

**REPORT OF THE AUDITING COMMITTEE
OF THE JOINT STOCK COMPANY "LATVIJAS GĀZE"
FOR APPROVAL OF THE ANNUAL ACCOUNTS 2014**

Fulfilling the requirements of the Section 54¹ of the Financial instruments market law of Latvia and in compliance with Article 1 of Paragraph 12 of that Section, the Auditing Committee of the Joint Stock Company "Latvijas Gāze" performed the duties stipulated by the Financial instrument market law, including:

- 1) supervision of the preparation of the financial accounts of the Joint Stock Company „Latvijas Gāze” prepared in accordance with the law “On Accounting” and the “Annual Accounts Law” of the Republic of Latvia, the CoM Regulations No.481 “Regulations on the Content and Preparation Procedure of Cash Flow Statement and Statement on Changes in Equity” dated 21.06.2011 and the CoM Regulations No.488 “Regulations on Application of the Annual Accounts Law”, as well as observing the Latvian Accounting Standards, and the financial accounts of the Joint Stock Company “Latvijas Gāze” prepared in accordance with the requirements of the International Financial Reporting Standards as to the preparation of financial accounts approved by the European Union;
- 2) supervision of the efficiency of the internal control and risk management system of the Joint Stock Company „Latvijas Gāze”;
- 3) supervision of the statutory audit of the financial accounts of the Joint Stock Company “Latvijas Gāze” prepared in accordance with the law “On Accounting” and the “Annual Accounts Law” of the Republic of Latvia and in accordance with the Latvian Accounting Standards and the financial accounts prepared in accordance with the requirements of the International Financial Reporting Standards approved by the European Union and the elimination of the deficiencies found;
- 4) verification and supervision of the independence of the elected sworn auditor of the Joint Stock Company „Latvijas Gāze” – the Commercial Company “PricewaterhouseCoopers LLC” – for the purposes of the “Law On Sworn Auditors”.

The Auditing Committee holds that the financial accounts of the Joint Stock Company “Latvijas Gāze” prepared in accordance with the law “On Accounting” and the “Annual Accounts Law” of the Republic of Latvia and in accordance with the Latvian Accounting Standards and the financial accounts prepared in accordance with the requirements of the International Financial Reporting Standards approved by the European Union have been drawn up observing all normative acts and the audit of the financial accounts of the Joint Stock Company “Latvijas Gāze” has taken place in compliance with the normative acts. The deficiencies found during the audit have been eliminated quickly and efficiently.

The Auditing Committee has got acquainted with the operation of the internal control and risk management system of the Joint Stock Company „Latvijas Gāze” and considers it effective and compliant with the standards of good practice.

With the present report, the Auditing Committee confirms that it does not object to further co-operation with the Commercial Company of Sworn Auditors „PricewaterhouseCoopers LLC” as the sworn auditor elected for the audit of the annual accounts 2015 of the Joint Stock Company „Latvijas Gāze”.

Head of the Auditing Committee,
certified auditor (LZRA certificate No.93)

(personal signature)

B.Kudore

Riga, April 20, 2015