ROSSETI

2014 ANNUAL REPORT



Talent Pool

In order to develop the talent pool and meet the Company's demands for qualified employees for vacated and newly introduced positions in 2014, JSC IDGC of the North-West continued working with managerial and young specialists' talent pools.

Development of talented employees was carried out pursuant to individual plans, considering employee competences and target job profiles. Individual development programs include workshops, self-instruction, and performance of the target job duties during the absence of the current manager.

257 talent pool employees took part in training programs in 2014.

The number of talented employees appointed to superior positions in 2014

Type of talent pool	Number of talented employees appointed to superior positions, people	
	target jobs	other
Managerial talent pool	56	10
Talent pool of young specialists	3	4
Total	59	14

At the end of 2014, due to implementation of the uniform talent pool management system in power grid companies, adjustments were made to the list of target jobs for creating the Company's managerial talent pool as per JSC Russian Grids Rules of Procedure for Talent Pool Management in the Power Sector and JSC IDGC of the North-West Regulations on Talent Pool Management approved by Order No. 571 dated October 30, 2014, and the Company started revising and updating talent pools.

Managerial talent pool management

The managerial talent pool in JSC IDGC of the North-West is created to quickly provide trained employees for vacant managerial positions within the Company, thus ensuring transfer of managerial experience.

Activities aimed at creating the managerial talent pool in 2014 were carried out in accordance with the Regulations on Talent Pool for Promotion to Managerial Positions in JSC IDGC of the North-West, approved by JSC IDGC of the North-West Order No. 472 dated October 15, 2008.

In 2014, the managerial talent pool of JSC IDGC of the North-West was created for the following jobs:

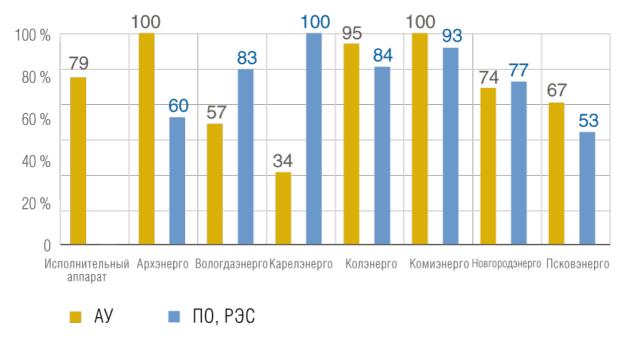
- Deputies of General Director by business area, Chief Engineer, Branch Directors;
- Heads of Departments, Directorates and Divisions of the Company's Executive Apparatus;
- Heads of Departments, Directorates, Operations Services and Divisions of Branch Management Apparatuses;
- Directors of Production Departments;
- Deputies of Directors, Chief Engineers, Heads of Structural Units and Lead Engineers of basic operations services, as well as Heads, Senior Foremen, and Foremen at substations and grid production units.

Candidates to the managerial talent pool were selected based on qualification criteria specified by the Regulations, of which the most important are:

- higher education corresponding to the target job profile;
- at least three-year work experience in power grid companies;
- at least one-year work experience at the positions used as a source for managerial talent pool for the relevant target job;
- high professional qualifications;
- high performance;
- personal and business potential for further professional and career growth.

As at the end of the reporting period, the Company's managerial talent pool numbered 1,063 employees of the executive apparatus and branches.

Talent pool staffing level for the Company's managerial positions, %



The main challenge for the managerial talent pool staffing is to create the talent pool of foremen in distant distribution zones of the branches production units. Low staffing level of these positions is caused by discrepancy of several qualification criteria regarding candidates' length of service and work experience. Another negative factor is low prestige of the foreman job.

Young specialists' talent pool management

Starting from 2011, the Company has managed the talent pool of young specialists, which is created for the following purposes: create opportunities for professional and personal development of young specialists; support their professional and managerial development.

In 2014, the talent pool of young specialists was managed as per JSC IDGC of the North-West Regulations on Talent Pool of Young Specialists, enacted by Order No. 278 of the General Director of the Company dated June 29, 2011.

At the end of the reporting period, the talent pool of young specialists was updated and completed with employees aged under 35 from the Executive Apparatus, branches and production units, who have specialized higher education and at least one-year work experience in power grid companies. All employees included in the list of young specialists' talent pool successfully passed assessment procedures and demonstrated high potential for further development of professional and managerial competences.

In 2014, the Company's talent pool of young specialists numbered 162 employees.