

LENENERGO PJSC
Board of Directors Audit Committee
Opinion on the efficiency and quality of the external audit

In accordance with Items 294.2 and 294.3 of the Code of Corporate Governance, approved by the Board of Directors of the Bank of Russia on March 21, 2014, the Audit Committee of the Board of Directors of LENENERGO PJSC (hereinafter referred to as the “Company”) evaluated the efficiency of external audit of the Company’s financial statements for 2015 prepared in accordance with RAS, and evaluated the Audit Report issued based on the results of such audit.

According to the results of public one-stage bidding without pre-qualification for the right to enter into contracts for statutory audit services for subsidiaries and affiliates of ROSSETI PJSC for 2015-2017, the bid was awarded to RSM RUS LLC (minutes of meeting No. 5/552r of the Procurement Commission dated April 20, 2015).

Based on the resolutions of the Annual General Meeting of Shareholders (Minutes No. 1/2015 dated June 24, 2015), the Company’s Board of Directors (Minutes No. 36 dated May 22, 2015), and RSM RUS LLC (hereinafter referred to as the “External Auditor”), the Company has entered into Contract No. 15a077/15-4525 for statutory audit services dated August 18, 2015.

Registered address of the External Auditor: 4, Ulitsa Pudovkina, Moscow, 119285, Russia,

RSM RUS LLC is a member of Not-for-Profit Partnership Association of Auditors Sodruzhestvo Self-Regulated Organization of Auditors (NP AAS) entered into the Unified State Register of Self-Regulated Organizations of Auditors under registered No. 6 on December 30, 2009 and located at the following address: 21, Michurinsky prospekt, building 4, Moscow, 119192, Russia (Membership Certificated No. 6938 dated September 25, 2013).

The independence and integrity of the External Auditor are confirmed by the following information provided by RSM RUS LLC:

- RSM RUS LLC has implemented Performance Standards to operate as an independent auditor and to have a reputation of an independent auditor;
- in accordance with the regulations on ethics and independence of RSM RUS LLC, all partners and employees of RSM RUS LLC confirm their compliance with these regulations on an annual basis, and, in particular, they also confirm that there are no prohibited financial investments in their investment portfolios.

In addition, the independence of the External Auditor is confirmed by the fact that RSM RUS LLC has not provided external audit services to the Company for a long period of time. RSM RUS LLC audited the annual accounting (financial) statements of the Company for 2015. RSM RUS LLC did not provide other services to the Company in 2015.

The External Auditor has prepared and submitted the following documents:

- Written information (auditor’s report) for the management of LENENERGO PJSC on the results of the interim audit of financial statements prepared in accordance

with Russian Accounting Standards for 9 months of 2015, on 40 pages.

- Written information (auditor's report) for the management of LENENERGO PJSC on the results of the audit of financial statements prepared in accordance with Russian Accounting Standards for 2015, on 55 pages.

- The auditor's report on the Company's financial statements for 2015 on 100 pages (together with such statements).

The Audit Committee of the Company's Board of Directors considered the above documents prepared by RSM RUS LLC at its meetings and discussed with the External Auditor and the Company's management the major issues of the Company's financial statements prepared in accordance with Russian Accounting Standards (hereinafter referred to as "RAS") (Minutes No. 62 dated December 25, 2015 and No. 66 dated April 26, 2016).

Content of the Written Information (Report) prepared by RSM RUS LLC complies with the requirements of item 10 of Rules (Standard). No. 22 *Communication of Information Obtained as a Result of an Audit, to the Management of the Audited Entity and Representatives of Its Owner*.

Procedures performed by RSM RUS LLC during the external audit of accounting (financial) statements of the Company for 2015 prepared in accordance with RAS meet the terms and conditions of the contract and the requirements of Federal Law No. 307-FZ *On Auditing* dated December 30, 2008.

The above Auditor's Report meets the requirements of Federal Law No. 307-FZ *On Auditing* dated December 30, 2008, and federal rules (standards) of audit approved by Resolution No. 696 of the Russian Government dated September 02, 2002.