered the written report (Auditor's Report) concerning the key issues and concerns regarding the Company's RAS accounting (financial) statements for 2021 in its meeting held on May __, 2022 (Minutes No. __ of _____)¹.

The written reports (Auditor's Reports) prepared by JSC PwC Audit meets the requirements of International Standard on Auditing (ISA) 260 (Communication with Those Charged with Governance) and International Standard on Auditing (ISA) 265 (Communicating Deficiencies in Internal Control to Those Charged with Governance and Management).

The procedures implemented by JSC PwC Audit in carrying out the external audit of the Company's RAS accounting (financial) statements for 2021 meet the terms of the audit contract with the External Auditor and the requirements prescribed by Federal Law No. 307-FZ *On Auditing* of December 30, 2008.

The Auditor's Report meets the requirements of Federal Law No. 307-FZ *On Auditing* of December 30, 2008, the Russian federal audit rules (standards), and the International Audit Standards imposed in Russia by the Ministry of Finance

¹ As of the date of publication of the information disclosed to persons eligible to participate in the Company's Annual General Meeting, the Audit Committee of the Board of Directors of «Rosseti Lenenergo», PJSC has not considered the item worded "Considering the Written Report (Auditor's Report) concerning the Company's RAS accounting (financial) statements for 2021 and the Company's consolidated IFRS financial statements for 2021.

(Order No. 2n of January 09, 2019, Order No. 335n of December 30, 2020, Order No. 163n of October 27, 2021, and Order No. 172n of November 09, 2021).