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Moscow Exchange Supervisory Board

**Moscow Exchange**  
**Open Joint Stock Company**  
**2014 ANNUAL REPORT**

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## KEY EVENTS IN 2013

**27 March**

Moscow Exchange Forum 2014



A record 1,000 delegates participated in the annual Exchange Forum in 2014. At the Forum, a cooperation agreement was signed between Moscow Exchange and KRX Korea Exchange.

**26-28 May**

IOMA conference



Moscow Exchange hosted the 31st Annual World Federation of Exchanges/IOMA conference in Moscow.

**03 June**

Yandex listing



Yandex shares were listed on Moscow Exchange at the highest listing level. Trading began on 4 June and shares are held in Russian roubles.

**02 July**

Moscow Exchange SPO



The international offer was several times oversubscribed. About 100 institutional investors from Russia, Asia, the Middle East, Europe and the U.S. participated in the transaction.

**10 September**

Launch of RVI futures



The underlying asset of the contract is volatility of the Russian market, which is measured by two series of futures options on the RTS Index. The new futures contract will give investors an opportunity to hedge securities portfolios, positions in the futures on RTS and MICEX, work out arbitrage trading strategies, and also trade volatility directionally.

**15 September**

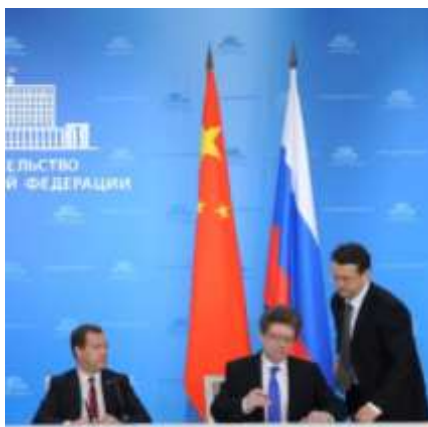
NSD and NCC designated as SIFIs



The CBR classified the NSD as a systemically important central depository, a systemically important settlement depository and systemically important repository, while the NCC was classified as a systemically important central counterparty.

**13 October**

Cooperation agreement with the Bank of China



Moscow Exchange and the Bank of China agreed to jointly develop new products, including OTC derivatives, and to broaden the range of financial instruments denominated in RUB and CNY.

**14 October**

Corporate Eurobonds trading begin



Moscow Exchange admitted corporate Eurobonds to trading on 14 October. Sovereign Eurobonds as well as VEB Leasing and VEB Eurobonds denominated in foreign currency were also admitted.

**22 October**

Moscow Exchange Forum – London Session



Moscow Exchange held the London session of its annual Exchange Forum. A record 300 representatives from the London investment community gathered at the event.

**20 November**

17th Annual Report Contest



Moscow Exchange and RCB MEDIA GROUP carried out a Russia-wide Annual Report Competition. About 150 companies participated in the competition.

**01 December**

Launch of trading in GBP and HKD



Moscow Exchange offered new currency pairs British Pound-Russian Rouble and Hong Kong Dollar-Russian Rouble with TOD and TOM settlement, as well as overnight swaps without full prefunding.

**25 December**

The Best Private Investor 2014 competition



A record 6,800 investors participated in Moscow Exchange's annual competition. They made trades for a total RUB 1.9 trln with average daily trading volume reaching RUB 3 bln.

This Annual Report features the consolidated performance of Moscow Exchange and its subsidiaries, including CJSC MICEX SE, CJSC National Settlement Depository, and Bank National Clearing Centre (hereinafter “Moscow Exchange”, or “the Group”).

## **OVERVIEW**

Moscow Exchange Group is Russia's sole multifunctional exchange platform, established in 2011 by the merger of MICEX (Moscow Interbank Currency Exchange, founded in 1992) and the RTS (Russian Trading System, founded in 1995). The Group comprises:

- OJSC Moscow Exchange, an organiser of trading on the FX and Derivatives Markets
- CJSC MICEX SE, an organizer of trading on the Equity and Bond Market, as well as the Money Market.
- CJSC National Settlement Depository (NSD), the central securities depository
- CJSC JSCB National Clearing Centre (NCC), Russia's largest clearing centre
- CJSC National Commodity Exchange (NCE), a commodities exchange

Moscow Exchange holds majority stakes in all key subsidiaries, including 100% stakes in MICEX SE and the NCC, a 99.997% stake in the NSD, and a 62% stake in the NCE.

## **BUSINESS MODEL**

Diversification and vertical integration underpin the Group's unique business model: Moscow Exchange Group offers a highly diversified product line and a full range of trading and post-trading services to its customers.

Moscow Exchange facilitates trading across a wide range of asset classes: equities, bonds, derivatives, currencies, money market instruments and commodities. As a result, the Group's business model is resilient to fluctuations in the economic cycle, as different assets traded on Moscow Exchange's markets find demand from investors and market participants during its various phases.

Moscow Exchange's Equity & Bond Market hosts trading in shares, federal government bonds (OFZs), regional and corporate bonds, sovereign and corporate Eurobonds, depository receipts, investment shares, mortgage participation certificates (MPCs) and exchange-traded funds (ETFs). Settlement for shares is T+2 (two business days after the transaction date). For trades in the 20 most-liquid shares, the required security amounts to 20-25% of the transaction amount. OFZ settlements are settled T+1.

On Moscow Exchange's Derivatives Market, the following instruments are traded: index futures (MICEX index, RTS index, RVI volatility index); futures on Russian and foreign shares, OFZs and the Russia-30 Eurobond, currency pairs and interest rates; precious-metals contracts (gold, silver, platinum, palladium, copper); oil and sugar futures; as well as options on some of these futures.

The standardised OTC derivatives market with the central counterparty (CCP) was established to implement the G20's resolution, adopted at its meeting in Pittsburgh in 2009 that standardised derivatives should trade on exchanges. G20 countries, including Russia, confirmed their intent to strengthen the role of central counterparties. The Bank of Russia in the near future expects to make clearing with the CCP mandatory.

On Moscow Exchange's FX Market, the following currencies are traded: USD, EUR, CNY, GBP, HKD, UAH, KZT and BYR. The most heavily traded pairs are USD/RUB and EUR/RUB, which in 2014 accounted for over 80% and 15% of total on-exchange FX transactions, respectively. The weighted average value at 11:30 a.m. MSK for the USD/RUB currency pair with next-day settlement is used by the Bank of Russia to determine the official USD exchange rate.

On the Money Market, Moscow Exchange provides the following types of repo services: repo transactions with the CCP; interdealer repo; direct repo with the Bank of Russia; and repo with collateral management. Deposit and credit transactions for the Bank of Russia, Pension Fund of Russia, Federal Treasury of Russia and Vnesheconombank are also available.

On Moscow Exchange's Commodity Market, gold and silver have been traded since 21 October 2013. Government purchase interventions on the grain market are conducted on the National Mercantile Exchange, which is the authorised exchange of the Russian Ministry of Agriculture.

In addition to trading services, Moscow Exchange offers a complete range of

clearing and settlement / depository services to its clients.

Clearing services are provided by the NCC, which acts as the central counterparty for all of Moscow Exchange's markets. The NCC is the only qualified central counterparty in Russia. It was given this status by the Bank of Russia in 2013, and it has been a systemically important central counterparty since 2014. The NCC's equity was RUB 38.9 bln as of 1 January 2015.

Settlement and depository services are provided by the NSD. In 2014, the Bank of Russia recognised the NSD as a systemically important central depository and settlement depository and repository, and assigned it the status of a nationally significant payment system. The volume of securities in storage amounted to RUB 24.9 trln as of January 1 2015.

The Group also offers information products and technical services. The information products include real-time market data, trading results and index data. Moscow Exchange's indices are the key indicators of the Russian stock, bond and futures markets. Moscow Exchange calculates indices for shares and bonds, mixed indices, and a number of futures and currency / money market indicators. The main stock market indices are the MICEX Index and RTS Index, calculated on the basis of the same securities but in different currencies (the MICEX in roubles and the RTS in U.S. dollars). Part of the Exchange's commission income comes from the use of indices for arranging trading in futures and options on the RTS and MICEX indices. Technical services include a broad range of professional solutions for access to the Exchange and e-trading markets based on modern exchange technologies.

Most of Moscow Exchange's tariffs (except for the Derivatives Market) are based on the single-tariff principle – a typical turnover tariff covers the tariffs for trade arrangement as well as clearing and integrated technical services. The bulk of the market income comes from tariffs linked to volumes of transactions entered into by market participants (turnover tariffs). Moscow Exchange uses its tariffs as a financial market development tool, providing participants on the Money, FX, and Equity markets with the option of selecting tariff plans. These plans enable participants to define efficient commission rates depending on the participant's trade structure and volume, thus encouraging market growth and development.

Moscow Exchange's tariffs take into account specific features of the products traded on particular markets. Tariffs on the Derivatives Market are charged depending on the number of contracts per transaction for participants who close intraday transactions, and a discounted tariff is levied (scalper discount). Return premiums for intra-broker transactions are provided to participants on the Equity and Money markets. Tariffs on the bond market in Negotiation Transaction Mode (NTM) limit the maximum commission fee for each transaction.

Moscow Exchange's pricing policy is regularly reviewed in consultation with both market participants and the regulator. This creates a viable balance between the interests of the entire Russian financial market and Moscow Exchange as a public company.

Moscow Exchange's operating income is derived from fee and commission income and interest income from management of the Group's own funds as well as client

funds, primary customer balances placed with the NCC and NSD. The funds are invested in compliance with the approved investment policy. The majority of the Group's assets consist of highly liquid funds concentrated in correspondent accounts in European and American banks. Instruments used for asset management include: government and corporate bonds denominated both in roubles and foreign currency; interbank deposits, repos and reverse repos as well as FX swaps. Short-term instruments are preferable, and the counterparties' minimum credit quality is limited by regulatory requirements of the Bank of Russia.

## OPERATING AND FINANCIAL RESULTS

Moscow Exchange enjoyed another successful year with net income increasing by 38.1% YoY to RUB 15.99 bln. Fee and commission income grew substantially from the FX Market (up 41.3% YoY), Money Market (up 27.8% YoY) and Equities Market (up 25.8% YoY). Fee and commission income from depository and settlement services also increased considerably (up 37.3% YoY). Operating expenses increased by only 5.2%, representing half the rate of inflation.

Operating income increased 23.5% YoY to RUB 30.39 bln driven by growth in fee and commission income from the FX, Money and Equities Markets, interest income and income from depository and settlement services.

**FX Market.** FX Market turnover increased 46.5% YoY to RUB 228.5 trln. Spot and swap trades made up 34% and 66% of FX Market volumes, respectively. The average daily turnover grew 23% YoY to USD 23.8 bln.

Fee and commission income from the FX Market increased 41.3% YoY to RUB 3.41 bln.

The volume of client transactions increased twofold in 2014 to RUB 60 trln. The number of registered clients was up 350% from 47,000 at the end of 2013 to 212,000 at the end of 2014. More than 4,000 non-resident clients from 65 countries were registered on the market at the end of 2014. The percentage of non-residents among the total number of clients grew from 8% to 15% during the year. The percentage of trades made by non-bank organisations of total FX Market turnover reached 7.5% in December 2014 (up from 2.4% in December 2013).

**Money Market.** The total trading volume on the Money Market including repos and deposit and credit market transactions declined 7.4% YoY to RUB 204.38 trln, largely due to a move to 1-week repo auctions with the CBR instead of 1-day repo, which led to a lower number of repo trades, though with longer maturity. Fee and commission income from the Money Market increased by 27.8% YoY to RUB 3.24 bln.

The market's average daily turnover was RUB 814.2 bln in 2014 with the average daily turnover of repo transactions with the CCP reaching RUB 141.2 bln in December 2014, up 250% YoY. The total volume of repo transactions with the CCP was RUB 25.0 trln in 2014, up 500% YoY.

**Derivatives Market.** The trading volume in contract terms increased 24.6% YoY and amounted to 1.41 bln contracts totalling RUB 61.32 trln, largely driven by FX derivatives. Open interest reached RUB 457.3 bln by year-end 2014, a 17.3% YoY increase. The growth shows increasing depth of the market thanks to new participants, and also reflects the elevated volatility of FX rates. Fee and commission income from the Derivatives Market increased 4.5% YoY to RUB 1.64 bln.

The market's average daily turnover was RUB 244.8 bln in 2014 (up 25.5%). The average open interest was RUB 549.3 bln (up 37.64%). FX contracts made up 51% of the total trading volume, while futures on equities indices accounted for 41%.

**Equity and Bond Market.** Total trading volume in stocks, RDRs and mutual fund units in 2014 was RUB 10.28 trln, up 18.1% YoY. Fee and commission income from the Equity Market rose 25.8% YoY to RUB 1.77 bln. The Equity Market's

total capitalisation was RUB 23.2 trln (US\$ 385.9 bln) by year-end 2014. Percentage of non-residents was 51% in 4Q 2014 (up from 43% in 4Q 2013).

The total trading volume in 2014 was RUB 10.6 trln, down 30.8% YoY. Fee and commission income from the Bond Market declined 25.0% YoY to RUB 1.03 bln. The percentage of non-residents on the OFZ market was 30% in 4Q 2014 (up from 20% in 4Q 2013).

Listing and other service fees increased 61.0% to RUB 351.03 mln.

**Depository and Settlement Services.** Fee and commission income from depository and settlement services increased 37.3% to RUB 3.19 bln. The volume of assets on deposit at the NSD increased to RUB 24.94 trln as of 31 December 2014, up from RUB 21.77 trln at the end of 2013, and averaged RUB 22.82 trln for 2014.

**Other Revenue.** Other revenue remained flat and amounted to RUB 966.90 mln. The biggest contributors to this line were revenue from the sale of software and technical services (RUB 496.17 mln) and revenue from the sale of market data (RUB 436.17 mln, up 44.8%).

**Interest & Other Finance Income.** Interest and other finance income increased 21.5% YoY to RUB 14.28 bln, due to a significant increase in funds available for investments and higher interest rates.

**Cash and Cash Equivalents.** Moscow Exchange's cash position at year-end 2014 totalled RUB 57.65 bln. The Exchange had no debt as of 31 December 2014.

**Expenses.** Operating expenses in 2014 grew by 5.2% YoY to RUB 10.37 bln, more than two times lower than Russia's inflation rate. Personnel expenses remained the major cost item, comprising 52.0% of total costs. Administrative and other operating expenses declined by 1.0% YoY in 2014 due to lower spending on professional services, market makers and taxes, other than income tax.

Capital expenditure for FY 2014 totalled RUB 784 mln, of which RUB 530 mln was spent on software purchases and development.

### Financial Highlights

RUB, mln	FY 2014	FY 2013	Change
Operating income	30,394.04	24,605.97	23.5%
Fee and commission income	15,585.95	12,792.12	21.8%
Net interest and other finance income	14,279.41	11,754.94	21.5%
Other operating income	528.68	58.91	797.5%
Operating profit	20,020.78	14,748.98	35.7%
Net Profit	15,993.17	11,581.69	38.1%
Basic earnings per share, RUB	7.21	5.23	37.9%
<i>EBITDA</i>	<i>21,616.16</i>	<i>16,393.08</i>	<i>31.9%</i>
<i>EBITDA margin</i>	<i>71.12%</i>	<i>66.62%</i>	

## RESULTS AND KEY INITIATIVES

### FX MARKET

In 2014, the FX Market was reorganised primarily to segregate clearing and trading participants. Following this segregation, a new “general clearing firm” category was created with higher capital requirements. This is in line with the best practice adopted in developed markets, according to which highly capitalised market participants accept the clearing and settlement risks of smaller players. This decreases the overall risk of centralised settlement systems. Companies with ‘general clearing firm’ status are eligible to provide clearing services to member firms and different categories of FX Market customers, both Russian and foreign legal entities and individuals. Member firms trading via general clearing firms enjoy reduced costs. Russian Agricultural Bank was the first to obtain the new status in March 2015.

