

To RusHydro's General Meeting of Shareholders

**OPINION
of the Internal Audit Commission of Public Joint-Stock Company Federal Hydro-Generating Company RusHydro (PJSC RusHydro) following the audit of the financial and economic activities of PJSC RusHydro for 2021**

Moscow

April 07, 2022

As resolved by RusHydro's Internal Audit Commission (Minutes No. 2 of the RusHydro's Internal Audit Commission dated February 2, 2022), the financial and operating activities of RusHydro (hereinafter - the Company) were audited for the period from January 1, 2021 to December 31, 2021.

The audit was conducted by the members of the Internal Audit Commission of RusHydro (hereinafter referred to as the Internal Audit Commission of the Company), who exercise their powers from June 30, 2021 upon the decision of the General Meeting of Shareholders of the Company dated June 30, 2021, consisting of:

- Igor Repin (Chair);
- Yakub Malsagov (Secretary);
- Natalia Annikova;
- Alexei Kulagin;
- Ilya Hazov.

The Internal Audit Commission of the Company conduct its activities as specified by the laws of the Russian Federation, RusHydro's Charter and the Regulation on RusHydro's Internal Audit Commission.

The members of the Company's Internal Audit Commission do not own shares of the Company, do not occupy positions in the management bodies of the Company.

The main objectives of the audit was to obtain reasonable assurance that:

the data contained in the reports and other financial documents of the Company are reliable;
accounting and financial reporting complies with the requirements of the legislation of the Russian Federation and bylaws of the Company;
financial and business activities were conducted in compliance with the interests of the Company and its shareholders.

The sole executive body of the Company bears responsibility for complying with the legislation of the Russian Federation in the performance of financial and business operations, for conducting activities in the best interests of the Company and its shareholders, and communicating accurate financial statements.

The auditing utilized the sampling method, including the examination of (testing-based) evidence confirming the value and disclosure of information on the Company's financial and business activities in the financial statements to obtain reasonable assurance that the annual report and accounting (financial) statements for 2021 do not contain material misstatements.

The auditors also analyzed additional issues listed below.

1. Implementation of decisions of the Company's Board of Directors adopted in furtherance of directives of the Government of the Russian Federation, instructions of the President of the Russian Federation and the Government of the Russian Federation

Based on the 2021 results of a random follow-up of the decisions of the Company's Board of Directors adopted in furtherance of directives of the Government of the Russian Federation, instructions of the President of the Russian Federation and the Government of the Russian Federation, no deviations were found.

The sampling analysis of the execution of directives of the Government of the Russian Federation, the instructions of the President and the Government of the Russian Federation by the Company is given in the Report of the Internal Audit Commission.

2. Annual Financial Statements of the Company for 2021

The main result of the Company's activities in the reporting year was a net profit of RUB 50.9 bn, the increase by 41.4 % or RUB 14.9 bn compared to 2020.

Return on sales on gross profit and return on sales on profit on sales decreased from 46.2% to 44.3% and from 41.9% to 40.0%, respectively, due to outpacing growth in costs of sales relative to changes in revenues.

Return on equity (by its average annual value) increased significantly compared to 2020, exceeding the level of 2019 (4.5%) and reaching 5.7%.

An analysis of the annual accounting statements on the Company's financial and economic activities in 2021 is given in the Report of the Company's Internal Audit Commission.

3. Annual Report of the Company for 2021

The Company's Annual Report for 2021 is prepared in accordance with the statutory requirements of the Russian Federation, as well as in accordance with the principles and requirements of foreign regulatory bodies and standards.

The reliability of the information contained in the Annual Report is confirmed by:

independent auditor's report on the accounting (financial) statements of PJSC RusHydro for the reporting period;

the independent auditor's report on the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) of RusHydro Group for the reporting period;

an independent auditor's report on the non-financial statements of RusHydro Group for the reporting period (assessment of qualitative and quantitative sample information for compliance with GRI SRS).

