

## AUDITOR

PJSC RusHydro annually conducts an independent external audit of financial (accounting) reports according to Russian and international standards. Selection of an external auditor who independently reviewed the accounting (financial) statements of PJSC RusHydro under RAS and IFRS for 2015-2017, was conducted in the manner of an open tender.

Competitive selection of the Auditor of PJSC RusHydro was carried out on the basis of the Federal Law of April 5, 2013 44-FL "On the contract system in the procurement of goods, works, services for the provision of state and municipal needs" (the date of procurements - February 27, 2015, the date of final decision - April 8, 2015). The tender documentation was approved by the Federal Agency for State Property Management. Following the results of the competitive procedures, JSC PwC Audit was declared the winner.

JSC PwC Audit is a member of the self-regulatory organisation of auditors - Non-Profit Partnership Audit Chamber of Russia (NP ACR).

In 2017, JSC PwC Audit conducted an independent audit of the Company's accounting (financial) statements for 2016 in accordance with the Russian Accounting Standards, and JSC PwC Audit prepared the consolidated financial statements for 2016 in accordance with the International Financial Reporting Standards.

In addition, JSC PwC Audit conducted a review of the consolidated interim financial statements of the issuer for the three and six months ending on June 30, 2017, and the three and nine months ending on September 30, 2017.

In 2018 JSC PwC Audit conducted the independent audit of the accounting (financial) statements of the Company for 2017 in accordance with the Russian Accounting Standards, and JSC PwC Audit compiled the consolidated financial statements for 2017 in accordance with International Financial Reporting Standards.

In 2017, the Audit Committee considered a number of issues related to the work of the external auditor, including the analysis of the Company's accounts and the evaluation of the results of the external audit of the Company's accounts for compliance with the legislation of the Russian Federation, International Standards of Auditing, and other regulatory legal acts and standards.

## INTERNAL AUDIT SERVICE

The main objective of the activity of the Internal Audit Service of PJSC RusHydro is to assist the Board of Directors and the executive bodies of RusHydro Group in improving the management of the Group, improving its operations, including through a systematic and consistent approach to the analysis and evaluation of the risk management system, internal control, and corporate governance. The number of members of the Internal Audit Service as of December 31, 2017, is five.

The Internal Audit Service is a separate structural unit of PJSC RusHydro, which is subordinate to the Board of Directors (the Audit Committee) and administratively subordinate to the CEO, the Chairman of the Management Board of PJSC RusHydro. The head of the Internal Audit Service was approved by the decision of the Board of Directors of PJSC RusHydro.

The tasks and functions of the Internal Audit Service include:

- organisation and conduct of internal audits of the Company and Subsidiaries, processes and activities;
- assessment of the effectiveness of the internal control system, the risk management system, corporate governance of the Company and Subsidiaries;
- organisation of methodological support and control over the activities of the Company's representatives in the Audit Commissions Subsidiaries;
- interaction with the Audit Committee.