Moscow Exchange continued to develop its FX offering in 2014. On 1 December, it started trading in GBP and HKD in TOM and TOD instruments, and overnight swaps without full pre-funding, with settlement in RUB. Trading in the currency pair BYR/RUB was facilitated with the full pre-funding requirement cancelled, new instruments offered – namely with TOM settlement and overnight swaps – and trading hours extended.

As of 24 February, the Exchange has launched new FX indicators such as USD/RUB swap fixings calculated for swaps with maturity from 1W to 1Y. These indicative rates are set daily at 12:30 pm MSK based on aggregated deal and price data for anonymous orders.

Reduced fees for large block trades improved FX Market liquidity and decreased costs for brokers. Fees for spot trade orders of 10,000 lots (one lot equalling USD 1,000 or EUR 1,000) or more were reduced by 13% to 25% depending on the fee schedule.

The CNY was one of the most dynamically developing currencies traded on the Exchange in 2014. The boost was driven by the enhancement of trading opportunities for CNY/RUB in 2013 (with an increase in the range of available instruments, trading hours extended and full pre-funding cancelled) and through cooperation arrangements being reached with the largest Chinese banks acting as the market makers for the Exchange’s major yuan-denominated instruments.

The CNY trading volume grew by a notable 700% in 2014 to RUB 305 bln. This liquidity boost in the segment prompted the Exchange to offer CNY/RUB futures contracts.

The Exchange continued to enhance its international partnerships as part of its objective to establish an integrated currency market. In 2013, resident banks from countries of the Eurasian Economic Community (EurAsEC) were admitted to the Exchange’s FX Market with a license from their national regulators i.e., without the need to obtain a Russian FX license. Four banks from Belarus and Tajikistan began trading on Moscow Exchange in the same year. In 2014, the National Bank of Tajikistan became the first EurAsEC national bank to join the Exchange; AsiaCredit Bank was the first bank from Kazakhstan and Belagroprombank came from Belarus. The trading volume of non-resident member banks of EurAsEC grew to RUB 330 bln in 2014.

The Exchange will continue to develop its Direct Market Access (DMA) and Sponsored Market Access (SMA) technologies. The SMA service, which provides clients with full access to the Exchange's software and hardware suite, will be updated to meet global standards to appeal to new international institutional investors.

The Exchange will work to attract individual customers by carrying out awareness campaigns regarding the benefits of on-exchange conversion transactions against cash operations.

In addition, a new clearing arrangement – payment-versus-payment (PVP) – will be offered to settle OTC trades via the NCC.

The Exchange will continue to develop the integrated FX Market as part of the EurAsEC in order to activate trading in national currencies. In particular, the product offering and number of non-resident member firms from the EurAsEC will be expanded, which will stimulate trading in both major currency pairs and national currencies.

## MONEY MARKET

In 2014, Moscow Exchange's Money Market continued to expand the types of securities admitted for repo. The Exchange also introduced settlement in USD and EUR for interdealer repo in Eurobonds, foreign stocks and depository receipts (DRs). From June to December, the volume of interdealer repo transactions in those securities was RUB 7 trln, or 21% of the total volume of the total interdealer repo volume.

Major changes were made to the regime for repo with the central counterparty (CCP), the fastest growing Money Market instrument. Trading hours were extended, early settlement was introduced and the first Eurobonds were introduced for repo with the CCP.

Moscow Exchange also introduced a money market index, the MOEXREPO Index, which reflects money market rates and improves risk management. The MOEXREPO Index is calculated based on market data on repo transactions with the CCP.

In 2014, the total volume of repo transactions with the CCP rose six-fold to RUB 25.0 trln, with the average daily trading volume reaching RUB 141.2 bln, up 250% YoY.

The Exchange also offered more liquidity in foreign currency to member banks. In October, the first repo auctions were run with the Bank of Russia with settlement in USD. Such auctions became the major liquidity management instrument for banks. The total value of auctions was USD 24.5 bln. In addition, the Federal Treasury carried out auctions to deposit funds in USD, and the Credit Guarantee Agency deposited funds in RUB with banks via the Exchange.

In 2015, the Exchange plans to launch basket repo with the Bank of Russia and collateral management by NSD. This new product will facilitate trading and settlement opportunities for Russian participants, decrease their costs, reduce risks and improve collateral management in repo.

The Exchange also plans to continue to expand the CCP-cleared repo offering. In particular, 7-day term repo and the introduction of foreign currency is expected.

The Exchange will also continue preparation for the planned 2016 launch of repo in clearing participation certificates. Clearing participation certificates are securities backed by different types of collateral from brokers. The new initiative will allow the combining of such collateral into a universal liquidity management instrument and apply more successfully the asset substitution option in trades.

## DERIVATIVES MARKET

In 2014, a number of new products were introduced to the Moscow Exchange Derivatives Market. September saw the launch of deliverable futures contracts on the shares of Russia's largest retailer Magnit and Moscow Exchange, as well as the launch of futures contracts on Russian sovereign Eurobonds with 2030 maturity. With the highly liquid sovereign Eurobond market offering ample potential, brokers were thus given additional opportunities to manage their portfolios.

The Exchange also began offering futures on Russian market volatility. The contract's underlying asset is the Russian market volatility index (RVI), the method of calculation of which has been updated to meet current international standards. The RVI enables investors to predict market expectations and respond quickly to events, including of a macroeconomic nature. The new product helps hedge securities portfolios and positions in RTS Index and MICEX Index futures, as well as create arbitrage strategies.

Since October, the Exchange began accepting the euro as collateral for trades in derivatives along with Russian roubles, US dollars, and securities. The addition of the euro allows domestic and international brokers to apply varying approaches to collateral management and to minimise the funding costs associated with their own and clients' operations.

Settlement times were synchronized for all FX futures contracts, at 12:30 pm MSK (with Moscow Exchange fixing) for rouble-based pairs, and at 11:00 am London time (with Thomson Reuters fixing) for other pairs.

The Exchange devoted much attention to improving the trading and clearing platforms for the Derivatives, FX, and Equity & Bond Markets. The technical updates applied allowed the implementation of large-scale projects such as migration of delivery for single-stock futures to the T+2 market and risk-balancing between the Derivatives and FX Markets.

The risk-balancing service allows participants trading on the Derivatives and FX Markets to reallocate currency risk between their Derivatives Market positions and outstanding FX Market obligations, thereby reducing collateral for counterpositions.

In 2015, the Exchange will focus on developing interest-rate contracts, including those allowing investors to hedge against interest-rate risks associated with Russian federal government bonds (OFZs) with variable coupon rates.

In addition, it plans to expand its FX futures offering and to improve existing instruments for private and institutional customers. In early 2015, the Exchange launched futures contracts on the CNY/RUB, USD/CAD, and USD/TRY pairs, which substantially broadened the range of strategies available to the most-active brokers. Development of CNY/RUB instruments is especially important, as they diversify the market offering and boost CNY market liquidity.

The Exchange will push ahead with the development of options as part of its current programme to attract new clients and enhance liquidity. Weekly options and flex options will allow firms to choose the date and price at which contracts will be exercised. Flex options on the most-liquid shares and the RTS Index will be launched on the standardised OTC derivatives market, where member firms will be allowed to post securities as collateral. The range of underlyings will be expanded

for FX and cross-currency swaps, and for FX futures, with settlement in EUR and CNY becoming available.

The Exchange will also launch the Asset Managers Ranking project, whereby it will publish descriptions of asset managers' strategies and track record managing accounts. This will give potential investors accurate information on asset managers' performances and historical yields.

## EQUITY AND BOND MARKET

In 2014, in cooperation with the regulator, Moscow Exchange pushed ahead with enhancing the debt issue process and expanding opportunities for issuers to raise debt capital on the domestic market. Further progress was made with corporate borrowers being allowed to issue bond programmes. These programmes offer a simplified procedure to issue bonds, thus reducing issuers' timelines and administrative expenses.

In June, the Exchange introduced an intraday clearing session to allow settlement in the middle of the trading day in order to accelerate delivery to end-customers. As such, there are now two clearing sessions on the Equity & Bond Market.

To improve order book structure and boost liquidity, the Exchange changed the price tick for the most popular shares in December. Now, to determine the price tick, a security's liquidity is taken into account in addition to its price. This allows the spread between the best bid and best ask to be narrowed and the time for orders to be filled at the best price to be reduced, and encourages investors to enter limit orders in the Exchange order book. Improvement of the order book quality broadens the range of securities available for use with algorithmic strategies, thus boosting their liquidity. The Exchange plans to introduce quarterly price tick reviews beginning in 2Q2015.

In late 2014, the Exchange improved its information services by launching the MOEX Board indicative quotation system. The system operates like a notice board, allowing traders and investors to enter and view quotes for more than 1,020 stocks that are not traded on the Russian regulated market.

A key project in 2015 will be the launch of individual investment accounts (IIA), which will allow private investors to receive tax credits. The Exchange achieved much in 2014 together with market participants, including the establishment of a marketing pool aimed at informing prospective investors about opportunities provided by accounts and the launch of the website to promote IIAs. Some 11,000 accounts were registered by private customers via brokerage firms and investment companies in January-February 2015.

The initiative to divide securities into those eligible as collateral and those admitted to trading without full prefunding will also be a focus in 2015. It will expand the list of securities to be traded without full prefunding, thus not increasing risks for the NCC Clearing Bank as the central counterparty.

A move from T0 to T+1 settlement cycle for Russian federal government bonds (OFZs) will be a major technical advance in 2015. Settlement of trades in OFZs on T+1 will allow market participants to reduce the cost of funding operations on the sovereign debt market, increase trading volumes due to the absence of full prefunding requirements and concentrate liquidity within a single order book. In parallel to the central T+1 order book, the Exchange will offer auctions in large blocks of OFZs; these auctions will run twice per day.

The Equity Market will begin conducting opening auctions instead of the pre-trading period. To set the opening auction price, the Exchange will use the closing auction algorithm. Brokers will thus be able to enter market orders at the opening auction, the opening price will be a true market price and the market price will be protected from manipulation.

In addition, the Exchange plans to launch trading in bonds denominated in CNY, HKD, GBP, and CHF with settlement in the respective currencies.

The Exchange will work with the Bank of Russia to establish a legal framework for Russia's structured products market, and allow favourable Level 1 listings for infrastructure and project bonds.

## PRECIOUS METALS MARKET

Following its launch in 2013, the Precious Metals Market operated at full force for the first time in 2014. The market facilitates trading in gold and silver. Trading takes place on the same platform as the FX Market and utilizes the same risk management system. RUB, USD, EUR, CNY, gold and silver are accepted as collateral. The NCC Clearing Bank acts as both the central counterparty and clearing house.

In 2014, the Precious Metals Market welcomed 25 new members, including the largest Russian market participants. Seven market makers signed liquidity support agreements. Four non-bank organizations began offering direct market access (DMA) to their clients. At the start of 2015 there were 48 member firms on the Precious Metals Market, consisting of 39 banks and nine investment companies.

2014 was a strong year for the market, with total trading volumes of RUB 16.4 bln, or 9.4 t of gold and 18.9 t of silver. Bullion storage turnover was 1.7 t of gold and 1.9 t of silver.

The Exchange plans to broaden its precious metals offering in 2015 with the launch of trading in platinum and palladium. The new metals will encourage growth of trading volumes and the number of participants on the market.

In addition, the Exchange will work to develop precious metals fixings and a mechanism for their setting using the Exchange's market data. The fixings will serve as price benchmarks in, for instance, precious metals derivatives trading.

## COMMODITIES MARKET

Commodities are traded on the National Mercantile Exchange, part of the Moscow Exchange Group. In 2014, the Exchange began implementation of the large-scale “Grain Market” initiative focused on on-exchange grain trading. The project’s process flow sheet was created and a market research was carried out. Information and technical systems are now being developed and tested. In 2015, the Exchange plans to introduce deliverable derivative financial instruments (exchange-traded forward contracts and swaps) with end-of-day clearing session performed by the CCP and delivery from the seller to the buyer.

## MARKET DATA AND INDICES

In 2014, the Exchange continued to improve its information services and indices products, which serve as benchmarks for the Russian financial market.

Market data were offered via a new online store with the structure of information services differing from that available via the Moscow Exchange website. In the store, each information service is fully described, including with regard to its technical availability, terms of use, prices and other aspects that notably improve the convenience and availability of the service to prospective and existing customers.

The Exchange also launched indicative rates for key USD/RUB, EUR/RUB, EUR/USD, and CNY/RUB swaps with maturities from 1D to 1Y, and repo rates for equities and bonds with a 1D-2W term. Such indicators reflect market expectations of exchange rates, while their values may be used to benchmark financial products and set prices for cross products and settlement.

In addition, the Exchange started publishing aggregated debt market parameters, such as turnover, duration and volumes, thus improving market transparency.

A new approach was adopted to include securities in the equity indices. It is based on a two-phase ranking by liquidity and free float market capitalisation. The move aims to facilitate portfolio, including index-based, investing.

In 2015, the Exchange will develop its arrangements for reference and historical data with regard to exchange-traded instruments, risk parameters and exchange indices. It will start creating databases and reference information distribution systems with static parameters of instruments and indices (notional value, price tick, maturity, list level and index baskets), and involving cloud technologies for the commercial sale of historical market data.

The Exchange will also go on to deepen cooperation with exchanges of the CIS and neighbouring countries to integrate their data feeds and thus expand client bases and increase revenues. It will continue collaborating with member firms and their clients concerning information audit, to harmonise market data rules.

Furthermore, Moscow Exchange intends to cooperate with asset management companies to improve the legal framework for exchange-traded funds (ETF).

## CLEARING AND DEPOSITORY SERVICES

In 2014, the Bank of Russia assigned the National Settlement Depository (NSD) and Bank National Clearing Centre (NCC Clearing Bank) the status of systemically important financial market infrastructure institutions. The NSD was assigned the status of a systemically important central depository, systemically important settlement depository, and systemically important repository. The NCC was assigned the status of a systemically important central counterparty. This recognition highlights the reliability and financial strength of Moscow Exchange Group companies.

Implementation of segregated accounts and the option of transferring client obligations and collateral to different clearing firms was a key strategic initiative in developing clearing facilities on Moscow Exchange. It will substantially strengthen the protection of clearing firms and their clients against risks associated with default of one or more clearing firms.

Furthermore, a cross default arrangement was introduced across markets, providing for the use of the defaulter's individual and collective clearing and other collateral from any market.

The Exchange will continue to implement clearing integration across the markets and improve risk management and clearing services.

The trade repository worked primarily to improve the process of recording OTC derivatives trades and adjust its activities to match new legislation that took effect in June 2014. Some 1,130 market participants connected to the repository, and more than 138,000 reports on master agreements and transactions were registered. Customers actively reported not only mandatory repo transactions and FX swaps, but also optional FX, equity, and bond forwards, commodity and interest rate swaps, and FX options. The repository will continue to adjust its activities to meet derivatives reporting standards taking effect in 2015.

In addition, collateral management services will be expanded in 2015. Participants of the standardised OTC derivatives market will be allowed to post securities as collateral. A delivery-versus-payment mechanism will be used via the Bank of Russia's real-time gross settlement system (BESP system). Electronic matching services will be developed to offer securities lending from Euroclear and Clearstream to the Exchange's customers.

## INFORMATION TECHNOLOGY

In 2014, Moscow Exchange embarked on the main part of its strategic programme to revamp all of its markets' information and technical platforms. The initiative is scheduled for completion in 2015-16.

The project included unification of the FIX connection trade protocol and FAST market information distribution protocol for the ASTS and SPECTRA trading and clearing systems. There is no longer a need to support two technologies, thereby reducing the Exchange and participants' costs and simplifying the connection architecture. The plan is to create a new protocol in 2015 to connect to the Exchange without the customers' API library; this will be of interest primarily to high-frequency traders.

