

The staffing of Kubanenergo PJSC over the past three years has been maintained at a reasonably high level, equal to or more than 97%.

Despite the decline in the share of working pensioners (-0.3 pp), the average age of workers in 2018 compared with 2017 increased and consisted 44 years (in 2017 – 42 years), which is mainly subject to growth of the proportion of workers up to 25 years (+0.1 pp) and the percentage of workers from 25 to 50 years (+0.2 pp) over the past three years.

The Company's staff is characterized by a sufficiently high level of employees experience – 84.9% of employees have vocational education. This indicator increased by 0.4 pp over the past three years.

STAFF TRAINING AND DEVELOPMENT

The gradual introduction of professional standards into the Company's activities is carried out by order of PJSC Rosseti No. 588 dated 30.12.2016 "Concerning the Implementation of Professional Standards in the Activities of the Rosseti Group Companies in Kubanenergo PJSC".

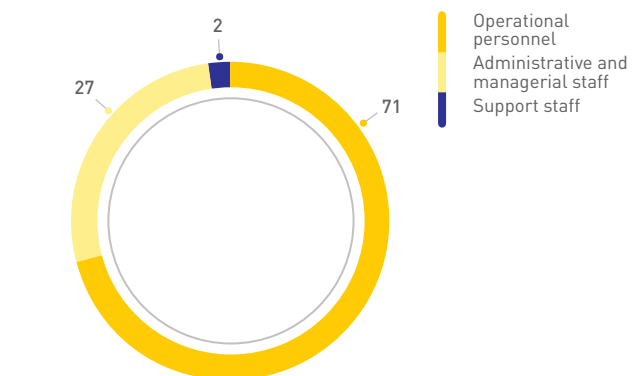
The analysis of documents defining the functional structure of Kubanenergo PJSC was carried out for compliance with professional standards in terms of duties, assigned to employees, and qualification requirements. Evaluation of the Company's staff and teaching staff of the Company corporate training center – VEI "Energy Institute for Advanced Studies" of Kubanenergo PJSC (further referred to as the Corporate Training Center) was conducted to identify compliance with professional standards in terms of education, qualifications, experience and special conditions for permit-to-work. For 2019, it is planned to train workers who have inconsistencies in education or special conditions of work permit.

Training refers to one of the priorities of the Company's personnel and social policy and is governed by the Rules for working with personnel in the organizations of the electric power industry of the Russian Federation, approved by order of the Ministry of Fuel and Energy of Russia dated 19.02.2000, No. 49, Procedure for working with personnel of Kubanenergo PJSC, approved by the order dated 25.09.2017, No. 1048, as well as instructions and recommendations of supervisory authorities.

In the reporting year, the share of employees who took part in training activities with job separation to the average number of personnel is 86.14% (7418 people), which corresponds to the key indicator of the Company's staff and social policy (30%) and by 15 percentage point (1375 people) higher than in 2017

THE LARGEST SHARE OF THE TRAINED STAFF IS TAKEN BY THE OPERATIONAL PERSONNEL – 71% (5257 PEOPLE). IN 2017 THIS INDICATOR WAS ABOUT 85%.

The structure of staff, participated in training activities off-the-job, by categories, %



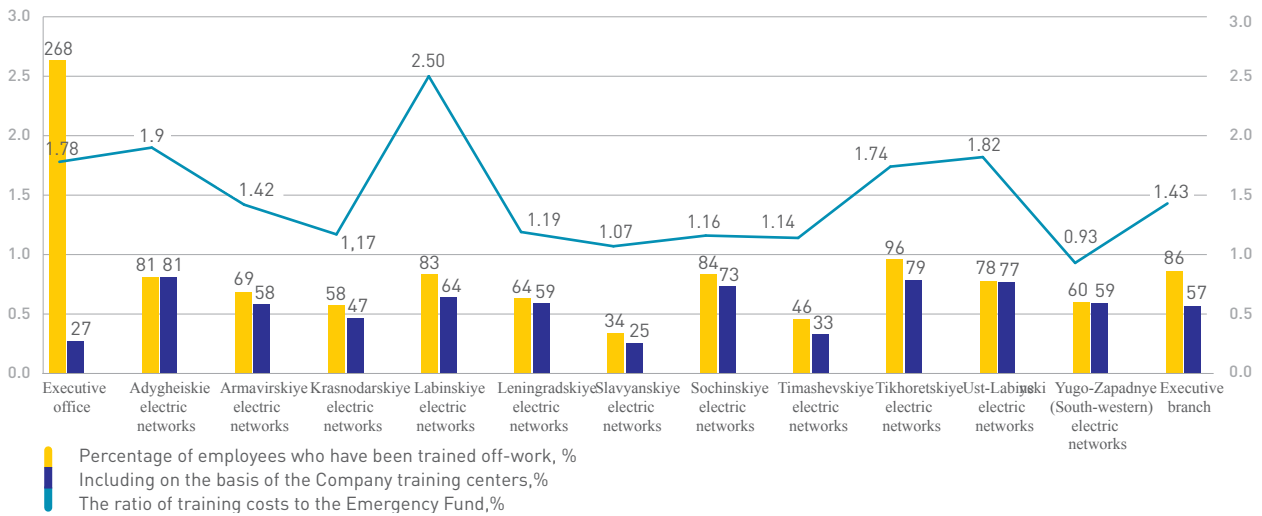
On the basis of the Corporate Training Center, 4918 people received vocational training, retraining and advanced training in 2018, which is 66% of the number trained in the reporting year, and that is 19.9 percentage point less than in 2017 (in 2017, 5193 people were trained at the Corporate Training Center, 85.9% of trained staff).

The main share of trained staff based on the Corporate Training Center is also made up of production personnel – 90% (4437 people).

The actual costs of staff training amounted to 72,091 thousand rubles, of which 49,999 thousand rubles (69.3%) – for the training of personnel on the basis of the Corporate Training Center. In 2017, 61,221 thousand rubles was directed to staff training, 49,632 thousand rubles (81.1%) of them – for training in the Corporate Training Center. The ratio of the share of training costs in the Corporate Training Center and third-party organizations is due to the requirement of Rostechnadzor to train workers in specialized training centers, as well as the established pricing policy of training organizations.

The ratio of the actual costs of staff training to the wage fund in 2018 was, as in 2017, 1.4%, which corresponds to the key indicator stipulated by the Company's personnel and social policy.

The share of Kubanenergo PJSC employees who took part in training activities with on-the-job training and the ratio of costs for preparing the wage fund in the reporting year, %



Key providers of educational services, in addition to the Corporate Training Center, are the following:

FSBEI of HPE "Russian Economic University. G.V. Plekhanov, in which employees of tariff formation subdivisions undergo advanced training regularly under specialized programs in the field of tariff regulation, elaborated with the participation of the FAS of Russia;

FSAEI FVE "St. Petersburg Energy Institute for Advanced Studies" of the Ministry of Energy of Russia. The main task of the institute and its branches is to improve the skills and professional retraining of management and specialists of the fuel and energy complex and industrial enterprises in the field of electric power industry;

Autonomous non-profit organization Further Vocational Education "St. Petersburg Academy of Security", which organized training activities for advanced training programs "Actual problems of preventing and combating corruption in the power grid complex" with employees of subsidiaries and dependent companies of PJSC Rosseti, responsible for the direct organization of preventative measures and prevention of corruption.