

Personnel Training and Development

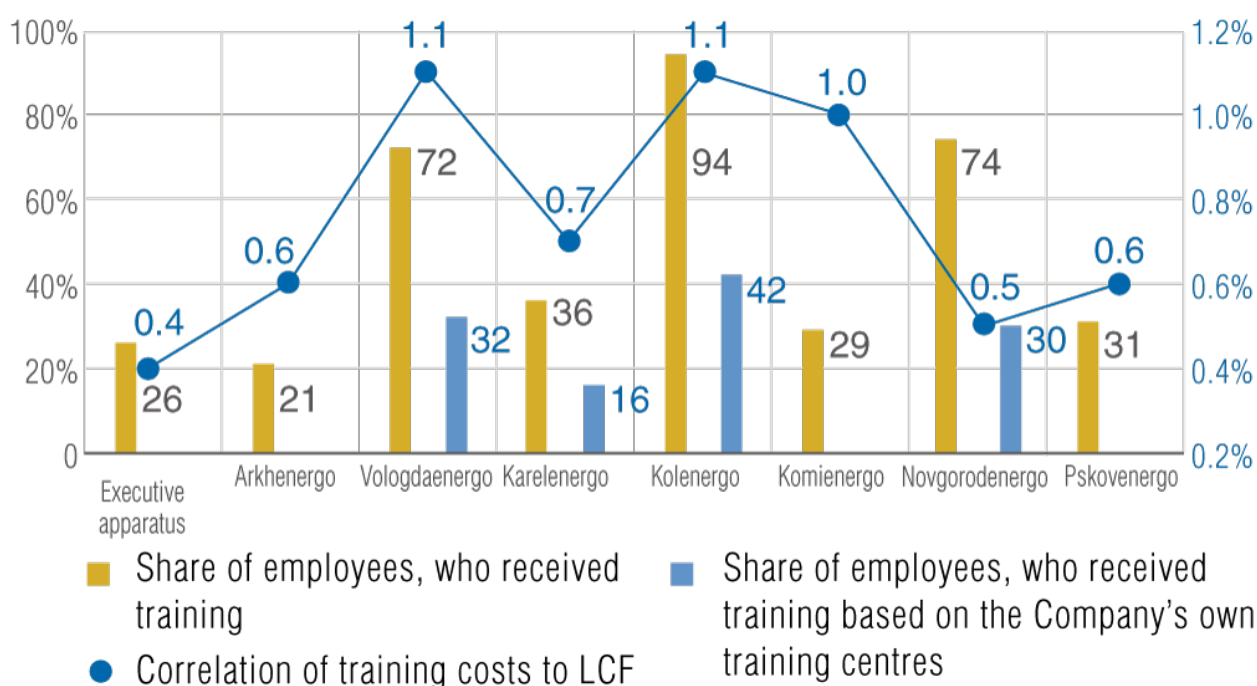
The Company's staff development, retraining and advanced vocational training are carried out according to JSC IDGC of the North-West Regulations on HR Development, Retraining and Advanced Vocational Training, Procedure for HR Management, and HR and Social Policy.

The HR and Social Policy of JSC IDGC of the North-West aimed at building an efficient system of HR training and development, is based on the following principles:

- The Company's operational staff should be trained by the Company itself.
- Training of the employees in the region where the Company's operates is a priority.

The topics of workshops correspond to the Company's business objectives and technical policy according to the instructions of supervising authorities. Workshops are designed to enhance power system reliability, operational level and the quality of grid and substation equipment repair.

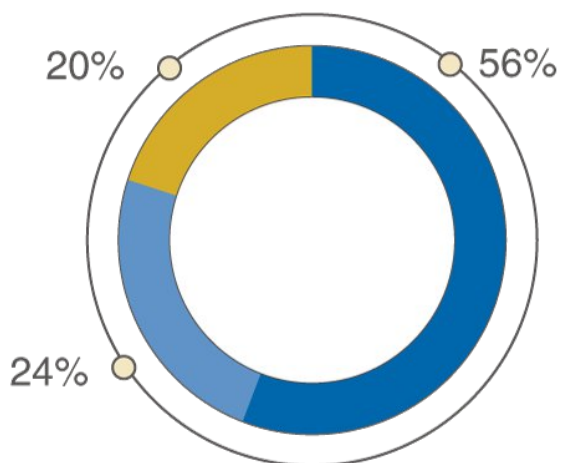
Share of employees who participated in workshops and the ratio of training costs to labor payroll in the reporting period, %



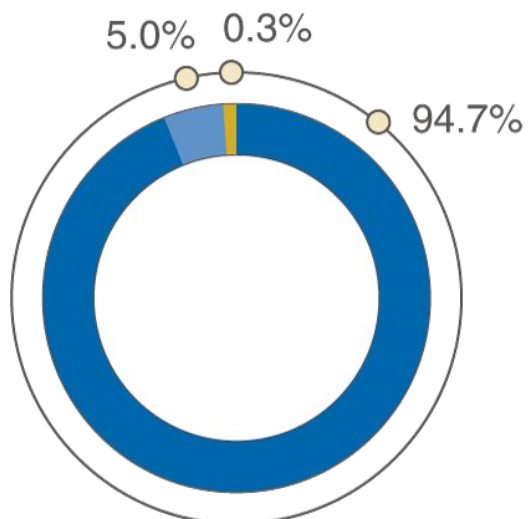
15,980 employees were involved in training, including on-the-job training and preexamination training, which exceeds the Company's headcount and shows that the training, retraining and advanced vocational training programs reached all the employees. 7 244 employees received training in educational institutions, which is 47.13% of the headcount (2013: 7,509 employees or 47.27% of the headcount).

Given the Company's specific business features and HR training objectives, workers and operational staff make up the majority of those who took part in training sessions.

Breakdown of employees involved in training by staff category, %



56% Workers
24% Management
20% Specialists/office



94.7% Production personnel (PP)
5.0% Office and management personnel (OMP)
0.3% Auxiliary personnel (AP)

Educational centers of JSC IDGC of the North-West

Corporate training centers play a significant role in operational staff training, accounting for 38% of the total number of training courses in educational institutions.

The corporate training center Energetik in the city of Vologda is the key provider of educational services for the Company, where 1,725 employees were training, which is 11.55% of the total number of employees who participated in off-job training sessions. Over 1,000 employees underwent training in the corporate training centers of Kolenergo and Novgorodenergo branches.