To implement trading and clearing projects and improve risk management, Moscow Exchange regularly updates its trading and clearing systems. For example, a service to balance risk with the futures market was implemented on the FX market. The option to set individual risk parameters for participants was introduced, as were concentration limits. The Equity Market's risk management system was unified, and closure tenders were introduced. It is now possible to make clearing-based settlements before the end of trading via the intermediate clearing session. The SPECTRA futures market's trading and clearing platform has been updated, and fulfilment of supply for stock futures has been converted to the T+2 main trading mode.

Simultaneously, the design of the Exchange's new data processing centre was finalised. A Corvil platform was implemented to analyse flow data and to control the condition and productivity of the trading systems operating in the microsecond delay range, and the IT policy was defined.

In 2014, Moscow Exchange expanded its global presence and began providing exchange trade network access to customers in major financial centres including London, Chicago, New York, Frankfurt, and Tokyo via TMX Atrium's infrastructure. In cooperation with leading global communications and financial information suppliers such as TMX Atrium, BT Radianz, SFTI, Bloomberg and Thomson Reuters, the Exchange's markets became accessible to all investor categories from financial centres worldwide.

Moscow Exchange is focusing particularly on IT development in order to support smooth trading and clearing systems operations on all of its markets, to benefit the entire Russian financial market infrastructure. Splitting the trading and clearing facilities into trading and clearing cores to improve the fail safety of ASTS and SPECTRA is the main objective for 2015.

The nature of the Exchange's business requires storage of large volumes of information, both for the Exchange's own needs and to comply with regulatory and supervisory requirements. Significant innovations are planned in this area, with the IT division implementing a single data depository and its control tools (ETL processes).

Moscow Exchange is focused on integration solutions at the transaction services level, and plans to introduce an enterprise service bus in 2015 to provide centralised data exchange between the Exchange's various systems.

## **ATTRACTING NEW ISSUERS**

Moscow Exchange provides Russian companies with access to the public capital markets and advises on listing procedures and corporate governance best practices. Recent financial infrastructure reforms have made placing securities and trading on the Exchange just as convenient as leading global marketplaces.

The year 2014 was challenging for the Russian stock market due to declining interest in Russian securities from institutional investors and rising domestic interest rates. Nonetheless, Moscow Exchange succeeded in launching new investment vehicles and attracting new issuers to the securities market.

A number of landmark equity capital market transactions took place. February 2014 saw Russia's first ever IPO of a foreign issuer, with the company listed simultaneously on two exchanges. Lenta Ltd placed GDRs totalling RUB 34.3 bln on both Moscow Exchange and the London Stock Exchange (LSE).

In addition, several SPOs were completed. The Bank of Russia sold half its stake in Moscow Exchange for RUB 16 bln in June, while Otkritie Bank and QIWI completed SPOs. In early 2015, Russian retailer Magnit also conducted an SPO.

Changes made to legislation in 2014 allowed foreign securities to be listed on Russian exchanges at the discretion of the organizer of trading without a pertinent agreement signed with the issuer. This helped Moscow Exchange to admit Russian corporate Eurobonds to trading in autumn 2014. The ability of Eurobonds to deliver returns in foreign currency makes them particularly attractive to investors in a high rouble volatility environment. Twenty-three corporate Eurobonds and 13 sovereign Eurobonds had been admitted to trading on the exchange by the end of 2014, and the number is gradually increasing.

The Exchange reduced the lot size from USD 200,000 to USD 1,000 for three Eurobonds in late 2014 to make them more accessible to private investors. Furthermore, the Exchange is in active communication with other issuers to reduce the lot sizes for their exchange-traded Eurobonds, to broaden their investment appeal.

More foreign securities joined Moscow Exchange. In June, Yandex stocks were included at the highest-level list and in Moscow Exchange's major indices. In December, trading in shares of Polyus Gold, which has a Premium Listing on the LSE, was launched on Moscow Exchange.

Some structured products were also offered through the Exchange in 2014. These included Rosbank's exchange-registered bonds tied to underlying assets (palladium and foreign securities), as well as Waste Management bonds, which were based on a concession contract for municipal solid waste processing and disposal in the Chuvash Republic.

The total volume of corporate bond placements rose 2.7% YoY to RUB 1.75 trln in 2014. New issuers joined the market for regional and municipal debt despite the overall volume decline on the market.

## LISTING REFORM

Moscow Exchange's listing reform has been an important step for the Russian financial market. It has created a simplified listing structure in line with international standards, and raised the corporate governance criteria for Russian issuers.

Preparations for the reform took nearly three years, during which the Exchange worked with the regulator, market participants and issuers to analyse the best practices of foreign trading venues.

Moscow Exchange's new listing rules took effect on 9 June 2014. The number of listing levels was reduced from six to three, with the A1 and A2 lists combined to form Level 1 (the highest list), while Level 2 includes securities from the former B, V, and I lists, and Level 3 includes all remaining names.

Issuers are now allowed to list their securities at any level during the IPO stage. Thus, the investor base has been broadened, now prominently including the Russian Pension Fund, non-government pension funds, and insurance companies authorised to buy the highest-level stocks only.

The Exchange introduced a new criterion, the free-float ratio, for the inclusion of securities on the Level 1 list; the free-float must be at least 10% for issuers with a market capitalisation of over RUB 60 mln.

Issuers of stocks and bonds are required to submit three years of IFRS statements instead of the previous one. In addition, bond issuers must have a credit rating assigned to the issuer, guarantor, or issue, and the minimum rating has been increased two notches. The minimum corporate bond issue size is RUB 2 bln, while regional and municipal issues must be at least RUB 1 bln.

Mutual fund units must meet minimum NAV and liquidity requirements to be listed. A mutual fund must have an NAV of at least RUB 1 bln to be included at Level 1, RUB 300 mln for Level 2, and RUB 150 bln for Level 3 (RUB 250 bln for real estate mutual funds).

Foreign securities are allowed to be included at the highest level if they have been listed on one of five foreign exchanges approved by the Bank of Russia.

The Exchange also raised corporate governance requirements for issuers to meet the Central Bank's new Corporate Governance Code, adopted in spring 2014.

To be eligible for the Level 1 list, a stock issuer must have at least three independent directors on its board, who must together make up at least 20% of the board members. The board must also form audit, remuneration, and nomination (personnel and appointment) committees, comprising only independent directors if possible.

Stricter criteria for directors to be considered independent are now in place. These criteria are based on the corporate governance standards employed by the New York, London, and Hong Kong Stock Exchanges.

Issuers must appoint an officer or department to perform the functions of the corporate secretary, which must contribute to the development of the corporate governance system and practices, convocation of the company's AGM, and support of the board's activities.

For its stock or bond to be included at the highest level, an issuer must have an internal audit department and a policy on internal audit adopted by the board of directors.

The quality of the Exchange's lists has improved considerably following the listing reform, bringing more transparency and clarity to the market. In turn, issuers are interested in being included at the highest level. Eleven issuers, including blue chips such as Gazprom, Rosneft and Megafon, made additional corporate governance commitments and increased the levels of their listings.

As of 31 December 2014, 1,749 securities from 720 issuers are admitted to trading on Moscow Exchange, of which 317 are stocks from 257 issuers and 1,151 are bonds from 394 issuers. Eight hundred and sixty five securities from 347 issuers are included on the lists, of which 560 securities from 221 issuers are on the Level 1 list.

One hundred and nine stocks from 98 issuers, 536 corporate bonds from 194 issuers, and 131 bonds from 41 federal and municipal borrowers are on the Exchange's lists, of which 67 stocks from 61 issuers and 457 bonds from 161 issuers are listed at Level 1.

Stock issuers were given two years starting from the launch of the reforms to bring their securities and practices in line with the new standards, after which the stocks may be downgraded to lower lists.

## **CORPORATE ACTIONS REFORM**

Moscow Exchange, in conjunction with the regulator and market participants, is developing a new system for corporate actions based on the latest global standards to ensure full transparency for Russian and global investors.

Changes to the system of corporate actions being implemented as part of the reform can be divided into two major areas:

- corporate actions via financial market infrastructure according to the waterfall structure;
- voting at shareholders' meetings.

Depositories will enable their customers to participate in corporate events, acting in their names without proxies and other formalities. Regardless of the format in which instructions are received from a customer (hard copy, phone, fax, SMS, etc.), the depository will create documents in standardised electronic format and send them to the issuer.

Investors will be given the opportunity to choose the voting option for meetings of securities holders: in addition to conventional voting in person, they will be able to complete and send a ballot in hard copy or to give the appropriate instruction to their depository. An e-voting service that will allow securities holders to examine meeting materials on a special website will also be introduced.

Given the importance of maintaining a stable and predictable corporate action system, Moscow Exchange is focusing on making the new technologies it introduces as secure as possible. Russian securities market players expect improved transparency to provide better protection of investors' rights on the Russian financial market, while ensuring equal access to corporate events to all shareholders. The issuer will in turn be able to increase coverage of its investor base by enabling investors to participate in oversight of the Company, enhancing transparency of decision-making and the quality of corporate-governance.

Creating an official corporate information center is a key prerequisite for the reform to be successful. The centre will guarantee all stakeholders equal access to information about issuers, financial instruments and corporate actions. The central depository will receive the information in a structured electronic format directly from issuers. This data will then be disseminated automatically in the accounting system and be available to all stakeholders on a special site.

## **INTEGRATION INTO GLOBAL INFRASTRUCTURE**

International central securities depositories Euroclear and Clearstream were granted complete access to the Russian securities market in 2014, thus expanding the range of foreign companies and funds able to gain exposure to the Russian market.

The arrival of these two leading global post-trade services providers underscores the openness of Russia's financial markets, and is testament to Moscow Exchange's extensive investments in market infrastructure reforms that make the Russian equity market as convenient as possible for investors.

Euroclear and Clearstream's access to the Russian market came in stages. They began servicing OFZs in spring 2013 and corporate bonds on 30 January 2014. The ICSDs were granted access to stocks from July 2014.

The entry of Euroclear and Clearstream to the Russian market makes the country's securities market more widely accessible to international investors and will help to close spreads between domestic share prices and DRs on foreign exchanges. As of December 2014, Moscow Exchange held a 56% share of trading in Russian securities with dual Moscow-London listings.

In 2014, Euroclear and Clearstream also receive one share each in the National Settlement Depository (NSD), which operates Russia's central securities depository, again underlining the transparency of the Russian securities market and Moscow Exchange's corporate governance system.

Opening up the Russian equity market to clients of Euroclear and Clearstream is an important milestone, and shows that Russia's trading infrastructure passed an important test and Russia is now fully integrated into the global securities market.

## **INTERNATIONAL COOPERATION**

Moscow Exchange continues to improve the appeal and competitiveness of Russia's financial market infrastructure, including for foreign investors. The Exchange is a member of the World Federation of Exchanges (WFE) and the Futures Industry Association (FIA), and has for years worked alongside leading global financial institutions and professional associations to develop financial services and joint exchange products.

For more than twenty years Moscow Exchange has engaged in dialogue with Shanghai Stock Exchange. In 2004 and 2009, the two exchanges signed agreements on cooperation in the development of financial services and the improvement of organized securities markets of China and Russia.

In addition, since the launch of CNY/RUB trading in 2010, Moscow Exchange has been cooperating with the leading Chinese banks. In October 2014 during an official meeting of the Russian and Chinese heads of government in October 2014 an agreement was signed between Moscow Exchange and Bank of China expanding collaboration between the two nations' financial markets. A delegation from Industrial and Commercial Bank of China delegation paid an official visit to Moscow Exchange to discuss prospects for implementing new projects on the provision of services to market participants of both countries.

Since 2013, Moscow Exchange strengthened cooperation with Deutsche Börse, one of the world's largest exchange groups. The partnership calls for futures contracts on five leading German issuers to trade on Moscow Exchange. Eurex Exchange, a unit of Deutsche Börse Group, is currently in the process of implementing the project to launch EUR/RUB and USD/RUB derivatives on its trading floor.

A cooperation agreement entered into between Moscow Exchange and NASDAQ OMX in 2013 involves pooling efforts to provide access to the capital markets through the listing of Russian hi-tech companies on both trading floors, as well as the convening of conferences, workshops and presentations for technology companies and international investors.

In 2014, Moscow Exchange signed an agreement with Korea Exchange focused on cooperation in information technologies, improving the financial market infrastructure, developing joint exchange products, as well as and the organisation of events.

The NCC is a full member of the European Association of CCP Clearing Houses (EACH) and a member of the Global Association of Central Counterparties (CCP12). Both these organisations facilitate direct interaction with key central counterparties and serve as forums for discussion on major issues in regulation of financial market infrastructure.

The NSD promotes cooperation within the Association of Eurasian Central Securities Depositories (AECSD), which aims to establish a common environment for depositories in CIS countries, and to integrate regional CSDs into global settlement infrastructure.

In 2014, foreign nominee accounts were opened for the CSDs of Armenia and Kyrgyzstan, and a memorandum of understanding was signed with the CSD of Turkey. In October 2014, the NSD started assigning ISIN and CFI codes to Uzbek securities.

To become a part of the global post-trade system, the NSD also obtained FATCA compliance status from the US Internal Revenue Service and received a Global Intermediary Identification Number (GIIN). In addition, Deutsche Bank Trust Company Americas was added to the NSD's list of correspondent banks.

Moscow Exchange is an active participant in major international exchange forums and conferences regarding the development of trading floor IT infrastructure. In April 2014, for example, an Exchange delegation attended TradeTech Europe in Paris, the world's largest conference on electronic trading. During the year, representatives of Moscow Exchange attended FX market events including FX Invest and EMFX organized in Singapore, Hong Kong, London and New York, as well as the FIA Derivatives Conferences held in London, Boca Raton and Chicago.

In May 2014, Moscow Exchange welcomed leaders of the world's largest exchanges and international clearinghouses to Moscow for the 31st Annual Derivatives Conference, held under the auspices of the World Federation of Exchanges (WFE) and the International Options Market Association (IOMA). The annual conference brings together the leaders from the world's futures and options markets and derivatives clearing houses to discuss market and regulatory issues affecting the world's derivatives landscape. It was the first time that Moscow had been chosen to host this industry agenda-setting event.

## CLIENT SERVICES

In the course of 2014 Moscow Exchange continued to focus on delivering a client-centered approach by optimising procedures, thus reducing time for admission to trade and switching from hard copy documents to electronic. This both increased convenience for the clients and paved the way for further efficiency improvements in future.

In 2014, the Exchange delivered internal projects to optimise data interchange that reduced the amount of documents received from clients by 44%. This was achieved mainly by depersonalising access to completed transactions on the securities and FX markets; as a result, we no longer need to provide powers of attorney for employees. Thanks to profile updating and the KYC policy in place at all Moscow Exchange Group companies, clients need to file just a single set of documents on a one-stop-shop basis.

We also started a standardisation project for registering clients of trading members, and in 2015 plan to upgrade the registration and records system for members' clients and reduce their expenses.

Following the annual survey of Moscow Exchange trading firm loyalty in 2014, the company received high Net Promoter Scores (NPS) of 66%. 488 trading members took part in the survey, which is six times more than in 2013.

The Exchange still serves as a platform for discussing legislative changes, requirements of regulatory bodies and major technological changes with clients.

In 2014 Moscow Exchange concentrated its client relationship management on events and projects aimed at designing new services to make trading as convenient as possible. A particular area of focus was the development of Personal Accounts for trading members. These allow members to check their status data, receive reports, track submitted documents and generate copies in electronic format. The system to accept e-documents from trading members via the Personal Account has substantially reduced the time needed for clients to generate documents and for the Exchange to process them.

Moscow Exchange maintains regular contact with trading members through the Exchange Council and user committees.

