

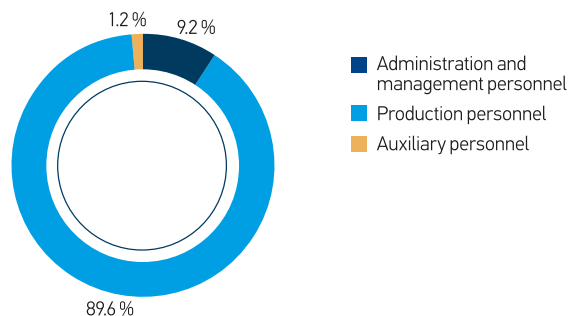
Training is one of the priorities of the Company's personnel and social policy and is governed by the Regulations on the Professional Training, Retraining and Advanced Training of IDGC of the South's employees.

The share of employees who took part in off-the-job training events in the reporting year against the average headcount is 51,4% (6,992 people), which corresponds to key target set out in the HR and Social Policy of IDGC of the South (30%) and is 17 .7 p.p. year-on-year (33.7%, or 4,572 people).

Operating personnel accounts for the bulk of trainees (89.6%, or 6,268 employees). This figure stood at 85.3% (3,898 people) in 2017.

The breakdown of trainees in administration and management, production and auxiliary categories is given below:

### **BREAKDOWN OF OFF-THE-JOB TRAINEES BY CATEGORIES, %**



In 2018, Astrakhan training centre was reorganised in a form of a merger with Rostov-on-Don Training Centre «Energetic» . Eventually, the Astrakhan branch of Rostov-on-Don Training Centre «Energetic» was established. The key objectives of this project

include the creation of uniform methodology and education base, training of the personnel in line of uniform educational standards agreed with IDGC of the South, and the development of adaptive training forms.

In 2018, 4,919 employees (70% of the total number of trainees) were trained, retrained and upskilled at corporate training centres, (up 13 p.p. year-on-year). In 2017, 2,595 employees (57% of total number of trainees) were trained at corporate training centres.

The majority of employees involved in training activities at corporate training centres — 95% (4,656 people) was made up of production personnel.

Expenditures on personnel training in 2018 amounted to RUB 49,793 thous., with RUB 30,799 thous. (61.9%) spent on training of personnel at corporate training centres. Expenditures on personnel training in 2017 amounted to RUB 41 297 thous., with RUB 21,347 thous. (51.7%) spent on training of personnel at corporate training centres.

In the reporting year, the ratio of actual expenditures for personnel training to the payroll budget was 0.7% compared to the same indicator of the previous year (0.7% in 2017). Expenditures on personnel training ensures its mandatory training in accordance with the requirements of professional standards and an increase in total number of trainees.

**THE SHARE OF EMPLOYEES INVOLVED IN OF-THE-JOB TRAINING ACTIVITIES AND THE RATIO OF ACTUAL TRAINING COSTS TO PAYROLL BUDGET IN 2018, %**

