

## 2.3. ASSURANCE OF QUALITY OF THE REPORT

### 2.3.1. INTERNAL PROCEDURES

The Public Reporting Committee takes part in all key stages of the Report preparation acting in accordance with the Regulation on Preparing a Public Annual Report adopted at OJSC Atomenergomash. Its main responsibility is to coordinate the work on preparation of the Report as well as assessment of the materiality and completeness of the information disclosed in the Report.

Internal audit plays an important role in the preparation of the Report. Its objective is to express an opinion on the effectiveness of the system of internal controls during the compilation of public reporting to ensure compliance with the legislation and internal regulations of Rosatom State Corporation and OJSC Atomenergomash. Primary tasks of the internal auditor:

- Analysis of regulation and formalization of key processes associated with the compilation of public reporting;
- Analysis of the implementation effectiveness of key control procedures which ensure credibility of public reporting;
- Assessment of conformity of the public reporting compilation procedure with applicable laws and internal regulations governing the business process of public reporting compilation;
- Preparing recommendations on improvements to the internal control system when preparing public reporting.

In addition, the Report includes a conclusion of the Audit Committee that conducts its activity independently of the Company's management officials and acts in the interests of shareholders. The Audit Committee regularly monitors the financial and economic activities of the Company for compliance with the legislation, the Company Charter, regulations of Rosatom State Corpo-



ration and the internal regulations of the Company, and, at the end of the year, confirms the credibility of the financial statements included in the Report.

### 2.3.2. INDEPENDENT PROFESSIONAL ASSURANCE

To verify the credibility of accounting statements (including combined accounting statements), OJSC Atomenergomash, in accordance with the Russian legislation, has engaged LLC FBK, one of the oldest Russian audit and consulting companies currently being a leader in the market of professional audit services.

On a yearly basis, during preparation of the Report, the Company engages a professional independent auditor to conduct the Report assurance procedure. In distinction from financial audit, the non-financial auditor is not approved by the Board of Directors, but is selected during a standard services procurement procedure.

The main subject of the audit is compliance with the requirements of:

- legislation of the Russian Federation regarding the information disclosed in annual reports of joint-stock companies;
- Rosatom State Corporation and local regulations of OJSC Atomenergomash regarding public reporting compilation;
- the GRI G4 Manual (for the “core” level);
- International Integrated Reporting Framework (IIRC);
- AA1000 Accountably Principles Standard 2008 (regarding main principles).

During the assurance, the auditor interviews top managers of the Company. Members of the Board of Directors and the CEO are not engaged in the auditor's work.

### 1 THE AUDITOR'S SCOPE

### 2.3.3. STAKEHOLDERS COMMITTEE AND PUBLIC ASSURANCE OF THE REPORT

The Stakeholders Committee is a permanent body of the OJSC Atomenergomash public reporting system operating on a voluntary basis in accordance with the Terms of Reference for the OJSC Atomenergomash Stakeholders Committee. The Committee includes representatives of key stakeholders of OJSC Atomenergomash, among which are representatives of Rosatom State Corporation, nuclear industry companies, public and environmental organizations, experts, etc. The purpose of the Committee is expressing the stakeholders opinion and interests.

Primary tasks of the Committee:

- Assessment of the materiality, completeness and objectivity of the information disclosed in the Report;
- Preparation of recommendations to improve the quality of the Report from the stakeholders' point of view;
- Public monitoring of the public reporting processes.

During preparation of the Report for 2013, the Committee, following the tradition, worked using the format of public dialogues. Along with that, the Company continues to develop the functions of the Committee, being guided by the international experience and best practice, according to which the subject of the Committee's review is not only the Report, but the activities of the Company in the aggregate as well. From this point, the selection of the Report's central topics was linked with the Company's development projects being implemented, which are the Building the Sustainable Development Strategy and the Building the Corporate Risk Management System. Thus, the Committee, as part of the dialogues, has discussed not only the Report, but individual areas of the Company business as well.

Members of the Stakeholders Committee conducted public assurance of the Report as part of its preparation process.