The Exchange Council is a permanent advisory body that represents members' interests and ensure their needs are fully taken into account when considering issues related to the organization and development of financial markets infrastructure. Proposals and recommendations from the Council are submitted to the Supervisory Board or another authorized management body. In 2014 the Exchange Council held three meetings that discussed clearing of OTC derivative financial instruments, creation of new products, measures taken by the Bank of Russia to maintain the stability of the Russian financial sector, and other issues.

There are 13 user committees representing different groups of financial market participants and issuers. The committees are advisory bodies that prepare proposals for amendments to laws and other legal regulations, consider regulatory issues relating to securities issuance and trading, disclosure and corporate governance. They also put forward proposals regarding securities trading, upgrades to clearing and settlement technologies, and expansion of the range of available instruments and services.

The user committees worked out a number of innovations that were successfully implemented in 2014.

As part of cooperation with its customers, the Exchange participated in and sponsored the largest professional conferences on the financial market including the International Repo-Forum-NFA-2014 and the All-Russian Corporate Governance Forum at which the awards ceremony of the Director of the Year National Award took place.

In early spring, the Moscow Exchange hosted the 6th Exchange Forum. The event is the Russia's largest conference for the professional financial community that brings together up to a thousand delegates every year among which representatives from banks, brokerage firms, Russian and foreign investment funds, independent experts and analytics. Heads of ministries, governmental agencies and regulatory authorities took part in the plenary session.

## **HUMAN RESOURCES**

One of the main goals of Moscow Exchange Group's HR policy is to engage the best managers and specialists, and to develop employees' professional and personal potential.

### **Training and development**

One strategic area of HR management is training and development. In 2014, 90 middle managers completed training at the MOEX Business University programme, which lasts a year and a half and offers exposure to cross-functional and project activity.

In addition, 77 training sessions on communications, cross-functional interrelation, situational leadership, personal performance, and other subjects were conducted, with 760 employees participating.

The company is currently building partnerships with leading global business schools. At the end of 2014, the company concluded agreements with Harvard Business School (HBS), INSEAD and London Business School to send several senior managers for training. In cooperation with HBS professors, the Advanced Management Program module was successfully implemented for 30 key senior and middle managers; this module was the third stage of the integrated senior manager development program (the first two stages were implemented in 2013).

### **Attracting employees and refreshing the team**

The business of Moscow Exchange, the largest financial infrastructure company in Russia, is unique in many aspects. The company's range of functions is unequalled on the market. This is why the main areas of its HR strategy include establishing relations with higher educational institutions and attracting talented students and graduates to train and adapt them to the company. In 2014, the Exchange staged numerous events for students, including academic competitions and exchange programs.

In 2014, the Group continued the management team refresh programme that began the previous year. The National Settlement Depository also significantly strengthened its management team.

The market recognised the high professionalism of the group's employees when 10 of its managers were ranked in the "Top 1,000 Russian Managers" rating compiled by the Russian Managers Association.

### **Performance management: goals, assessment, remuneration**

Annual performance management reviews are in place at the Group. Regular personal assessments include setting goals for all employees, semi-annual interim analysis of their achievements, and annual final assessments of key performance indicators. This influences changes to employee salaries and year-end bonuses.

The degree to which each employee's work corresponds with the company's values and the individual's job competencies govern individual development plans for each subsequent assessment cycle. Corporate and individual KPIs are approved by the Supervisory Board, with each person contributing to the company's common goals. The more senior an employee's position, the more important corporate KPIs are in the individual plan. Corporate KPIs traditionally include three components: financial (the manager's contribution to growth in earnings per

share); system uptime, which is important for the Exchange as a key piece the financial markets infrastructure ; and a project component, namely the implementation of one or two large projects per year.

This system is designed to ensure the achievement of long-term goals and ultimately deliver financial results.

### **Service brand building**

One of Moscow Exchange's key values is partnership with clients. To achieve this the Exchange is improving its internal processes, in particular communication between divisions, developing external relations, improving services and communication with contractors, and implementing global best practices.

June 2014 saw the start of the programme Moscow Exchange Service Brand Building. The initiative comprised four working sessions on support service model formation, with 13 of the exchange's business divisions participating. The project also includes employee training and certification, and the implementation of international experience-sharing programs, with visits to the offices of BM&FBovespa, Deutsche Börse, Clearstream, Citibank and Deutsche Bank.

Openness to communication at all levels, investment in employee training and development, recognition of their merits and active internal promotion ensure a comfortable working environment and create a pleasant atmosphere within the company. All of these aspects encourage exposure to corporate values and boost performance. Company-wide sporting and charity events offer opportunities for self-fulfilment and strengthen team spirit, enabling employees to feel part of an integral whole.

One area of focus in human resources management in 2015 will be ongoing succession planning. Regular assessment allows talented and up-and-coming employees to be identified, their promotion to key positions planned, and necessary competency improvements to be implemented. All of these activities will promote implementation of the company's strategy and fulfilment of its business objectives.

## **EDUCATION AND COMMUNITY OUTREACH**

Moscow Exchange is an active participant in Russia's national programme to increase financial literacy. The Exchange's large-scale educational initiatives covered many Russian regions in 2014: in April, Financial Literacy Week was held in the Saratov, Volgograd and Astrakhan regions. In October, the Expert Council on Financial Literacy under the Bank of Russia visited Yakutia. The Exchange organised workshops and business games at the Kustorka global financial literacy youth camp in the Nizhny Novgorod region.

As part of cooperation with the financial market participants, the Exchange held about 30 seminars together with brokerage firms in Moscow and regions in 2014.

Some 2,700 visitors toured Moscow Exchange's Exchange History Museum in 2014. Over 100 excursions were held, and work on the new Foreign Exchanges exposition continued. More than 70 items were added to the museum's collection, and the Collection of Foreign Exchanges catalogue was issued.

Moscow Exchange works with Russia's leading technical and economics-focused universities as part of its research and development projects and training of highly qualified personnel for the Group and financial sector as a whole. In 2014, joint projects were undertaken with the Higher School of Economics, Plekhanov Russian Economic University, Russian Presidential Academy of National Economy and Civil Service, Russian Government Financial University, Lomonosov Moscow State University, MIFI National Research Nuclear University and the Institute of Stock Market and Management.

As part of its long-term partnership with MIFI, the Exchange sponsored training in Computer Technologies for Exchange and Banking Systems specialisation at the Systems Mathematical Support faculty in 2014. MIFI students undertook internships at the Exchange. In March 2014, the Exchange, together with the Financial University, hosted the annual all-Russian Academic Competition in Financial Markets, known as Fincontest, for students and graduates. Exchange professionals gave a special course for senior students in Financial Risk Management at Lomonosov Moscow State University's Department of Computing Mathematics and Cybernetics.

## **PHILANTHROPY**

Moscow Exchange's philanthropic activities aim to help those in need, particularly children, and to finance projects significant to the Company via funds specialising in particular social areas.

Cooperation with charitable non-profit organisations is intended to enhance spending efficiency and to maximise the number of beneficiaries. Involvement of the group's employees in philanthropic activities as volunteers and donors is an extremely important part of the Group's policy.

The Philanthropy Committee makes decisions about which organisations and projects to support in accordance with annually approved budget and spending plans. Its operations are governed by the Philanthropy Committee's Policy. A total of around RUB 32 mln was allocated to philanthropic projects in 2014.

In 2014, Moscow Exchange continued to work with organisations such as Gift of Life, ORBI and Vera. The Gift of Life Foundation allocates money to the treatment of children suffering from oncological and haematological conditions. ORBI assists stroke patients and supports stroke prevention efforts, while the Vera Foundation benefits hospices.

In addition to working with non-profit organisations, Moscow Exchange provides targeted aid by participating in individual charitable projects for children. For example, in 2014, it financed the publication of colour-illustrated books for children with impaired vision. The group continues to support the Udelnaya foster home, Moscow boarding school No. 53 for orphans, and the Shatalovo foster home and Safonovo boarding school in the Smolensk region. The Group sponsored participation of the Duet club, which organises sports dancing for wheelchair users, in the Championship of Russia held in St. Petersburg.

Moscow Exchange Group employees are involved in volunteer activities and events held jointly with charitable foundations. Over 100 people joined the ORBI stroke prevention initiative in November 2014. In December 2014, Exchange employees actively participated in a three-week project to provide staple goods for patients at the First Moscow Hospice.

Information on the company's philanthropic activities is available to employees via the Corporate Charity section of the Exchange's internal portal, where they can make donations and register for participation in partner volunteer projects with the Gift of Life, ORBI and Vera foundations, as well as propose their own socially beneficial initiatives and ideas. The daily Corporate News mail informs employees of ways to get involved in charitable activity.

## SHARE CAPITAL STRUCTURE AND MAIN SHAREHOLDERS

Moscow Exchange's charter capital is RUB 2.278 bln or 2.278 bln ordinary shares with a par value of RUB 1 each.

The shares were listed on the Exchange's own trading platform on 4 February 2013. They were added to the Exchange's A1 List in April 2013, and to the MSCI Russia and MSCI Russia 10/40 indices in November 2013. Following a regular quarterly review of the indices in February 2014, their weight was increased from 0.5% to 0.9%

Registered ordinary shares	State registration number 1-05-08443-N
Nominal value, RUB	1
Number	2,278,636,493 units
Totals	RUB 2,278,636,493
Ticker / ISIN	MOEX / RU000A0JR4A1

In 2014, the Exchange completed the buyback of 99,852,660 shares (4.2% of its share capital) from its fully-owned subsidiary MICEX Finance. The shares were retired in March 2014, increasing existing shareholders' proportional ownership of the company's equity and their return on capital, and strengthening corporate governance by preventing voting with these shares.

### Moscow Exchange shares

	2014	2013
Closing price as of 30 December, RUB	60.76	64.76
52-week average*, RUB	60.71	55.34
52-week high*, RUB	70.93	69.99
52-week low*, RUB	42.74	42.57
Average daily trading volume, RUB mln	384.29	188.00
Average daily trading volume, USD mln	10.03	5.82
Market cap (as of 30 December), RUB bln	138.45	154.03
Total number of shares outstanding (as of 30 December), units	2,278,636,493	2,378,489,153

\* The figures for 2013 do not cover the full year, rather the period from 4 February 2013 when the shares began trading on Moscow Exchange.

On 2 July 2014, the Bank of Russia sold half of its stake in Moscow Exchange (11.7% of total shares) via an international offering. A total of 267.3 mln shares were sold for RUB 16.04 bln. The sale was in line with the Central Bank's obligation to completely exit Moscow Exchange's shareholder capital by 1 January 2016 (as per Federal law No. 251-FZ of 23 July 2013).

Following the transaction, Moscow Exchange's free float increased to more than 50%, one of the highest free floats on the Russian market. Demand far exceeded

the number of shares on offer, with nearly 100 institutional investors from Russia, Asia, the Middle East, Europe and the US participating in the transaction. This underlined investor confidence in the Exchange's business model and strategy to develop the Russian financial markets infrastructure.

As of 31 December 2014, the total number of shareholders and beneficial owners stood at more than 3,000, of which 2,700 were individuals.

**Shareholders owning in excess of 5% of the Company's outstanding share capital (as of 31 December 2014)**

	<b>Shareholder</b>	<b>Shares</b>	<b>%</b>
1.	Bank of Russia	275,182,237	12.077
2.	Sberbank	227,682,160	9.992
3.	Vnesheconombank (VEB)	191,299,389	8.395
4.	EBRD	138,172,902	6.063
5.	Chengdong Investment Corporation	127,989,506	5.616
6.	Russian Direct Investment Fund (RDIF)	119,887,884	5.260

**Dividends**

Moscow Exchange's shareholders are entitled to a dividend. The dividend payout is calculated on the basis of the Company's annual IFRS net income. The dividend amount is recommended by the Supervisory Board and approved at the General Meeting of Shareholders.

*Dividend history*

Period	Dividend declared, RUB per share	Dividend declared, RUB mln (before income tax)	Percentage of IFRS net income	Dividend policy, % of net income
<b>2014*</b>	3.87	8,823.95	55.17	No less than 50.0
<b>2013</b>	2.38	5,423.15	46.8	No less than 40.0
<b>2012</b>	1.22	2,901.76	35.4	No less than 30.0
<b>2011</b>	0.32	681.20	10.2	--

*\*Dividends for 2014 were recommended by the Supervisory Board for approval at the General Meeting of Shareholders on 28 April 2015.*

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

On March 21, 2014 the Board of Directors of the Bank of Russia approved the Corporate Governance Code (hereinafter referred as the “Corporate Governance Code” or the “Code”). Provisions of the Code are based on the internationally recognized principles of corporate governance developed by the Organization for Economic Co-operation and Development and recommended for using by the Joint Stock Companies securities of which are admitted to trading.

1. On observance of principles of corporate governance and recommendations of the Corporate Governance Code by the Exchange.

To the extent of observance of principles of corporate governance stipulated in the Corporate Governance Code Supervisory Board declares as follows:

1.1. In accordance with the principles of corporate governance stipulated in the Corporate Governance Code the Exchange shall ensure fair and equitable treatment of its shareholders exercising their rights.

The Exchange shall provide its shareholders, including minority and non-resident shareholders, an opportunity to enforce their rights related to participation in management of the Exchange as well as ensure fair and equitable treatment of its shareholders holding the shares of one class (type).

The shareholders shall have a real opportunity to participate in management of the Exchange by making the decisions as regards the issues pertaining to the competence of the General Shareholder Meeting of the Exchange on the General Shareholder Meetings.

Shareholders of the Exchange are provided with a favourable opportunity to participate in the General Shareholder Meeting in person or by proxy as well as an equal right to express their opinion on the items of the agenda and to ask questions.

Shareholders shall have equal and fair opportunity to participate in profits of the Exchange by receiving dividends. Dividend Policy of the Exchange approved by the Supervisory Board in 2013 stipulates the following fundamental principles of determining the dividend amount:

- annual determination of capital adequacy for the current year and forecasting capital requirements for the next two years;
- shareholders and investors appeal of the Exchange due to quite high, stable and predictable income level from investment into capital of the Exchange;
- dividend level paid by comparable Russian companies.

Within the period stipulated in the FZ (Federal Law) On Joint Stock Companies dividends shall be payable to the persons holding the shares or the persons exercising the rights attached to those shares in accordance with the federal laws as at the close of business on the date when there are determined the persons entitled to receive the dividends in accordance with the decision on payment thereof.

Shareholders entitled to get acquainted with the list of the persons entitled to participate in the General Shareholder Meeting shall be so entitled starting from the date of announcement of the General Shareholder Meeting till the closing time of physical General Shareholder Meeting, and if the meeting is held by virtue of absentee voting – till the termination date of acceptance the voting ballots.

Procedure for announcement of the General Shareholder Meeting of the Exchange and submission of materials enables the shareholders to duly prepare to participation therein.

The General Shareholder Meeting shall be announced not later than 30 days prior to the date of holding thereof (except when the FZ On Joint Stock Companies stipulates the longer period). The announcement shall be published on the Exchange web-site on the information and telecommunications network Internet.

Starting from 2013 the Exchange introduced into practice provision of the shareholders with an opportunity to get acquainted with the information subject to submission when preparing to hold the General Shareholder Meeting by electronic means of communication – to publish all the materials on the Exchange web-site on the information and telecommunications network Internet including in English. Moreover, when preparing to hold the General Shareholder Meeting the Exchange generally publish on its web-site a model form of Power of Attorney which can be used by the shareholder to issue to its representative the Power of Attorney with the right to vote on the General Shareholder Meeting.

An Independent Registrar shall maintain the Register of Registered Securities of the Exchange and functions as a Counting Board that ensures reliable and efficient method of recording the share rights. Shareholder(s) of the Exchange holding the legally determined number of voting shares shall be provided with an opportunity to bring a question for consideration of the General Shareholder Meeting, to nominate the candidates to be elected to the correspondent authorities of the Exchange as well as to call for a General Shareholder Meeting without submission of an Extract from the Shareholders Register, and if the share rights are asserted to a securities account submission of Statement thereof shall be sufficient evidence for exercising of such rights.

