

The staff on the payroll of ROSSETI SDCs engaged in the grid business was 218,000 people in 2014 (221,600 in 2013). Changes in the number of the Group's employees were due to downsizing the personnel responsible for the supplier of last resort functions and optimizing the number of administrative personnel.

#### TOTAL PERSONNEL OF GRID SDCS BY OCCUPATIONAL CATEGORY, BY EMPLOYMENT CONTRACT, AND BY REGION

SDCs	Staff on the Payroll, people
<b>Total for SDCs engaged in core business</b>	<b>217,971</b>
IDGC of Centre	29,657
FGC UES	24,362
IDGC of Center and Volga Region	22,761
IDGC of Volga	21,387
IDGC of Siberia*	20,681
IDGC of Urals*	15,701
IDGC of North-West	15,195
MOESK	15,104
IDGC of South	13,390
IDGC of Northern Caucasus*	12,452
Kubanenergo	8,364
Tyumenenergo	7,503
LENENERGO	6,185
Yantarenergo	1,947
Chechenenergo	1,723
TDC	1,559

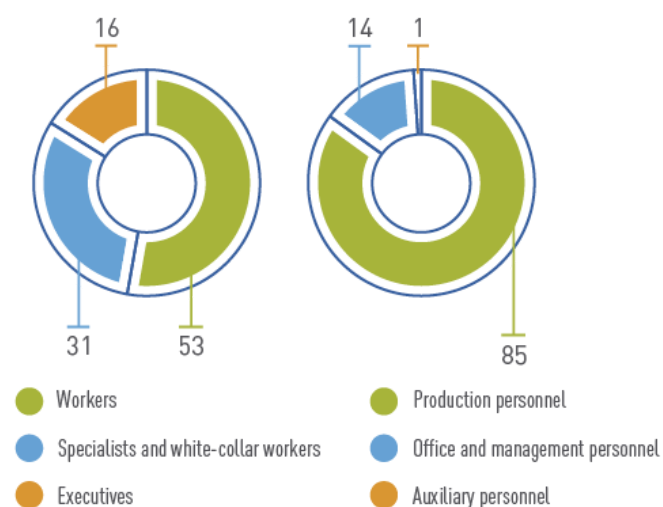
\* Including ROSSETI SDCs and ROSSETI SDCs' subsidiaries and dependent companies engaged in electricity distribution

Measures implemented by the ROSSETI Group to maintain their personnel potential enable it to keep its staffing level at not lower than 96% of the required number of employees for several years. The average personnel turnover (the ratio between voluntary resignations and the staff on the payroll) has not been higher than 6% in recent years.

The main staffing needs of SDCs are satisfied by hiring local residents. An exception is remote areas and areas with a shortage of labor where electric grid equipment is maintained by crews working in shifts.

The particularities of the Company's operations determine the personnel structure of entities under management: the largest proportion of employees is production personnel and workers; men account for 76% of the Group's employees.

#### Personnel by Category, %



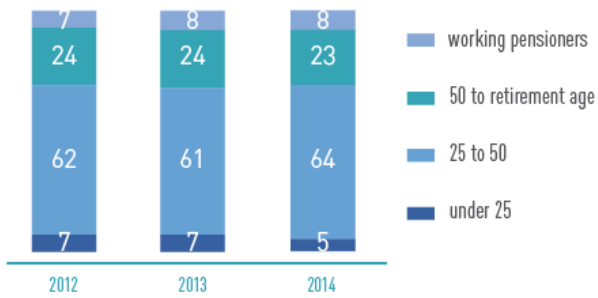
The effectiveness of measures taken under the Personnel and Social Policy is confirmed by positive changes in the qualitative characteristics of the ROSSETI Group's personnel.

#### Personnel by Age

The average age of ROSSETI's employees is 38 years. Most employees (84%) are 25 to 50 years old.

The age characteristics of SDCs' personnel remained unchanged: the average age is 42 years, the same as in 2013. The share of employees aged under 35 is almost one-third; the workforce of the most active working age—25 to 50 years old—accounts for over 60%.

#### Changes in SDCs' Personnel by Age, %



Since employees of retirement and preretirement age account for a considerable part of the staff, keeping a balance between the resignation of pensioners and the recruitment of young professionals is an important element of the personnel policy.

A package of measures is carried out with respect to employees of retirement age to maintain a balance of interests, which makes it possible to:

- retain highly qualified employees able to transfer knowledge and experience as mentors and in-house instructors to young employees;
- release pensioners engaged in activities that directly affect electricity supply reliability and in potentially injury-prone occupations.

Resigning old employees have the guarantees provided by the collective bargaining agreement and non-state pension coverage plans.

## Personnel by Educational Level

ROSSETI's employees with higher education account for 99.4%, including 6% with academic degrees of doctors or candidates of science.

The educational structure of SDCs' personnel is improving: the proportion of employees without professional education is on the decrease; at the end of the year, employees with higher education accounted for 42%, while employees with elementary and secondary professional education accounted for 40%.

Changes in SDCs' Personnel by Educational Level, %

