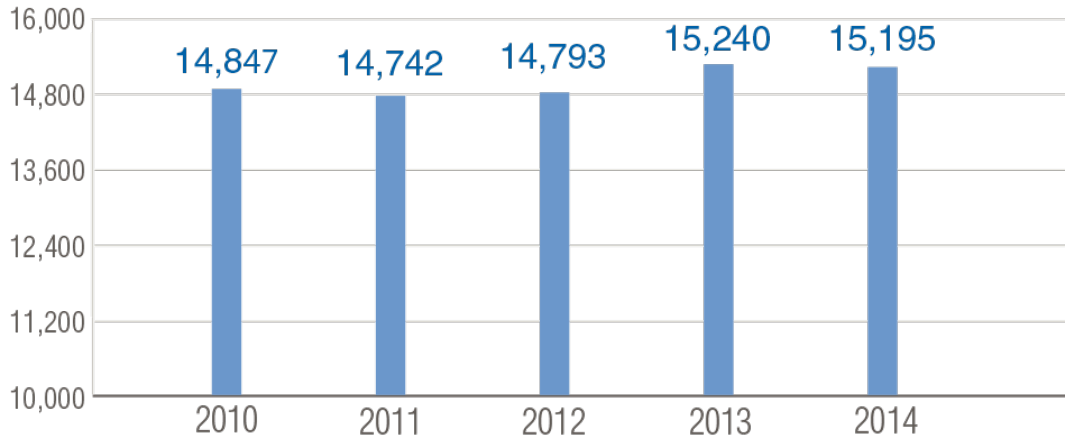


Personnel

The changes in the headcount of JSC IDGC of the North-West in 2010–2014



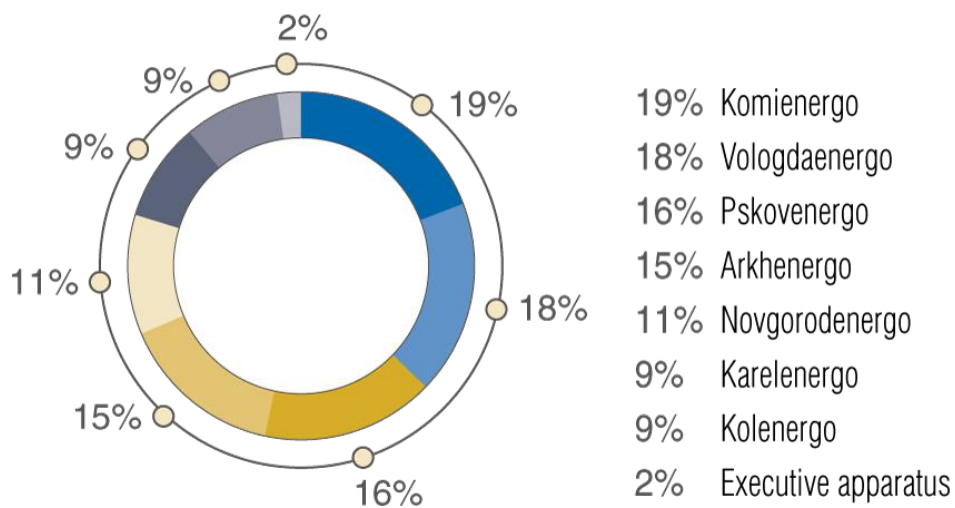
The headcount in 2014 totalled 15,195 people, which is 0.3% less than that in 2013.

Decrease in the headcount in 2014 is mainly due to the fact JSC IDGC of the North-West lost the status of power guaranteed supplier in the Novgorod Region as of January 01, 2014 and, consequently, had to lay off its employees involved in energy sales.