In case of consideration of the issues related to election of the Supervisory Board members, the Board Chairman, Revision Committee members on the General Shareholder Meeting as well as the issue on approval of the Auditor such meetings shall be held with participation of the nominees to the correspondent authority of the Exchange.

Physically held General Shareholder Meetings shall be attended by the Board Chairman and the Board members of the Exchange and the Annual General Shareholder Meetings shall be also attended by the Supervisory Board members, Revision Committee Chairman, the Auditor's representative which can be asked by the shareholders.

Each shareholder of the Exchange shall be provided with an opportunity to freely exercise its voting right by sending the filled in ballot or, in case of physically held General Shareholder Meeting, by direct voting by ballot on the meeting.

In the Articles of Association of the Exchange there are no restrictions or conditions related to sale of the shareholders' shares to the third persons which provide the shareholders with an opportunity to freely and easily alienate their shares.

1.2. Corporate Secretary positions of which is inaugurated by the Exchange in 2011 shall be responsible for efficient interaction with shareholders, coordination

of the Exchange activities as regards protection of shareholders' rights and interests and assistance in efficient functioning of the Supervisory Board.

In accordance with the Regulation on Corporate Secretary of the Exchange the Corporate Secretary's main functions shall be in particular: participation in improvement of the system and practice of corporate governance of the Exchange, participation in arrangement and holding of General Shareholder Meetings and Meetings of the Supervisory Board of the Exchange, participation in prevention of corporate conflicts as well as implementation of the procedures stipulated in the laws and internal documents ensuring exercise of the shareholders' rights and legal interests.

To ensure the Corporate Secretary's independence of executive authorities of the Exchange the Articles of Association and the Regulation on the Corporate Secretary provide for the Corporate Secretary's accountability to the Supervisory Board of the Exchange. Issue as regards appointment to the Corporate Secretary's position and dismissal therefrom, remuneration and bonus payment as well as goal-setting shall pertain to the competence of the Supervisory Board of the Exchange.

1.3. Strategic management of the Exchange activity and efficient control over activity of the Board and the Board Chairman carried out by the Supervisory Board and accountability of the Supervisory Board to the General Shareholder meeting of the Exchange.

In accordance with the Articles of Association of the Exchange the Supervisory Board shall be accountable to the General Shareholder Meeting, authorized to determine priority business areas of the Exchange, to approve the strategy and control over implementation thereof, to approve budget of the Exchange as well as to control financial and economic indicators of the Exchange.

Supervisory Board shall elect the Board members, determine term of their office and make the decision as regards earlier termination of office (inter alia due to improper fulfillment of their obligations), besides, it shall control activity of executive authorities of the Exchange, regularly review Reports of the Board Chairman and the Board members as regards activity thereof and on performance of the Exchange as well as make decisions following the results of such review.

In accordance with the Articles of Association the competence of the Supervisory Board shall include a number of issues relating to exchange activities in particular approval of the Exchange internal documents pertaining to the competence of the Supervisory Board in accordance with the law On Organized Trading including approval of the Rules of the Organized Trading; documents determining the procedure for arrangement and carrying out of internal control and measures aimed at mitigating of risks of the trades organizer; document determining the measures to be taken in emergency situations aimed at provision of continuity of operations as regards the organized trading. Supervisory Board shall also approve cost of the services as regards the organized trading, Regulations on Users Committees (including council of the exchanging market sections), determine number of members of such Committees and elect members thereof.

Number of members of the Supervisory Board shall ensure the most efficient and professional exercise of the functions assigned thereon including for the purposes of making detached judgements and decisions serving the interests of the Exchange and shareholders thereof. Moreover in 2014 there was carried out evaluation of compliance of nominees to the Supervisory Board with criteria of independence as

well as analysis of compliance of **elected** members of the Supervisory Board with criteria of independence. As at December 31, 2014 the Supervisory Board consisted of four of fifteen elected Independent Directors that was sufficient to comply with the listing rules set up by Closed joint-stock company MICEX Stock Exchange to the extent of the minimum number of independent directors composing the Supervisory Board of the company required to keep shares of the Exchange in the top quotation list of Closed joint-stock company MICEX Stock Exchange.

All the members of the Supervisory Board shall have the knowledge, skills and experience required for making the decisions pertaining to the competence of the Supervisory Board and necessary for effective exercising of functions of the Supervisory Board, besides members of the Supervisory Board shall comply with the requirements stipulated by the laws of the Russian Federation and applicable Regulations in the sphere of financial markets. Appointment and Incentives Committee shall determine the requirements applicable to professional skills which members of the Supervisory Board shall comply with and from time to time analyze compliance of skill of those members of the Supervisory Board.

Members of the Supervisory Board shall actively participate in the meetings of the Supervisory Board as well as in activity of Committees thereof. In accordance with the Regulation on the Supervisory Board meetings of the Supervisory Board shall be held as necessary but at least every six weeks. Meetings of the Supervisory Board shall be held regularly by personal attendance or by virtue of absentee voting depending on importance of the considered issues. Regulation on the Supervisory Board in details regulates the procedure for arrangement and holding the meetings ensuring sufficient awareness of members of the Supervisory Board when preparing to the meetings and efficient activity of the Supervisory Board.

In the beginning of 2014 the evaluation of performance of the Supervisory Board, committees and members thereof was carried out following the results of which members of the Supervisory Board in general positively estimated quality of business relations between the Board, the Board Chairman and management team as well as arrangement of mutual relations between the Board and the shareholders.

**Members of the Supervisory Board also made the suggestions related to supplementary work on creation of strategy and development of the risk management system, greater extent of interaction between Directors and the management team outside the meetings, determination of objectives and improvement of the procedures for evaluation, training of Directors as well as improvement of interaction between Chairmen of the Committees and the Supervisory Board, made comments as regards period for submission, scope and contents of materials, scope of the procedures for adaptation and inauguration of Directors.**

Following the results of evaluation the Supervisory Board approved the schedule of measures aimed at development of corporate governance and activity of the Supervisory Board as well as other participants of the corporate governance system.

In 2013 on the Extraordinary General Shareholder Meeting it was decided to reduce the number of members of the Supervisory Board from 19 to 15 members in order to increase efficiency of performance thereof.

For preliminary consideration of the most important issues related to activity of the Exchange at the Supervisory Board there are established special committees including the Auditing Committee and Appointment and Incentives Committee.

One of the main goals of the Auditing Committee is assistance in efficient performance of the Supervisory Board to the extent of control of business and financial performance of the Exchange.

Appointment and Incentives Committee is established to assist in formation at the Exchange of efficient and transparent remuneration policy with respect to the Supervisory Board members, members of the executive authorities and other key executive officers.

Taking into consideration range of activity of the Exchange and risk level the Supervisory Board also established the following committees:

- Strategic Planning Committee;
- Risk Management Committee;
- Committee on Budgets;
- Technical Policy Committee.

More detailed information on the Supervisory Board and Committees thereof is available in the correspondent section of the Annual Report.

1.4. Level of remuneration paid by the Exchange to the Supervisory Board members and executive authorities shall be sufficient for attraction, motivation and retention of the employees having the required competence and skills.

Amount of remuneration of the Supervisory Board members shall be determined by the General Shareholder Meeting in accordance with the procedure and in the amount stipulated in the Regulation on Remuneration and Compensation for Expenses incurred by the Members of the Supervisory Board of the Exchange.

Due to the change in the rouble exchange rates against foreign currencies and rising inflation, the issue on change of the approach to and the level of remuneration paid by the Exchange to the Supervisory Board members shall be brought for consideration of the 2015 General Shareholder Meeting in order to provide ample opportunities for attraction, motivation and retention of the employees having the required competence and skills.

Essence of contracts concluded with executive management of the Exchange including with respect to the amount, conditions and procedure for payment of the remuneration shall be determined by the Supervisory Board taking into consideration recommendations of the Appointment and Incentives Committee of the Supervisory Board. Amount of remuneration of the executive management depends on key performance indicators (goals) of the Exchange in general as well as on, as well as on personal key performance indicators of the executive management member and its personal contribution to achievement of the results. The Exchange also applies the practice of deferred payment of a portion of short-term premiums of the executive authorities for up to two years.

Annually the Board members of the Exchange shall plan the key performance indicators related to implementation of the strategy to be considered by the Appointment and incentives Committee of the Supervisory Board and approved by the Supervisory Board of the Exchange.

1.5. At the Exchange there is implemented and functions the risk management system related to carrying out of the Exchange activity as the trade organizer, and there are established Internal Control and Internal Audit Services accountable to the Supervisory Board.

Supervisory Board of the Exchange shall determine the principles and approaches to arrangement of the risk management system and internal control, in particular appoint and dismiss the Head of Internal Control Service, approve the internal documents setting up the procedure for arrangement and internal control, approve the risk management policy.

In order to ensure independence of the Internal Control Service from the executive authorities functional and administrative accountability of the Head thereof shall be delimited. Functionally Head of Internal Audit Service shall be accountable to the Supervisory Board and administratively – directly to the Board Chairman.

Authorities of the Internal Audit Service of the Exchange shall include, among others, independent assessment of corporate governance of the Exchange.

1.6. Activity of the Exchange shall be transparent for the shareholders, investors and other related parties.

The Exchange shall disclose complete and authentic information in accordance with the laws of the Russian Federation and internal documents including on financial status thereof, economic parameters, ownership and management structure in order to provide the shareholders with an opportunity to make informed judgments and transparency of performance of the Exchange.

The Exchange shall comply with the current laws with respect to disclosure in full and aspire to provide complete and up-to-date information in excess of the legal requirements to increase awareness of the related parties of the Exchange, ownership and management structure and financial performance thereof.

In 2013 the Supervisory Board of the Exchange approved the Regulation on Information Policy setting up the main principles of the Exchange information policy, list of the information and documents subject to disclosure as well as the procedure for provision of the shareholders and investors with the information and documents.

Shareholders of the Exchange shall have equal opportunities for access to the information.

Shareholders of the Exchange shall have an opportunity to obtain complete and authentic information including the information on financial status thereof, performance, management and shareholders thereof.

The Exchange shall maintain confidentiality as well as protection and control over using of the information classified as trade secret and using of insider information.

1.7. Provision of the Board and the Board Chairman with an opportunity to reasonably, honestly administer the day-to-day operations of the Exchange for the benefit thereof as well as accountability of these authorities to the Supervisory Board and the shareholders.

In accordance with the FZ On Joint Stock Companies and Articles of Association of the Exchange the executive authorities (the Board and the Board Chairman) shall administer the day-to-day operations of the Exchange.

In the Board there are no persons convicted for commission of economic offences or crimes against the public order, interests of public services and self-governing authorities, no persons undergone administrative punishment for offences in the sphere of entrepreneurship and finance, taxes and levies and securities market.

In accordance with the Articles of Association determination of the number of the Board members, election of the Board members, determination of term of their office; approval of the terms and conditions of Employment Agreement with the Board Chairman and the Board members inter alia setting up the amount of remuneration, premiums and other incentives; approval of principles and parameters of long-term remunerations program for the management team, determination of number, structure and amount of salary and premiums for employees of the Internal Audit Service shall pertain to the competence of the Supervisory Board.

In addition to approval of major transactions and transactions with related parties the Supervisory Board, in accordance with the Articles of Association, shall decide whether to approve the transactions amount of which exceeds 300 million rubles (excluding exchange transactions relating to business profile of the Exchange and the transactions related placement of temporarily disposable monetary resources).

1.8. Liability of each member of the Supervisory Board and the Board for consequences of the decisions made; prevention of conflict of interests; protection of the information classified as trade secret of the Exchange

When exercising their rights and fulfilling their obligations members of the Supervisory Board and the Board shall act for the benefit of the Exchange and exercise their rights and fulfil their obligations reasonably and in good faith.

Members of the Supervisory Board and the Board shall:

– in order to prevent conflict of interests when carrying out activity of the Exchange shall refrain from:

performance of actions and/or making the transactions with competitive entities which they are directly or indirectly interested in and which, if made, may inflict substantial damage to the Exchange and/or clients thereof;

acquisition of shares (portions thereof) competitive legal entities;

participation in management and holding other offices in competitive legal entities;

– in order to protect the information classified as trade secret:

shall not either disclose or use for personal use or for the benefit of the third persons the information come to their notice classified as trade secret of the Exchange listed in the internal documents of the Exchange as well as other information access to which is limited in accordance with the internal documents;

– shall not carry out any activity in the competitive entities without consent of the Exchange;

– without consent of the Exchange shall not submit to mass media any materials related to activity of the exchange including the ones related to professional activity on exchanging markets neither under its name nor under a pseudonym;

– shall not use the insider information came to their notice for personal advantage.

In order to prevent conflict of interests the Articles of Association and internal documents of the Exchange provide for special provisions, in particular, the

Articles of Association of the Exchange pertains determination of methods for prevention of conflicts of interests between the Board members and the Supervisory Board members and decision making in case of conflicts of interests to the competence of the Supervisory Board. Besides Provisions on the Supervisory Board and the Board of the Exchange vest in each member of the Supervisory Board and/or the Board member an obligation to refrain from the acts which result or may result in the conflict between its own interests and interests of the Exchange and in case of such conflict – to disclose the information thereon and to take measures aimed at maintenance of the correspondent procedure or making transactions with related parties.

1.9. Efficient control over business and financial performance of the Exchange in order to protect the shareholders' rights and legal interests.

In order to control business and financial performance of the Exchange there is established a special authority – Revision Committee to be elected by the General Shareholder Meeting. Activity of the Revision Committee shall be governed by the Articles of Association and the Regulation on the Revision Committee approved by the General Shareholder Meeting. Revision Committee shall be accountable to the General Shareholder Meeting and shall act irrespective of other management authorities of the Exchange.

In order to ensure maximum objectivity and authenticity of the Accounting (Financial) Statement the Exchange shall involve independent Auditor in annual verification and confirmation of Annual Financial Statement. Auditor shall be nominated by the Auditing Committee of the Supervisory Board and approved by the General Shareholder Meeting – for more details see the correspondent section of the Annual Report.

1.10. Recording of the related parties' rights stipulated in the current laws of the Russian Federation, promotion of active cooperation between the Exchange and the related parties in order to maintain stability and develop financial market of the Russian Federation.

The Exchange regards as the main parties interested in its performance market participants, employees, shareholders, the Bank of Russia and other control and supervision authorities, contractors and other institutions affected by activity of the Exchange.

Management of the Exchange shall act in such a manner as to maximally promote interest of the employees in efficient performance of the Exchange. Relations between the Exchange and its employees shall be governed by the current laws of the Russian Federation and Employment Agreements. Executive authorities of the Exchange shall ensure equal rights and opportunities to be employed irrespective of race, nationality, language, origin, wealth and job status, place of residence, religious orientation, beliefs or participation in public associations. In their turn employees of the Exchange shall responsibly and proactively fulfil their duties.

The Exchange shall interact with market participants through the user committees and the Exchange Council which participate in discussion of significant changes in settlement of trade and tariffs for the Exchange services as well as overall strategic development of the scope and quality of the Exchange services.

The Exchange closely interacts with the Bank of Russia in the sphere of norm setting and formation of better practices of exchange activities.

The Exchange aspires to establish mutually favourable relations with its contractors based on development of long-term and steady relations and timely payment under the contracts.

Thus in spite of relatively recent adoption of the Corporate Governance Code the Exchange complies with fundamental principles and recommendations thereof.

After adoption of the Code the Exchange analyzed compliance of internal documents thereof and the procedures stipulated therein with the principles and requirements of the Code. In the course of analysis there was also verified compliance with the corporate governance requirements stipulated by the Listing Rules of Closed joint-stock company «MICEX Stock Exchange» including to the extent of independence of the Directors, the Corporate Secretary and Head of the Internal Audit Service, procedure for establishment of committees of the Supervisory Board etc. When analysing compliance with the corporate governance principles stipulated in the Code the Exchange was guided by the general corporate governance principles stipulated in the Code.

