

Report of TVEL JSC Internal Control and Audit Director on the results of “Public Annual Reporting Preparation” process audit

We have audited the process of public annual reporting preparation (hereinafter - PAR) of TVEL JSC over 2013.

We are responsible for expressing the opinion on the effectiveness of the internal control system of the process of PAR preparation and on compliance of the order of PAR preparation with the requirements of the current legislation, standards of ROSATOM State Corporation, internal regulatory documents of TVEL JSC applicable to public reporting.

We conducted the audit in compliance with “The Procedure for planning and conducting internal audits of business processes, carried out by TVEL JSC and companies, included in the control scheme of Fuel Company”, approved by the President’s Order of TVEL JSC dated December 14, 2011 No.271.

The audit comprised executing of the following procedures:

- Review of compliance of the order of PAR preparation with the requirements of the current legislation, standards of ROSATOM State Corporation, internal regulatory documents of TVEL JSC applicable to public reporting;
- Evaluation of efficiency of risk management system, typical for the process;
- Evaluation of quality of formalization and regulation of PAR preparation;
- Analysis of design of key control procedures and testing their operational efficiency.

Furthermore, based on the audit results we have elaborated recommendations, focused on development and enhancement of efficiency of internal controls system of PAR preparation process.

We have not noted any facts of constrains on the audit from the management and personnel of structural units of TVEL JSC.

We believe that the conducted audit provides reasonable basis to express opinion on efficiency of the internal control system.

In our opinion the internal control system of the process is effective and the process of preparation of TVEL JSC annual report complies with the current legislation, Policy of ROSATOM State Corporation applicable to public reporting and requirements of internal regulatory acts of TVEL JSC, specifying the process of PAR preparation.

Internal Control and
Audit Director, CIA

G.I. Bobrova

Independent audit report on assurance of non-financial data of the annual report of TVEL JSC for 2013

Introduction

The subject of assurance is the annual report of Joint Stock Company TVEL (hereinafter referred to as the Report) for 2013.

Our statement is addressed to the working group on the preparation of a public annual report and the management of TVEL JSC.

Responsibilities of the parties

The management of TVEL JSC bears full responsibility for preparation and accuracy of the Report.

We are responsible for the results of independent assurance of the Report only to TVEL JSC within the engagement and do not assume any responsibility to any third party.

Scope, criteria and level of assurance

The subject of assurance is the Report, including information on TVEL JSC and key enterprises of TVEL Fuel Company within the declared consolidation perimeter.

The Report was evaluated according to the following criteria:

- Nature and level of compliance with the principles of the standard AA1000 Accountability Principle Standard 2008 – inclusivity, materiality, responsiveness.
- Compliance of the Report with application level A+ (self-assessment) according to GRI G3.1 Sustainability Reporting Guidelines.
- Compliance of the Report with the Policy of ROSATOM State Corporation in the sphere of public reporting and Uniform Standard of Public Annual Reporting of the key organizations of ROSATOM State Corporation

The engagement was planned and performed in accordance with AA1000 Assurance Standard 2008 and International Standard on Assurance Engagements ISAE 3000 “Assurance engagements other than audits or reviews of historical financial information”.

The statement corresponds to type 2, as defined by AA1000AS 2008, in accordance with the limitations specified in section “Limitations of the engagement” of the present statement.

In our statement, we have fulfilled the following requirements on the level of assurance:

- Moderate – in accordance with standard AA1000AS 2008;
- Limited – in accordance with International Standard on Assurance Engagements ISAE 3000 “Assurance engagements other than audits or reviews of historical financial information”.

The selective verification of information in the Report can not pretend to provide a high level of assurance. The work was based on the supporting materials provided by the management of the entity and its employees, publicly available information and analytical methods of confirmation. In relation to the quantitative information contained in the Report the work performed cannot be considered sufficient for identification of all possible deficiencies and misstatements. However, the collected evidence is sufficient for expressing our opinion in accordance with the above levels of assurance.