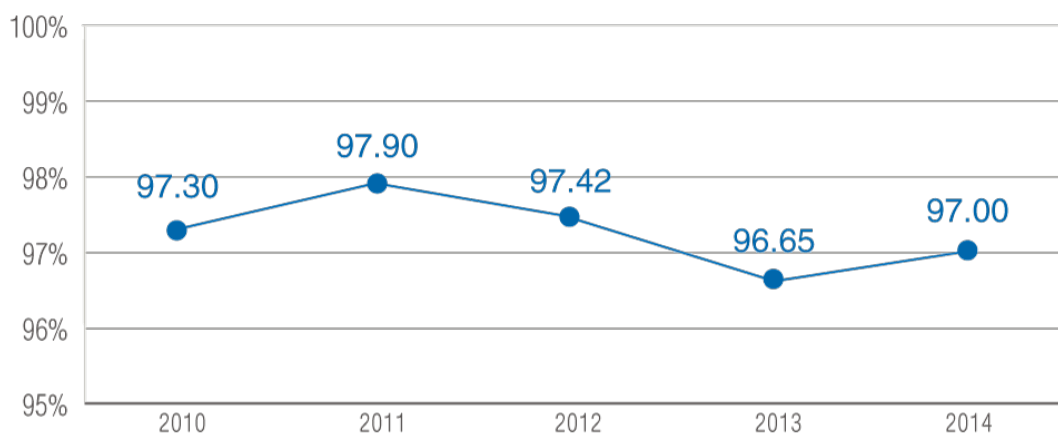
The headcount grew in 2013 because JSC IDGC of the North-West had obtained the guaranteed supplier status under the order of the Ministry of Energy of the Russian Federation and hired energy sales staff in the branches Kolenergo (order No.68 of the Ministry of Energy of the Russian Federation dated February 22, 2013) and Novgorodenergo (order No.150 of the Ministry of Energy of the Russian Federation dated February 22, 2013).

Moreover, the Company took measures to optimize the headcount of administrative and management staff while hiring operating employees to vacant positions in production department and distribution zones.

Headcount breakdown in 2014



Company's staff changes in 2010–2014, %



The Company's staffing level reached 97% in 2014, which is 0.35% higher than in 2013. Over the last five years, JSC IDGC of the North-West staffing level has been stable and remained at quite high level of no less than 96%.

Changes in HR structure by category over the last five years, %



The HR structure of JSC IDGC of the North-West broken down by category, is typical of power grid companies: workers make up the majority (over 50%), with specialists/clerks and management accounting for 30% and around 17% respectively. The HR structure by category is quite solid and has not changed much in the last five years.

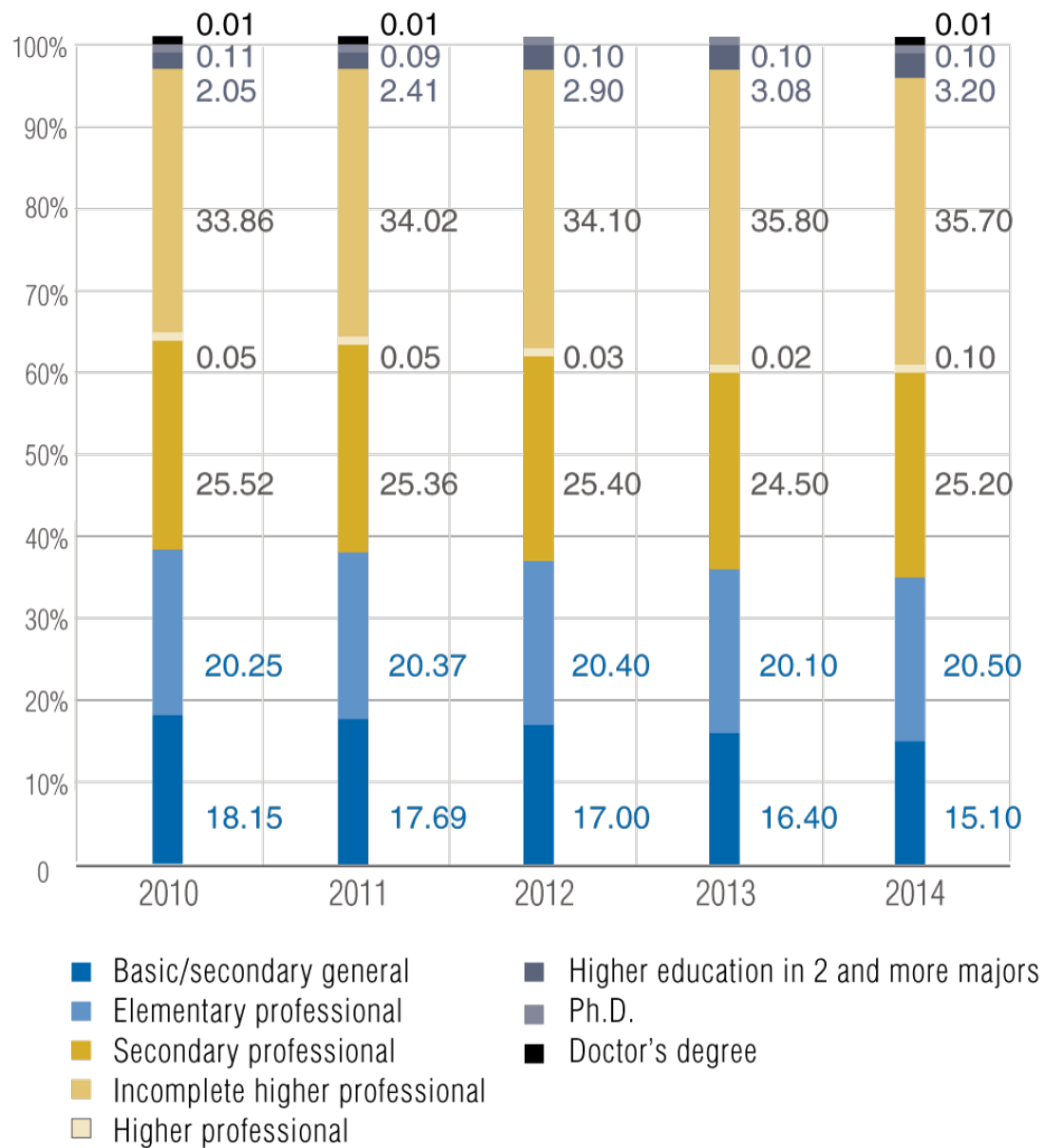
Changes in HR structure by age over the last five years, %