Following the analysis results there were made major efforts aimed at bringing of the internal documents of the Exchange and the procedures stipulated therein in compliance with the principles and requirements of the Code, in particular, there were approved the revised Regulations on the Internal Audit Service, on the Corporate Secretary, on the Auditing Committee and on the Appointment and Incentives Committee of the Supervisory Board. The latter was renamed from Humane Resource and Incentives Committee (for more details see clause 2 of this section).

Alongside with that in the end of the reporting year there is a range of incompliance as regards of which there are suggested the following remedies:

1. Noncompliance of the number of members of the Auditing Committee and the Appointment and Incentives Committee of the Supervisory Board:

The Auditing Committee is only composed of 3 Independent Directors and 6 members, the Appointment and Incentives Committee is composed of 1 Independent Director and 7 members. The Chairman does not comply with the criteria of independence, moreover, among the members there is a person not being the Director. There are no objective reasons of non-compliance with the requirements.

To bring the number of members of the Auditing Committee and the Appointment and Incentives Committee in compliance with the requirements the shareholders shall nominate sufficient number of independent candidates having the skills and experience required to qualitatively exercise functions of members of the correspondent committees.

Besides, it is supposed that the Chairmen of all the Committees established at the Supervisory Board shall elect the Independent Directors.

2. In the Articles of Association or other document of the Exchange there is not stipulated the requirement as regards disclosure of the information on the date of listing the persons entitled to participate in the Shareholder Meeting at least 7 days prior to such date.

Alongside with that the above requirement is not formalized it is actually met by the Exchange.

The correspondent requirement is included into the draft Articles of Association and Regulation on the Procedure for Preparation, Conveying and Holding of the General Shareholder Meeting of the Exchange brought for approval on the Annual General Shareholder Meeting in 2015.

3. Number of Independent Directors composing the Supervisory Board as at December 31, 2014 is 4 of 15 members of the Supervisory Board – does not comply with recommendations of the Code as regards number of the Independent Directors in accordance with which it shall be equal to at least 1/3 of the elected members of the Supervisory Board.

In addition the Supervisory Board Chairman is the Director not complying with formal criteria of independence, however, experience and prestige of the Chairman-in-Office, A.L. Kudrin, enables the Supervisory Board not to review this decision.

In order to bring the Supervisory Board in compliance with recommendations of the Code as regards the number of Independent Directors the shareholders shall nominate sufficient number of independent candidates having the required skills, experience and unblemished reputation to work as the Supervisory Board members.

Furthermore, in order to bring the Supervisory Board in compliance with recommendations of the Code, the Supervisory Board approved new Provisions on the Supervisory Board Commission on Nomination and Remuneration at its meeting on 23 September 2014 (Minutes No 5 dated 25 September 2014). Below are some functions of the Commission that are stipulated in the Provisions:

- Organise preliminary discussion of nominees to the Supervisory Board of the Exchange by shareholders, among other collect shareholders' opinions on nominee compliance with independency criteria;
- Develop and communicate to shareholders voting recommendations on nominee election to the Supervisory Board of the Exchange;
- Set selection criteria for nominees to the Supervisory Board of the Exchange and interact with both major and minority shareholders to choose those nominees to the Supervisory Board of the Exchange who fully meet the purpose and objectives of the Exchange.

The above-mentioned functions were designed to provide additional undertakings for the Exchange to interact with its shareholders while appointing the Supervisory Board.

To perform the above-mentioned functions, the Nomination and Remuneration Commission reviewed the existing list of the Supervisory Board members and candidates, and drafted recommendations for shareholders to nominate appropriate candidates and voted for them at the 2015 AGM. Information on such candidates and a pertinent letter from the Chairman of the Board were published on the Exchange's website. So, shareholders of the Exchange were offered an opportunity to follow recommendations of the Nomination and Remuneration Commission when nominating candidates for the Supervisory Board to be elected at the 2015 AGM.

Taking into consideration recommendation of the Code as regards election of an Independent Director the Supervisory Board Chairman or choosing the senior Independent Director from amongst the elected Independent Directors, it was

suggested to the Independent Directors of the Exchange to elect the senior Independent Director from amongst their number.

It is also worth noting that in 2015 the Supervisory Board brought for consideration of the General Shareholder Meeting the revised Articles of Association and other internal documents governing activity of management of the Exchange taking into consideration the key recommendations of the Code.

## 2. Material aspects of model and practice of corporate governance at the Exchange.

In 2012 the Supervisory Board of the Exchange approved Fundamental Principles of Corporate Governance in Moscow Exchange Group aimed at creation of efficient system of interaction between participants of corporate relations as well as the system for making management decisions ensuring efficient functioning of not only Exchange but also the companies included into Moscow Exchange Group in the long run. The main principles of corporate governance of Moscow Exchange Group include:

- principle of working in the best interests of users of the services rendered by the companies included into Moscow Exchange Group;
- principle of equal access to the services rendered by the companies included into Moscow Exchange Group;
- principle of protection and respect of rights and interests of all the shareholders of the companies included into Moscow Exchange Group;
- principle of efficient management of the shares (portions thereof) of the companies included into Moscow Exchange Group;
- principle of transparency and objective of disclosure of the information on activity of Moscow Exchange Group;
- principle of efficient dividend policy;
- principle of efficient human resource policy;
- principle of social and corporate liability.

Being guided by the Corporate Governance Code and Fundamental Principles of Corporate Governance the Exchange aspires to constantly develop and improve its corporate governance.

In the reporting year of 2014 the General Shareholder Meeting approved the revised Articles of Association, Regulations on the Supervisory Board and On Remuneration and Compensation for Expenses incurred by the Members of the Supervisory Board, Regulation on the Board and On the Revision Committee. Principles and norms of the Corporate Governance Code were embodied in the above documents.

Articles of Association of the Exchange was supplemented by the new provisions associated with amendment of the FZ On Joint Stock Companies in particular the ones regarding restructuring of the user committees, exclusion of the section governing the President's activity and redistribution of authorities of the Supervisory Board and executive authorities. Articles of Association of the Exchange was amended to the extent that the Supervisory Board was granted the right to issue instructions when voting on the issues pertaining to the competence of the General Shareholder Meeting of NSD and NCC Clearing Bank as well as on approval of the list of the Exchange nominees to the Supervisory Board and the

Revision Committee of the said companies. Competence of the Supervisory Board is supplemented by the rights:

- to determine the list of priority projects controlled by the Supervisory Board and control implementation thereof;
- to approve risk management policy and for the purposes of control over proper operational risk management to review the Reports on Continuity of Operations as well as to assess efficiency of operational risk management system;
- to make decisions on a number of issues related to improvement of the corporate governance system of the Exchange inter alia to compliance of the nominees and members of the Supervisory Board with criteria of independence, to appointment and dismissal of the Corporate Secretary of the Exchange etc.

During the reporting year the Regulation of the Supervisory Board of the Exchange was twice supplemented with the norms determining criteria of independence of the Directors: in February for the purposes of nomination to the Supervisory Board – with the key criteria of independence stipulated in the Code and in June – with the criteria stipulated in the Listing Rules of Closed joint-stock company MICEX Stock Exchange. There was stipulated the right of the Supervisory Board in some cases to recognize independency of a certain member of the Supervisory Board despite of availability of formal interrelationship criteria. Such cases shall be of exceptional character and availability of interrelationship shall not affect capability of the Supervisory Board member to make independent, objective and faithful judgments. Revised Regulation on the Supervisory Board was supplemented by the number of clarifications which shall be provided for in the internal documents of the Joint Stock Company by the Corporate Governance Code, in particular there is stipulated the duty and procedure for the Independent Director's notification of occurrence of the circumstances as a result of which the Independent Director ceases to be independent. Such notice shall be sent to the Chairman of the Supervisory Board within the reasonable period after occurrence of such circumstances comes to the Director's notice specifying description of the circumstance resulted in loss of independence. Regulation on the Supervisory Board was also supplemented with the duty of the Supervisory Board members to refrain from taking any gifts or using other benefits offered by the parties interested in decision making. Functions of the Supervisory Board Chairman were clarified by organizational issues related to provision of the Supervisory Board members with the necessary materials as well as initiative when formulating draft decisions.

Revised Regulation on Remuneration of the Supervisory Board members was supplemented with the procedure for calculation of remuneration in case of obtaining or loss of independence by the Supervisory Board member (Director) since the date of election thereof to the Supervisory Board till the date of termination of its authorities proceeding from the principle of proportionality to duration of the correspondent status of the Supervisory Board member. Besides in the Regulation there was stipulated the list of particular expenses subject to compensation, inter alia there was enlarged the range of events expenses for participation in which shall be compensated for as well as there was stipulated an opportunity to compensate the Supervisory Board members for the expenses related to training and upgrading.

In order to comply with the corporate governance requirements stipulated in the Listing Rules of Closed joint-stock company MICEX Stock Exchange the Supervisory Board approved the following revised internal documents:

Regulation on the Auditing Committee of the Supervisory Board which:

- clarifies the functions of control over Financial Statements, risk management system and internal control system,
- stipulates the principle of independence and objectiveness of internal and external audit,
- controls the system of notification of potential unfair acts and infringements in activity of the Exchange.

Regulation on Appointment and Incentives Committee supplemented by such functions as:

- development and review of remuneration policy of the Supervisory Board and executive authorities,
- assessment of performance of the executive authorities following the results of the year in accordance with the remuneration policy,
- development of the terms and conditions of earlier termination of agreements with executive authorities,
- development of recommendations on the Corporate Secretary's remuneration and premium.

Regulation on the Corporate Secretary which:

- intensifies the Corporate Secretary's independence from executive authorities, in particular functions of appointment, functional accountability and remuneration of the Corporate Secretary are vested in the Supervisory Board,
- functions of the Corporate Secretary are supplemented by participation in prevention of corporate conflicts, ensuring of implementation of the procedures aimed at exercising of the shareholders' right and legal interests and control over exercising thereof as well as participation in improvement of the system and practice of corporate governance;
- includes provisions on the Corporate Secretary's liability.

Regulation on the Internal Audit Service which stipulates:

- functions of assessment of corporate governance,
- functional accountability of the Head of Internal Audit Service to the Supervisory Board;
- requirement as regards availability of the internal audit policy determining the goals, tasks and authorities of the Internal Audit System.

3. Assessment methodology of compliance with the principles of corporate governance stipulated in the Corporate Governance Code.

Assessment of compliance with the principles of corporate governance was carried out by the Auditing Committee of the Supervisory Board of the Exchange by analysis and comparison of the Articles of Association, internal documents of the Exchange as well as available information with the principles and recommendations of the Code. Following a review of the analysis findings at a

meeting of the Auditing Committee, the Chairman of the Commission reported to the Supervisory Board on the on-going status of arrangements undertaken to bring the Exchange in compliance with the principles and recommendations of the Code.

4. Key reasons, factors and (or) circumstances due to which the Exchange fails to comply with the principles of corporate governance stipulated in the Corporate Governance Code or complies therewith not to the fullest extent.

The main reason of non-compliance with the principles of corporate governance to the fullest extent is the short term elapsed from adoption of the Corporate Governance Code which hindered from implementation of all the recommendations of the Code.

It is also worth noting that number of members of all the committees of the Supervisory Board is determined on the basis of results of election of the Supervisory Board on the Annual General Shareholder Meeting in 2014. Thereat candidates to the Supervisory Board were nominated by the shareholders prior to entering of the Corporate Governance Code into force and publication thereof.

5. Planned (expected) acts and initiatives of the Exchange aimed at improvement of corporate governance model and practice.

In the end of the reporting period there was started preparation of a range of significant changes in the Articles of Association and internal documents of the Exchange subject to on the Annual General Shareholder Meeting in 2015. Those changes are aimed at harmonization of norms with recommendations of the Corporate Governance Code and increase of investment attractiveness of the Exchange.

In particular there are revised:

- Articles of Association;
- Regulation on the Procedure for Trading, Conveying and Holding of the General Shareholder Meeting;
- Regulation on the Supervisory Board.

When nominating the candidates to the new Supervisory Board shareholders shall take into consideration necessity of involvement of Independent Directors to comply with the Listing Rules and recommendations of the Corporate Governance Code including with respect to establishment of the committees in particular the Auditing Committee and the Appointment and Incentives Committee.

Following the results of election of the Supervisory Board on the Annual general Shareholder Meeting in 2015 there shall be established committees of the Supervisory Board thereat number of members thereof shall be reduced.

### **Report on Moscow Exchange Compliance with the Corporate Governance Code Principles and Recommendations**

Serial No.	Corporate governance principle (principles) or key criterion (recommendation)	Summary of the matter of non-compliance with the principle or the key criterion	Explanation of the main reasons, factors and circumstances due to which the principle or the key criterion is not complied with or complied not in full, description of alternative mechanisms and corporate governance tools used
1	2	3	4
<b>I. The Shareholders' Rights and Equitable Treatment of the Shareholders When They Exercise Their Rights</b>			

1.1.	The company shall ensure equitable and fair treatment of all shareholders when they exercise their right to participate in the company's governance. The corporate governance system and practices shall guarantee equal conditions for all shareholders owning the same category (type) shares, including minority shareholders and foreign shareholders, and the company's equitable treatment of them.		
1.1.1.	<p>The company has approved the internal document determining the main procedures for preparing, calling and holding a general meeting of shareholders complying with the Corporate Governance Code recommendations, including the company's obligation:</p> <p>to inform the shareholders of holding the general meeting of shareholders and provide access to the materials, including post a notification and materials on the company's website in the Internet no later than 30 days before the date of its holding (unless the larger term is not stipulated by the legislation of the Russian Federation);</p> <p>to disclose the information on the date of drawing up the list of persons having the right to participate in the general meeting of shareholders no later than 7 days before its maturing;</p> <p>to provide additional information and materials on all the agenda items to the general meeting of shareholders in accordance with the Corporate Governance Code recommendations (hereinafter also - "the Code").</p>	<p>Partially complied with.</p> <p>The Regulation on the Procedure for Preparing, Calling and Holding the General Meeting of Shareholders does not stipulate the Exchange's obligations:</p> <p>to post the materials on the website in the Internet no later than 30 days before the date of holding the general meeting of shareholders;</p> <p>to disclose the information on the date of drawing up the list of persons having the right to participate in the general meeting of shareholders no later than 7 days before its maturing;</p> <p>to provide additional information and materials on all the agenda items to the general meeting of shareholders in accordance with the Code recommendations.</p>	<p>The main reason for the Exchange's not full compliance with the stated principles is the short term passed after the Code's adoption which did not allow implementing all its recommendations.</p> <p>Herewith, it should be noted that the Exchange posts the materials on its website in the Internet no later than 20 days before the date of holding the general meeting of shareholders. The Exchange strives to post the materials at least 30 days prior the meeting.</p> <p>It stands to mention that the Exchange drafted new Provisions on the procedure for preparing, revoking and conducting an AGM and a new version of the Articles of Associations, to the approved at the 2015 AGM. The new documents set out that the AGM record date must be announced at least 7 days before, and that additional information and materials may be submitted for the AGM.</p> <p>Besides, the Exchange actually discloses the information on the date of drawing up the list of persons having the right to participate in the general meeting of shareholders no later than 7 days before its maturing.</p>
1.1.2.	The company has committed itself to provide the shareholders with the opportunity to put questions on the company's activity to the management and controlling bodies' members, the Audit Committee members, the Chief Accountant, the company's auditors, as well as the candidates to the management and control bodies while preparing and holding the general meeting of shareholders. The stated obligations are stipulated in the company's Articles of Association or internal documents.	<p>Partially complied with.</p> <p>The Regulation on the Procedure for Preparing, Calling and Holding the General Meeting of Shareholders does not stipulate an obligation to provide an opportunity to shareholders to ask members of the management and control bodies, members of the Audit Commission of the Supervisory Board, Chief Accountant, auditors and candidates for management and control bodies, on the Exchange's activity.</p>	<p>The main reason for the Exchange's not full compliance with the stated principles is the short term passed after the Code's adoption which did not allow implementing all its recommendations.</p> <p>Herewith, the Regulation on the Procedure for Preparing, Calling and Holding the General Meeting of Shareholders stipulates the Exchange's obligation to invite the Exchange's management and control bodies members, as well as the candidates to the Exchange's management and control bodies to the general meetings of shareholders, and the shareholders are given the opportunity to put questions to the stated persons. For the same purpose the members of the Audit Committee of the Supervisory Board, the Chief Accountant and the auditor are actually invited to the general meetings of shareholders.</p> <p>It stands to note that new Provisions on the procedure for preparing, revoking and conducting an AGM to be approved at the 2015 AGM, set out that members of the Audit Commission of the Supervisory Board, chief accountant and auditor may be invited to the AGM.</p>
1.1.3.	The company has committed itself to adhere to the principle of prohibition of actions resulting in artificial corporate control redistribution (for example, voting with "quasi-treasury" shares, making decision on dividends payout on preferred shares under the conditions of financial limitations, making decision on non-distribution of dividends on preferred shares determined in the company's Articles of Association when sufficient sources for their distribution are available). The stated obligations are stipulated in the company's Articles of Association or internal documents.	<p>Complied with in part.</p> <p>These responsibilities are not stated directly in the Articles of Association and Exchange's by-laws.</p>	<p>The main reason for the Exchange's not full compliance with the stated principle is the short term passed after the Code's adoption which did not allow implementing all its recommendations.</p> <p>Herewith, it should be noted that the Exchange actually complies with this principle - in 2014 the Exchange did not take actions which could result in artificial corporate control redistribution.</p> <p>Voting with "quasi-treasury" shares is not effected; the Exchange did not place the preferred shares. The Exchange's Articles of Associations set out that decisions on the Exchange's stocks held by companies wholly owned by the Exchange are made as decided by the Supervisory Board. In 2014, the Supervisory Board decided to refrain from voting with such shares.</p>
1.1.4.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	<p>The following other key principles are complied with in full:</p> <ul style="list-style-type: none"> <li>- to ensure equitable treatment of all shareholders, including foreign ones, the Exchange provides information on the meeting holding not only in Russian but also in the foreign language which is commonly used on the financial market;</li> <li>- the Articles of Association sets out an increased term for shareholders to make proposals to the agenda items of the annual general meeting, i.e. 60 days after the end of the calendar year (in comparison to the legislation);</li> </ul>	-

