

In order to timely meet the needs of IDGC of the South in qualified personnel, create conditions to fully unlock employees' potential, the Company is taking continuous efforts to build and expand the talent pools — management pool and youth pool.

The managerial talent pool is formed in order to ensure prompt and high-quality meeting the Company's needs in employees trained to work in managerial positions:

top managers;

middle managers (from the level of a department head);

managers and chief engineers of production departments and RPGs;

operational managers.

The Company pays special attention to the talent pool for positions of heads of engineering and technical departments.

The main criteria to include employees in the management talent pool are:

high professional qualification;

strong production performance;

experience in certain positions;

personal and business potential necessary for professional development and career growth.

In 2018, the management talent pool of the Company included 836 most promising employees. As of the end of the reporting period, the management talent pool was made up for 80.5%.

At the end of reporting year, youth talent pool of the Company included 51 employees. Youth talent pools are formed at the level of branches and at the Company from the number of young specialists under the age of 35, having a high potential for development, motivated for professional development and career

growth in the Company. The youth talent pool is updated annually, as well as young specialists of the Company are additionally enlisted to replace the succession candidates assigned to higher positions and withdrawn from the talent pool.

Lists of management and youth talents pools are approved by the Personnel and Remuneration Committee of the Company's Board of Directors.

Employees of the Company's management and youth talent pools regularly are engaged in training programmes, Russian and regional conferences, where they get acquainted with the best practices of electric grid companies, study new technologies, and master more efficient techniques of operations.

In 2018, as part of the Company's personnel training, 381 succession candidates were trained in the various areas of operations in external educational organisations. During this period, 22 employees from among the management talent pool (3.1% of total headcount of the Company's management talent pools) were appointed to higher-ranking positions, and 22 employees rose to the target positions. 11 employees from young talent pool were appointed to higher-ranking position (21.6% of total headcount of the young talent pool). In 2018, there were 437 promotions to leadership positions across branches and at the executive office of the Company, 316 positions (72.3%) were filled from the internal pool, 108 of them (24.7%) — from the management and young talent pools.