

**IN 2018, 39 PEOPLE PASSED COMPLEX ASSESSMENT, BASED ON THE RESULTS OF WHICH 1 PERSON WAS TRANSFERRED TO A HIGHER POSITION AND 1 PERSON WAS INCLUDED INTO THE CANDIDATE POOL. 212 CHIEF ENGINEERS OF PRODUCTION DEPARTMENTS AND REGIONAL ELECTRIC GRIDS WERE ASSESSED USING THE METHOD "360 DEGREES".**

Professional and managerial potential of chief engineers of S&A of PJSC "Russian Grids", was assessed covering 220 persons, and 21 directors of production departments and heads of regional electric grids of the branch Chitaenergo passed psychological testing using Maintest program. Based on the results of the assessment, recommendations on the development of corporate competences were given.

## SOCIAL PACKAGE

Employee's social package consists of: payment for labor, motivation programs, benefits, compensations and other social payments. Composition and volume of a social package is defined by local regulatory acts of the Company.

### Financial Incentives

Company system of payment for labor is based on the uniform principles, inclusive of regional specificities, and ensures the competitive income level for comparable positions in the regions. Main provisions of the system of payment for labor are fixed in the Sectoral Tariff Agreement for Power Sector in the Russian Federation and collective agreement of Company branches. The system of payment for labor provides for a fixed part – wage, extra payments and increments, and a variable part – premiums. Wage component of personnel's salary is subject to indexation in accordance with the requirements of the Sectoral Tariff Agreement for Power Sector in the Russian Federation and collective agreement of Company branches. A scheme of revenue formation for every employee shall be available and explained if necessary.

A principle of payment based on a result is implemented via an incentive system taking into account personal efficiency of the employee and its contribution into the achievement of corporate goals and tasks. Company key goals are achieved by employees by means of application of the uniform balanced system of key performance indicators.

The Company uses programs of additional financial incentives for employees aimed at growth of labor efficiency, reduction of losses and increase in volumes of works performed using own resources.

An additional tool of motivation of Company employees for efficient labor are procedures for remuneration and recognition of employee's merits (corporate awards), holding of contests "the best in its profession", "the best subdivision", and "the best company in the electric grid complex".

The Company tries to create decent working and living conditions for its employees and their family members. The basis of financial incentives is made up by competitive salary. It is formed by virtue of the Regulation on Payment for Labor, Motivation, Benefits, Compensations and Other Social Payments used in PJSC IDGC of Siberia.

The Company uses a time-rate-plus-bonus payment system having common elements and differences typical of particular branches.

Common elements are as follows:

1. Differential payment for labor depending on personnel categories, a level of labor difficulty and intensity, employee's qualification, nature of work and working conditions, as well as requirements to the scope of works and level of knowledge
2. Additional payments:
  - Of compensating nature, related to a work mode and labor conditions
  - Of stimulating nature, connecting the amount of payment for employee's labor with its personal business qualities (level of competence, availability of unique knowledge and skills) ensuring increased efficiency of its labor activity, as well as payments related to formation of personnel's material interest in the reduction of a level of power losses
3. Awarding bonuses to employees for main results of production and economic activity, connecting the amount of payment for labor with the results of employee's work and the results of Company and branches' work
4. Long-service award and remuneration based on the year-end results

Ratio of average salary of employees in PJSC IDGC of Siberia to average salary of people in the presence regions for 2018 amounts to from 1.1 (branch Khakasenergo) to 1.7 (branch Gorno-Altayskiye Power Grids) and is indicative of a competitive level of salary of employees in PJSC IDGC of Siberia.

### Non-Financial Incentives

In order to develop non-financial incentives of personnel and to maintain personnel's health having immediate influence on the reliability of professional activity, mass cultural events and recreational activities are held.

Moreover, the Company performs industrial insurance of employees' life and voluntary medical insurance.

Award policy in PJSC IDGC of Siberia is implemented in accordance with internal documents and current local regulatory acts. In 2018, one employee of the Company got a state reward, 75 – departmental awards, 124 – corporate awards of PJSC "Russian Grids", 23 – awards of Industrial Association of Employers in Energy Sector, 313 – awards of PJSC IDGC of Siberia, 1,701 – awards of Company branches, 463 – regional awards.

### Work with Pensioners

Work with pensioners includes organization of work of the Council of Veterans of PJSC IDGC of Siberia, payment of financial aid to Company pensioners on holidays and one-time payments, upon applications, in difficult life circumstances.

The amount of social payments to pensioners in 2018 was RUB 22,088,897; the number of pensioners who received payments was 8,997 persons.

Non-state pension provision in the Company is implemented within contracts made Non-State Pension Fund of Power Industry (JSC Non-State Pension Fund Otkrytie, general contract No. 366 as of 10.08.2008). Non-state pension is paid on a monthly basis during 10 years.

Number of pensioners who received non-state pensions in 2018 was 2,734 persons. Total amount of pensions paid in 2018 was RUB 64,297,000.

The target group of participants of the program "Supporting" includes Company employees having pension grounds and falling into the following age category: men and women born in 1966 and earlier, whose employment history in the power sectors is minimum 25 years.