		- the Articles of Association includes the provision on the obligatory forwarding the ballot papers for voting to the shareholders and on the shareholders' right to participate in the general meeting by filling in and forwarding the ballot papers to the company.	
1.2	The shareholders shall be provided with the equitable and fair opportunity to participate in the company's profits through dividends distribution.		
1.2.1.	<p>The company has approved the internal document determining the company's dividend policy complying with the Corporate Governance Code recommendations and establishing, inter alia:</p> <p>the procedure of determination of the net profit part (for companies drawing consolidated financial statements – the minimal part (share) of consolidated net profit), forwarded for dividends payout, the conditions under which dividends are declared;</p> <p>the minimal amount of dividends on the company's shares of different categories (types);</p> <p>the obligation to disclose the document determining the company's dividend policy on the company's website in the Internet.</p>	<p>Partially complied with.</p> <p>The Exchange's dividend policy does not stipulate:</p> <p>the obligation to disclose the document determining the company's dividend policy on the Exchange's website in the Internet.</p>	<p>The main reason for the Exchange's not full compliance with the stated principle is the short term passed after the Code's adoption which did not allow implementing all its recommendations.</p> <p>Herewith, the Exchange's dividend policy approved on February 1, 2013 by the Supervisory Board (Minutes No. 25) stipulates the following main principles for the dividend amount determination:</p> <ul style="list-style-type: none"> <li>- annual determination of the capital's sufficiency for the current year and predicting demand for the capital for the next two years;</li> <li>- the Exchange's attractiveness for the shareholders and investors owing to rather high, stable and predictable level of monetary income from the investment in the Exchange's capital;</li> <li>- the level of dividends distributed by the Russian companies comparable to the Exchange.</li> </ul> <p>The stated policy also determined the minimal amount of dividends for 2012-2014, in particular, the Exchange's dividends for 2014 are not less than 50% (in percentage of the net profit).</p> <p>In addition, the Exchange has created Dividends and Dividend History section on its website to publish, inter alia, the following information: dividend history for several years, dividend rights, procedure for establishing the dividend size, paying them and determining persons eligible for them.</p>
1.2.2.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
<b>II. The Company's Board of Directors</b>			
2.1	The Board of Directors determines main strategic guidelines of the company's activity for a long-term perspective, the key indicators of the company's activity, exercises the company's strategic management, determines main principles of and approaches to the organization of the company's risk management and internal control system, exercises control over the activity of the company's executive bodies, determines the company's policy on the Board of Directors and executive bodies members' remuneration, as well as performs other key functions.		
2.1.1.	<p>The company has established the Board of Directors which:</p> <p>determines main strategic guidelines of the company's activity for a long-term perspective, the key indicators of the company's activity;</p> <p>controls the activity of the company's executive bodies;</p> <p>determines main principles of and approaches to the organization of the company's risk management and internal control;</p> <p>determines the company's policy on remuneration of the members of the Board of Directors, executive bodies and other key administrative officers of the company.</p>	<p>Partially complied with.</p> <p>The Supervisory Board's competence does not stipulate that the Board:</p> <p>determines key indicators of the company's activity.</p>	<p>The main reason for the Exchange's not full compliance with these corporate governance principles is the short term passed after the Code's adoption which did not allow implementing all its recommendations.</p> <p>It stands to note that a new version of the Articles of Associations to be approved at the 2015 AGM provides for a power of the Supervisory Board to set KPIs.</p>
2.1.2.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
2.2.	The Board of Directors shall be the efficient and professional the company's management body capable of passing objective independent judgments and resolutions meeting the interests of the company and its shareholders. The Board of Directors Chairman shall contribute to the most effective performance of the functions assigned to the Board of Directors. The Board of Directors' meetings, their preparation and participation of the Board of Directors members therein shall ensure the Board of Directors' efficient activity.		

2.2.1.	The Board of Directors Chairman shall be an independent director; or a senior independent director shall be determined among the elected Independent Directors who coordinates the work of Independent Directors and exercises cooperation with the Board of Directors Chairman.	Not complied with.	<p>The main reason for the Exchange's not full compliance with these corporate governance principles is the short term passed after the Code's adoption which did not allow implementing all its recommendations.</p> <p>The Supervisory Board Chairman is A.L. Kudrin – the director who does not comply with the formal independence criteria, however, his experience and authority allow the Supervisory Board not to revise this decision.</p> <p>The Supervisory Board has also worked over and discussed the issue on the senior independent director determination coordinating the work of independent directors and effecting interrelation with the Board of Directors Chairman, and on the discussion results one of the directors was offered to perform these functions informally, and in case the experience is successful, this decision will be officially adopted by the Supervisory Board, and necessary amendments will be introduced to the company's internal documents.</p>
2.2.2.	<p>The company's internal documents establish the procedure of preparing and holding the Board of Directors meetings, providing the Board of Directors members with the opportunity to prepare duly for their holding, and stipulating, in particular:</p> <p>the terms of the Board of Directors members' notification on the upcoming meeting;</p> <p>the terms of forwarding the documents (ballot papers) for voting and receipt of the filled in documents (ballot papers) when holding the meetings in absentia;</p> <p>the opportunity of forwarding and consideration of the written opinions on the agenda items for the Board of Directors members absent at the meeting in praesentia;</p> <p>the opportunity of discussion and voting by means of conference call and videoconference.</p>	<p>Partially complied with.</p> <p>The Regulation on the Supervisory Board does not provide for the opportunity to discuss issues and vote at the meetings by means of conference call and videoconference.</p>	Such opportunity is not provided for by the Exchange's internal documents for the purpose of encouraging the Supervisory Board members for personal and direct participation in the Exchange's activity.
2.2.3.	The most important issues shall be resolved at the Board of Directors meetings held in praesentia. The list of such issues complies with the Corporate Governance Code recommendations. <sup>1</sup>	<p>Partially complied with.</p> <p>Decisions on some items were made at meeting in absentia of the Supervisory Board.</p>	<p>The main reason for the Exchange's not full compliance with this corporate governance principle is the short term passed after the Code's adoption which did not allow implementing all its recommendations.</p> <p>Herewith, when determining the form of the meeting the Supervisory Board Chairman takes into account the importance of the issues and attempts to ensure the consideration of the issues stated in Clause 168 of Part B of the Code at the meetings in praesentia.</p>
2.2.4.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
2.3. The Board of Directors shall include the sufficient number of independent directors.			
2.3.1.	The independent directors shall constitute not less than one third of the elected Board of Directors members.	<p>Not complied with.</p> <p>As of December 31, 2014 the Supervisory Board consisted of 4 independent directors of 15 elected ones.</p>	<p>The main reason for the Exchange's not full compliance with this corporate governance principle is the short term passed after the Code's adoption which did not allow implementing all its recommendations.</p> <p>In addition, number of independent directors in the Supervisory Board was sufficient in accordance with the Provisions on the Supervisory Board and MICEX SR Listing Rules with regard to compliance with the requirement on the minimum number of independent directors in the Board to maintain Exchange's shares in the Level 1 List of MICEX SE.</p> <p>Besides, it should be taken into account that the Supervisory Board was formed on the results of the Board's election at the annual meeting of the Exchange's shareholders in 2014, and the shareholders nominated the candidates for election before the publication of the Code and its entering into force.</p> <p>It stands to note that new Provisions on the Supervisory Board to be approved at the 2015</p>

<sup>1</sup> Indicated in Clause 168 of Part B of the Corporate Governance Code.

			AGM include direct standard for the board membership of at least 1/3 independent directors of the total number of members elected.
2.3.2.	The independent directors shall fully comply with the criteria of independence recommended by the Corporate Governance Code.	Fully complied with.	-
2.3.3.	The Board of Directors (the Nominating (Staff, Appointments) Committee) shall carry out the assessment of the Board of Directors candidates' compliance with the independence criteria.	Fully complied with.	-
2.3.4.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
2.4.	The Board of Directors shall establish committees for provisional consideration of the most important issues of the company's activity.		
2.4.1.	The Board of Directors has established the Audit Committee consisting of independent directors; its functions are stated in the internal documents and comply with the Corporate Governance Code recommendations <sup>2</sup> .	Partially complied with. ½ of the Audit Committee of the Supervisory Board does not have the independent director's status (3 of 6 members).	The main reason for the Exchange's not full compliance with this corporate governance principle is the short term passed after the Code's adoption which did not allow implementing all its recommendations.  Besides, the Committee's composition was formed on the results of the Supervisory Board election at the annual meeting of the Exchange's shareholders in 2014. Herewith, the shareholders nominated the candidates for election before the publication of the Code and its entering into force.  Herewith, it should be taken into account that the Audit Committee of the Supervisory Board is headed by the independent director.
2.4.2.	The Board of Directors has established the Remuneration Committee (may be combined with the Nominating (Staff, Appointments) Committee) consisting of independent directors; its functions comply with the Corporate Governance Code recommendations <sup>3</sup> .	Partially complied with. The Appointments and Remuneration Committee of the Supervisory Board includes only 1 independent director out of 7. The Committee Chairman does not comply with the independence criteria, besides, the Committee includes the member who is not the director.	The main reason for the Exchange's not full compliance with this corporate governance principle is the short term passed after the Code's adoption which did not allow implementing all its recommendations.  The Committee's composition was formed on the results of the Supervisory Board election at the annual meeting of the Exchange's shareholders in 2014. Herewith, the shareholders nominated the candidates for election before the publication of the Code and its entering into force.
2.4.3.	The Board of Directors has established the Nominating (Staff, Appointments) Committee (may be combined with the Remuneration Committee), the most of it members are independent directors, its functions comply with the Corporate Governance Code recommendations <sup>4</sup> .	Partially complied with. The Appointments and Remuneration Committee of the Supervisory Board includes only 1 independent director out of 7. The Committee Chairman does not comply with the independence criteria, besides, the Committee includes the member who is not the director.	The main reason for the Exchange's not full compliance with this corporate governance principle is the short term passed after the Code's adoption which did not allow implementing all its recommendations.  The Committee's composition was formed on the results of the Supervisory Board election at the annual meeting of the Exchange's shareholders in 2014. Herewith, the shareholders nominated the candidates for election before the publication of the Code and its entering into force.
2.4.4.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
2.5.	The Board of Directors shall ensure the quality assessment of work of the Board of Directors, its committees and members of the Board of Directors.		

<sup>2</sup> Indicated in Clause 172 of Part B of the Corporate Governance Code.

<sup>3</sup> Indicated in Clause 180 of Part B of the Corporate Governance Code.

<sup>4</sup> Indicated in Clause 186 of Part B of the Corporate Governance Code.

2.5.1.	The quality assessment of the Board of Directors' work shall be carried out on a regular basis, at least annually, herewith at least once in three years such assessment shall be carried out with the involvement of external organization (consultant).	Fully complied with.	-
2.5.2.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
<b>III. The Company's Corporate Secretary</b>			
3.1	Effective current interrelation with the shareholders, coordination of the company's activity on protection of the shareholders' rights and interests, support of the effective work of the Board of Directors are ensured by the Corporate Secretary (special structural unit headed by the Corporate Secretary).		
3.1.1.	The Corporate Secretary shall be accountable to the Board of Directors, appointed and designated on the resolution or the consent of the Board of Directors.	Fully complied with.	-
3.1.2.	The company has established the internal document determining the Corporate Secretary's rights and obligations (Regulation on the Corporate Secretary), the content of which complies with the Corporate Governance Code recommendations <sup>5</sup> .	Fully complied with.	-
3.1.3.	The Corporate Secretary holds a position which cannot be combined with the performance of other functions in the company. The Corporate Secretary is assigned with functions in accordance with the Corporate Governance Code recommendations <sup>6</sup> . The Corporate Secretary disposes sufficient resources to perform its functions.	Partially complied with. The Corporate Secretary holds the position combined with the performance of other functions in the Exchange.	The main reason for the Exchange's not full compliance with this corporate governance principle is the short term passed after the Code's adoption which did not allow implementing all its recommendations.
3.1.4.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
<b>IV. The Remuneration System of the Members of the Board of Directors, Executive Bodies and Other Key Administrative Officers of the Company</b>			
4.1.	The level of remuneration paid by the company shall be sufficient to attract, motivate and keep the persons possessing competence and qualification necessary for the company. Payment of remuneration to the members of the Board of Directors, executive bodies and other key administrative officers of the company shall be made in accordance with the remuneration policy adopted in the company.		
4.1.1.	All the payments, benefits and bonuses provided to the members the Board of Directors, executive bodies and other key administrative officers of the company are regulated in the company.	Partially complied with. The Exchange's by-laws for payments, benefits and perquisites do not include the category of key managers.	The main reason for the Exchange's not full compliance with this corporate governance principle is the short term passed after the Code's adoption which did not allow implementing all its recommendations.  Herewith, payments, benefits and bonuses provided to key administrative officers are actually stipulated by the Exchange's internal documents, because they cover, inter alia, members of the executive bodies, besides, pursuant to the Regulation on the Appointments and Remuneration Committee of the Supervisory Board this Committee is assigned with the correspondent obligation.  Key executive officers include directors of three major business divisions directly influencing on the financial and operational performance of the company. According to the Provisions on the Nomination and Remuneration Commission of the Supervisory Board, the Commission provides recommendations and opinions on the annual bonus size to be paid to the key executive officers of the Exchange, to the chief executive officer.
4.1.2.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
4.2.	The system of the Board of Directors members' remuneration shall ensure bringing together the directors' financial interests and the shareholders' long-term financial interests.		
4.2.1.	The company shall not apply other forms of monetary remuneration of the Board of Directors members apart from the fixed annual remuneration.	Fully complied with.	The Exchange additionally applies the fixed benefits for fulfillment of the functions of the Supervisory Board Chairman, the Supervisory Board Deputy Chairman and the Chairmen of the Supervisory Board Committees.
4.2.2.	The Board of Directors members shall not be given the opportunity to participate in stock	Fully complied with.	-

<sup>5</sup> Indicated in Clause 217 of Part B of the Corporate Governance Code.

