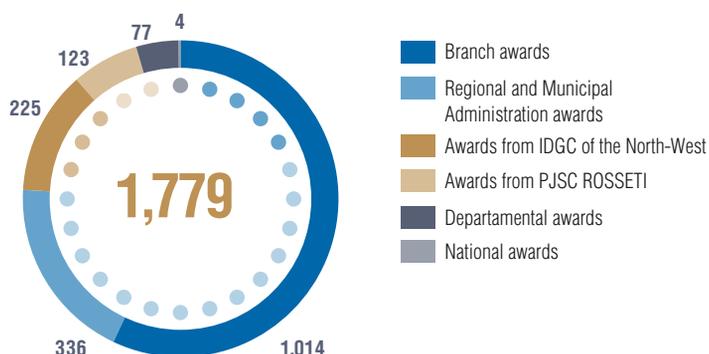


The Company has a merit-based incentives system in place providing for rewards for the highest performance, implementation of innovative projects, many years of conscientious work, high workmanship, and contribution to the development of the energy sector in the Northwest of Russia.

A total of 1,779 awards were distributed during 2015 among the Company's employees who had the largest contribution to energy sector development.

AWARD DISTRIBUTION IN THE COMPANY IN 2015



*Remuneration in the Company's branch*

The remuneration system at PJSC IDGC of the North-West is based on social partnership stipulated by the Collective Bargaining Agreement and the Company Employees Remuneration Regulations enacted on May 01, 2009 (as amended and restated). The remuneration system currently in effect at the Company meets the Uniform Wage Rate Recommendations for the Russian electricity sector approved by the PJSC ROSSETI and All-Russia Electrical Industry Trade Union Association.

The average salary growth rate at the Company totaled 4.8%, which is 7.7% below the 2015 CPI in the Russian Federation (12.9%). However, the growth rate of the minimum monthly tariff rate (MMTR) in average yearly indicators for 2015 and 2014 was 12.6% (RUB 6,417 vs RUB 5,700, respectively).

Generally, the average salary at PJSC IDGC of the North-West in 2015 amounted to RUB 44,337. However, the leading growth of the average salary of workers is observed in the reporting year at a rate of 8.4%.

Efficiency of the HR and social policy is closely related to timely payment and indexation of salary and its competitiveness in regional labor markets. Therefore, the salary of the employees of all of the Company's branches is traditionally above the market of the relevant region.