The detailed analysis of the Annual Report of the Company is given in the Report of the Company's Internal Audit Commission.

4. Auditing the Report on Related-party Transactions

In the opinion of the Internal Audit Commission, the data contained in the Report on the related-party transactions made by RusHydro in 2021 are reliable and accurate.

A detailed analysis of the Report on related-party transactions is provided in the Report of the Company's Internal Audit Commission.

5. Implementation of the Long-term Development Program

Based on the results of the Company's Internal Audit Commission's review of the information provided in the Report, including on the achievement of the planned key performance indicators of the LTDP for 2021, no deviations were found.

A detailed analysis of the implementation of the Long-term Development Program is provided in the Report of the Company's Internal Audit Commission.

6. Achievement of key performance indicators for 2021

The KPIs of the Company's Long-term Motivation Program and the KPIs of the Company's Management Board members correspond to the "Guidelines for the Use of Key Performance Indicators of Economic Companies Where the Russian Federation or a Subject of the Russian Federation Shares More than 50 Percent of Their Authorized Capital, and for the Use of Performance Indicators of State Unitary Enterprises in Order to Determine the Amount of Remuneration for Their Management Personnel"¹(hereinafter referred to as the KPI Guidelines).

The procedure for calculating annual bonuses of members of the Management Board of the Company complies with the KPI Guidelines, since the annual bonuses of all members of the Management Board of the Company depend on the achievement of the KPI targets.

A detailed analysis of the KPI achievement for 2021 is provided in the Report of the Company's Internal Audit Commission.

7. Implementation of corporate governance principles

The Internal Audit Commission of the Company studied the Report on the Compliance with the Principles and Recommendations of the Corporate Governance Code and the Company's internal documents with a view to compatibility with the best practices of corporate governance and the provisions of the Corporate Governance Code recommended by the Bank of Russia.

In the opinion of the Internal Audit Commission of the Company, in general, corporate governance in the Company complies with the recommendations of the Code of Conduct recommended by the Bank of Russia.

For more detailed information on the status of the implementation of the corporate governance principles, see the Report of the Company's Internal Audit Commission.

8. Correctness of the calculation of dividends for 2020 and 2021

¹ approved by Order of the Government of the Russian Federation No. 1388-r dated June 27, 2019

In the course of the Internal Audit Commission's assessment of the correctness of the Company's calculations of dividends per ordinary share of the Company based on the results of 2020 and 2021, no deviations were found.

For further details on the assessment of the correctness of the Company's calculations of dividends per ordinary share of the Company based on the results of 2020 and 2021, see the Report of the Company's Internal Audit Commission.

Findings of the Company's Internal Audit Commission

1. The Annual Report and annual accounting (financial) statements of the Company for 2021 reflect reliably and accurately, in all material aspects, the financial standing and financial and economic performance of the Company for the period from January 1, 2021 through December 31, 2021, taking into account the opinions of external auditors.
2. The data contained in the Annual Report for 2021 and in the Report on the related-party transactions concluded by PJSC RusHydro in 2021 are reliable.
3. The facts of violations established by the legal acts of the Russian Federation of the accounting and financial reporting procedure, as well as the legal acts of the Russian Federation in the course of financial and economic activities, which could significantly affect the results of the Company's activities for 2021, have not been identified.

The opinion of the Company's Internal Audit Commission on the results of the audit of the financial and business activities of RusHydro for 2021 was approved by a decision of the Internal Audit Commission of RusHydro dated April 7, 2022 (Minutes No. 3 of the Internal Audit Commission dated April 7, 2022).

Chair of the Internal Audit Commission	Igor Repin
Secretary of the Internal Audit Commission	Yakub Malsagov
Member of the Internal Audit Commission	Natalia Annikova
Member of the Internal Audit Commission	Alexei Kulagin
Member of the Internal Audit Commission	Ilya Hazov