

OPINION
of Internal Audit Commission of Public Joint-Stock Company LSR Group

- **Based on Results of Auditing Financial and Business Operations of PJSC LSR Group for 2016.**
- **Based on Results of Auditing Accounting (Financial) Statements for 2016.**
- **On Fairness of Information in Annual Report, Accounting (Financial) Statements for 2016.**
- **On Fairness of Information in Related Party Transaction Report for 2016.**

March 10, 2017

Saint Petersburg

Pursuant to the Charter and the Regulation on the Internal Audit Commission of Public Joint Stock Company LSR Group, the Internal Audit Commission of PJSC LSR Group composed of L.V. Fradina, I.A. Sharapova, and N.S. Klevtsova has audited the financial and business operations of the Company over the period from 1/1/2016 till 12/31/2016.

The audit was performed from February 1, 2017 to March 10, 2017 in respect of:

- fairness of information containing in the reports and other financial documents for 2016;
- procedure for accounting and preparation of financial statements for 2016.

During the period of audit, the responsibility for the Company's financial and business operations was vested in:

A.Yu. Molchanov (CEO) and Yu.N. Reshetnikova (Chief Accountant).

The Company's supreme corporate body is the General Meeting of Shareholders, and in the interim period between the meetings it is the Board of Directors chaired by the Chairperson. The executive bodies of PJSC LSR Group:

Sole executive body: Chief Executive Officer.

Collegial executive body: Executive Committee.

Full corporate name: Public Joint-Stock Company LSR Group.

Place of business: Saint Petersburg, Russian Federation.

The Company is registered by Interdistrict Inspectorate of the Federal Tax Service No 15 for Saint Petersburg on 8/14/2006 under the Primary State Registration Number (OGRN) 5067847227300.

This inspection/audit has established as follows:

The audit included a sample-based inspection of numbers and comments containing in the accounting (financial) statements as well as information in the annual and other reports. According to the Internal Audit Commission, the inspection performed provides a reasonable basis for expressing an opinion on fairness of these statements.

The inspection has established that in its financial and business operations the Company is regulated by the Civil Code of the Russian Federation, Tax Code of the Russian Federation and other laws of the Russian Federation.

The accounting statements were prepared based on the Accounting Regulations "Company's Accounting Statements" (PBU 4/99) approved by Order of the Ministry of Finance of the Russian Federation No. 43n of 7/6/1999 (as revised by Order of the Ministry of Finance of the Russian Federation No. 142n of 11/8/2010) and Order of the Ministry of Finance of the Russian Federation No. 66n of 7/2/2010 (as revised by Order of the Ministry of the Russian Federation No. 57n of 4/6/2015) "On Company's Accounting Forms".

The Company's Internal Audit Commission has not detected any material violations of the established procedure for accounting and preparation of accounting (financial) statements that could have a material effect on the fairness of the accounting (financial) statements.

The accounting (financial) statements of PJSC LSR Group make it possible to collect complete and unbiased information on the Company's financial and business processes and results of operations required for day-to-day management and guidance, and also for its use by investors, suppliers, buyers, lenders, financial and banking institutions, as well as other entities and parties concerned.

Opinion:

- The accounting statements are prepared so that they can reflect assets and liabilities of the Company as of 12/31/2016 and financial results of its activity for 2016 taking into account the regulations of the Ministry of Finance of the Russian Federation (Order No. 43n of 7/6/1999 (as revised by Order of the Ministry of Finance of the Russian Federation No. 142n of 11/8/2010) and Order of the Ministry of Finance of the Russian Federation No. 66n of 7/2/2010 (as revised by Order of the Ministry of the Russian Federation No. 57n of 4/6/2015)).

- In its financial and business operations the Company is governed by the Civil Code of the Russian Federation, Tax Code of the Russian Federation and other laws of the Russian Federation.
- The information containing in the Annual Report of the Company is reliable.
- The information containing in the Related Party Transaction Report for 2016 is reliable.

Members of the Internal Audit Commission:

L.V. Fradina

I.A. Sharapova

N.S. Klevtsova