The analysis of the HR structure by age demonstrates that employees aged 25-50 (65%) are the basis of JSC IDGC of the North-West talent pool. The percentage of young specialists has decreased (by 1.6 p.p. in 2014 vs 2010), and the percentage of employees aged over 50 increased (by 1.8 p. p. in 2014 vs 2010).

In 2014, the average age of the Company's employees was 42 years, which was equivalent to the figure in 2013.

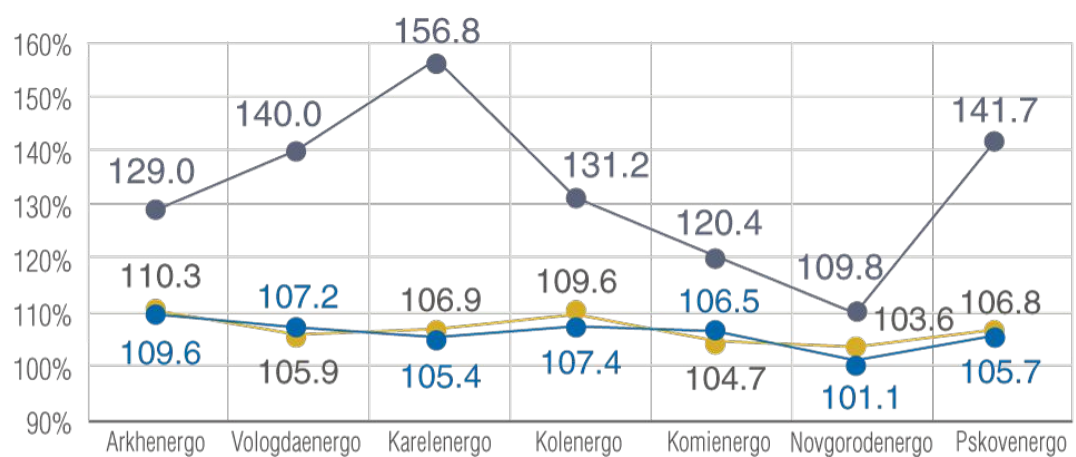
HR structure by level of education in 2010-2014, %



The Company's staff is highly qualified, with about 85% of the employees having vocational education.

The analysis of the Company's staff by level of education over the last five years showed a continuous decline in the percentage of employees without vocational education (from 18% in 2010 to 15% in 2014).

Wage growth rates across the Company's branches and the regions of the North-Western Federal District, %



- Growth rate of the branches personnel wage in 2014
- Growth rate of employees in the regions in 2014
- Deviation of the average wage in the branches of the Company against the average wage in the regions

The efficiency of HR and Social Policy is closely related to timely payment and indexation of wages as well as wage competitiveness on the regional labor markets. Therefore, the employees of Company branches traditionally receive higher wages than their peers in the corresponding regions.

It is worth noting that the differences in wages among the branches mainly result from the differences in regional rates and Northern bonuses (such bonuses do not apply only to Novgorodenergo and Pskovenergo branches).

The Company's average wage growth rate reached 6.0%, which is 1.8% below the CPI for the Russian Federation in general in 2014 (7.8). However, the growth rate of average annual minimal monthly tariff in 2014 and 2013 totaled 16.1% (RUB 5,700 / RUB 4,911).