<sup>6</sup> Indicated in Clause 218 of Part B of the Corporate Governance Code.

	options plans; and the right to dispose of the company's shares held by them shall not be determined by achievement of certain activity indicators.		
4.2.3.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
4.3.	The remuneration system of executive bodies and other key administrative officers of the company shall provide for the remuneration's dependence on the results of the company's work and their personal contribution to achievement of this result.		
4.3.1.	The company has implemented the program of the long-term motivation of executive bodies members and other key administrative officers of the company.	Fully complied with.	-
4.3.2.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
<b>V. Risk Management and Internal Control System</b>			
5.1.	An efficiently functioning risk management and internal control system aimed at ensuring reasonable confidence in achievement of the goals set before the company shall be established in the company.		
5.1.1.	The Board of Directors has determined the principles of and approaches to the organization of the risk management and internal control system.	Fully complied with.	
5.1.2.	A separate structural unit on risk management and internal control has been established in the company.	Fully complied with.	-
5.1.3.	The company has developed and implemented an anti-corruption policy determining the arrangements aimed at establishing the elements of the corporate culture, organizational structure, rules and procedures ensuring prevention of corruption.	Partially complied with. The anti-corruption policy does not determine the arrangements aimed at establishing the organizational structure.	The main reason for the Exchange's not full compliance with this corporate governance principle is the Exchange's good organizational structure to prevent corruption, and there is no need to set measures to create an organizational structure.
5.1.4.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).		
5.2.	For systematic independent assessment of reliability and efficiency of the risk management and internal control system and corporate government practices the company shall organize the internal audit performance.		
5.2.1.	A separate structural unit has been established in the company performing the functions of internal audit under the control of the company's Board of Directors. The stated unit's functions comply with the Corporate Governance Code recommendations; such functions include, in particular:  estimation of the internal control system efficiency;  estimation of the risk management system efficiency;  the corporate governance estimation (in case the Corporate Government Committee is absent).	Fully complied with.	-
5.2.2.	The Internal Audit Unit Head shall be accountable to the company's Board of Directors, appointed and designated on the company's Board of Directors resolution.	Fully complied with.	-
5.2.3.	The company has approved the internal audit policy (Regulation on the Internal Audit), determining the internal audit's aims, goals and functions.	Fully complied with.	-
5.2.4.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
<b>VI. Disclosure of Information on the Company, the Company's Information Policy</b>			
6.1.	The company and its activity shall be transparent for the shareholders, investors and other persons concerned.		
6.1.1.	The company has approved the internal document determining the company's information policy complying with the Corporate Governance Code recommendations. The company's information policy includes the following ways of interrelation with the investors and other persons concerned:  arrangement of a special page of the company's website in the Internet with answers to frequently asked questions of the shareholders	Partially complied with. The Information Policy does not include the following ways of interrelation with the investors and other persons concerned:  posting in the Internet answers to frequently asked questions of the shareholders and investors, regularly updatable calendar of the company's	The main reason for the Exchange's not full compliance with this corporate governance principle is the short term passed after the Code's adoption which did not allow implementing all its recommendations.  Actually, the Exchange employs all recommendations contained in the Code.  Besides, the Regulation on the Exchange's Information Policy was adopted before the

	<p>and investors, regularly updatable calendar of the company's corporate events, as well as other information useful for the shareholders and investors;</p> <p>holding meetings of executive bodies members and other key administrative officers of the company with analysts on a regular basis;</p> <p>holding regular presentations (including in the forms of teleconferences, webcasts) and meetings with the participation of the management bodies members and other key administrative officers of the company, including ancillary publications of the company's accounting (financial) reports or connected with main investment projects and plans of the company's strategic development.</p>	<p>corporate events, as well as other information useful for the shareholders and investors;</p> <p>holding regular meetings of executive bodies members and other key administrative officers of the company with analysts;</p> <p>holding regular presentations and meetings with the participation of the management bodies members and other key administrative officers of the company, including ancillary publications of the Exchange's accounting (financial) reports or connected with main investment projects and plans of the Exchange's strategic development.</p>	<p>Corporate Governance Code's entering into force on March 29, 2013.</p> <p>Herewith, it is planned to adopt in 2015 a new version of the Regulation on Moscow Exchange OJSC Information Policy taking into account the Corporate Governance Code recommendations.</p>
6.1.2.	The company's implementation of the information policy shall be carried out by the company's executive bodies. The control over due information disclosure and compliance with the information policy is exercised by the Board of Directors.	Fully complied with.	
6.1.3.	The company has established the procedures ensuring coordination of work of all the company's services and structural units connected with information disclosure or the activity of which may lead to the necessity of information disclosure.	Fully complied with.	
6.1.4.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
6.2.	The company shall timely disclose full, up-to-date and reliable information on the company to ensure the capability of making reasonable decisions by the company's shareholders and investors.		
6.2.1.	Given there is a significant share of foreign investors in the capital, along with the information disclosure in Russian, the company shall ensure the disclosure of the most significant information on the company (including notifications of holding the general meetings of shareholders, the company's annual report) in the foreign language which is commonly used on the financial market.	Fully complied with.	-
6.2.2.	The company shall ensure the disclosure of information not only about itself, but also about the legal entities controlled by it, having the substantial significance for it.	Partially complied with. The Exchange partially discloses information on LLC MICEX-Finance which is of significant importance to the Exchange – within the reports and significant facts of the Exchange.	The main reason for not full compliance with this principle is that the Exchange and LLC MICEX-Finance do not have the obligation by law to disclose the information. However, a new version of the Provision on the information policy of the Exchange will be adopted as recommended in the Code.
6.2.3.	The company shall disclose the annual and the interim (semi-annual) consolidated or individual financial reports drawn up in accordance with the International Financial Reporting Standards (IFRS). Annual consolidated or individual financial statements shall be disclosed together with the audit report, and the interim (semi-annual) consolidated or individual financial statements – together with the report on the review audit results or the audit report.	Partially complied with. Interim (semi-annual) consolidated statements of the Exchange are not reviewed.	According to the law, any interim (semi-annual) consolidated financial statements under IFRS are not required to be reviewed. Thus, the Exchange's Interim (semi-annual) consolidated statements are not reviewed.  However, the Exchange is considering the possibility of such reviews in future.
6.2.4.	The company has disclosed the special memorandum containing the plans of the entity controlling the company in relation to the company. The stated memorandum has been drawn up in accordance with the Corporate Governance Code recommendations <sup>7</sup> .	The Exchange does not have the controlling person.	-
6.2.5.	The company ensures the disclosure of detailed information about personal data of the Board of Directors members, including the information if they are independent directors, as well as immediate disclosure of information on the Board of Directors member's loss of the independent director status.	Fully complied with.	-

<sup>7</sup> Indicated in Clause 279 of Part B of the Corporate Governance Code.

6.2.6.	<p>The company shall disclose the information on the capital structure in accordance with the Corporate Governance Code recommendations.</p>	<p>Partially complied with.</p> <p>The Exchange does not disclose:</p> <p>the statements of the company's executive bodies on the absence on the Exchange of information on the existence of ownership percentage of shares exceeding five percent, apart from the disclosed one;</p> <p>information on the possibility to obtain or obtaining by certain shareholders the amount of control not comparable to their participation in the Authorized capital, including on the basis of shareholders' agreements or due to availability of ordinary and preferred shares with different nominal value.</p>	<p>The main reason for not full compliance with this corporate governance principle is that the Exchange does not have the obligation by law to disclose such information, as well as the short term passed after the Code's adoption which did not allow implementing and/or adapting its recommendations.</p> <p>However, a new version of the Provision on the information policy of the Exchange will be adopted as recommended in the Code.</p>
6.2.7.	<p>The company's annual report contains additional information recommended by the Corporate Governance Code:</p> <p>summary of the most significant transactions, including interrelated transactions entered into by the company and legal entities controlled by it for the last year;</p> <p>annual report on the Board of Directors work (including the Board of Directors' committees) containing, inter alia, the information on the number of meetings in praesentia (absentia), on participation of each of the Board of Directors members in the meetings, description of the most significant questions and the most complex issues considered at the meetings of the Board of Directors and its committees, main recommendations given to the Board of Directors by the committees;</p> <p>information on direct or deemed interest in the company's shares of the members of the Board of Directors and executive bodies of the company;</p> <p>information if the members of the Board of Directors and executive bodies have the competitive interests (including connected with participation of the stated persons in the management bodies of the company's competitors);</p> <p>description of the remuneration system of the Board of Directors members, including the amount of individual remuneration at year-end on each member of the Board of Directors (with a breakdown into basic, additional remuneration for chairmanship in the Board of Directors, for chairmanship (membership) in the committees attached to the Board of Directors, commitment to the long-term incentive program, commitment of each member of the Board of Directors to the stock options plan, if any), reimbursement of expenses connected with the Board of Directors membership, as well as the company's expenses on the directors' liabilities insurance as the management bodies members;</p> <p>information on the annual cumulative remuneration:</p> <p>a) on the group of not less than five most high-paid members of executive bodies and other key administrative officers of the company with a breakdown by each remuneration type;</p> <p>b) on all the members of executive bodies and other key administrative officers of the company to which the company's remuneration policy applies, with a breakdown by each remuneration type;</p> <p>information on annual remuneration of the sole executive body which it received or shall receive from the company (legal entity from the group of organizations whereof the company is the part) with a breakdown by each remuneration type, both for its fulfilment of the sole executive body's obligations and on other grounds.</p>	<p>Partially complied with.</p> <p>The Exchange does not disclose in the annual report:</p> <p>Information on annual remuneration:</p> <ul style="list-style-type: none"> <li>- for a group of at least five most highly paid members of the management bodies and other key managers, by remuneration type;</li> <li>- for all members of management bodies and other key managers whose activity is regulated by Exchange's policy on remuneration, by remuneration type;</li> <li>- information on CEO's remuneration for the year which was or is due to be paid by the Exchange for performing as the sole executive body and due to other reasons, by remuneration type.</li> </ul>	<p>The main reason for not full compliance with this corporate governance principle is the short term passed after the Code's adoption which did not allow implementing and/or adapting its recommendations.</p>
6.2.8.	<p>Other key, according to the company, criteria (recommendations) of the Corporate Governance Code relating to the stated principle (principles) of the corporate governance.</p>	-	-

6.3.	The company's provision of the information and documents on the shareholders' requests shall be effected in accordance with the principles of fairness and lack of onerousness.		
6.3.1.	In accordance with the company's information policy, the shareholders with equal number of voting shares are provided with equal access to the company's information and documents.	Fully complied with.	-
6.3.2.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-
<b>VII. Significant Corporate Actions</b>			
7.1.	Actions which influence significantly or may influence the structure of the company's joint-stock capital and financial standing and, consequently, the shareholders' position (hereinafter - significant corporate actions) shall be executed under fair conditions ensuring observance of rights and interests of the shareholders, as well as other parties concerned.		
7.1.1.	<p>The company's Articles of Association determine the list (criteria) of transactions or other actions being significant corporate actions, the consideration/preliminary consideration of which is referred to the competence of the company's Board of Directors, including:</p> <p>the company's reorganization, acquisition of 30 and more percent of the company's voting shares (takeover), increase or decrease of the company's authorized capital, listing and delisting of the company's shares;</p> <p>transactions on sales of equities (shares) of the legal entities under the control of the company having significant importance to it, as a result of which the company loses control over such legal entities;</p> <p>transactions, including interrelated transactions with legal entities' property the cost of which exceeds the amount stated in the company's Articles of Association or which is of significant importance for the company's business activity;</p> <p>organization of a legal entity under the company's control having the significant importance to the company's activity;</p> <p>the company's carve-out of treasury and "quasi-treasury" shares;</p>	<p>Partially complied with.</p> <p>A number of these items are referred to the AGM, not the Supervisory Board.</p>	<p>The main reason for this provision being not met in full is that a number of these items refer to the AGM, not Supervisory Board pursuant to the Federal law "On joint stock companies" and the Exchange's Articles of Association. However, decisions for such items are made as recommended by the Supervisory Board.</p> <p>In addition, decisions on the following items are referred to the Supervisory Board according to the Exchange's Articles of Association:</p> <ul style="list-style-type: none"> <li>•listing the shares of the Exchange and (or) issue-grade securities of the Exchange convertible into the shares of the Exchange;</li> <li>•approving of deals which sum exceeds 300,000,000 (three hundred million) rubles, except for the on-exchange trades related to the Company's business activity in accordance with the Articles of Association and the trades on placing temporarily available funds;</li> <li>•taking decisions on the Company's participation and on termination of the Company's participation in other companies (except for the organizations stated in Subclause 18, Clause 1, Article 48 of Federal law On Joint Stock Companies), including but not limited to the following decisions: <ul style="list-style-type: none"> <li>•on establishing and liquidating another company by the Company;</li> <li>•on joining or withdrawing from an existing company;</li> <li>•on changing the number of shares or nominal value of stakes (including by through purchase or sale) in companies at which the Company is either a shareholder or a participant;</li> <li>•deciding on the following items referred to the general meeting of companies for which the Company is the only participant: exercising rights represented by stocks and disposing stocks issued by the Exchange.</li> </ul> </li> </ul> <p>Within the framework of the above-mentioned competence, the Supervisory Board considers items related to quasi-treasury stocks of the Exchange:</p> <ul style="list-style-type: none"> <li>•Determining how the Exchange (its representatives) votes on items referred to the AGM of the National Settlement Depository and the following major items referred to the AGM of the NCC Clearing Bank;</li> <li>•Approving candidates nominated by the Exchange for electing to the supervisory board and revisions commission of the National Settlement Depository and e NCC Clearing Bank.</li> </ul> <p>The National Settlement Depository and NCC Clearing Bank are significant to the Exchange.</p>
7.1.2.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-

7.2.	The company shall ensure such procedure of significant corporate actions execution which allows the shareholders' timely receipt of full information on such actions, provides them with the capability to influence the execution of such actions and guarantees observance and the reasonable protection level of their rights when executing such actions.		
7.2.1.	<p>The company's internal documents have established the principle of ensuring equal conditions for all the company's shareholders when executing significant corporate actions involving the shareholders' rights and legal interests, as well as have stipulated additional arrangements protecting rights and legal interests of the company's shareholders provided for by the Corporate Governance Code, including:</p> <p>engagement of an independent appraiser having an untarnished reputation recognized on the market and appraisal experience in the corresponding sphere or the provision of the grounds not to engage an independent appraiser when appraising the property disposed of or acquired in a large transaction or a related party transaction;</p> <p>appraisal of the company's shares during their acquisition and redemption by the independent appraiser having an untarnished reputation recognized on the market and appraisal experience in the corresponding sphere with regard to the shares' volume-weighted average price for a reasonable period, notwithstanding the effect connected with the company's entering into the relevant transaction (without regard to the share's price change in connection with dissemination of information on the company's entering into the relevant transaction), as well as notwithstanding the discount for carve-out of minority stake shares;</p> <p>extension of the list of the grounds whereon the company's Board of Directors members and other persons stipulated by the legislation shall be recognized as related parties in the company's transactions for the purpose of the related parties' actual relatedness evaluation.</p>	<p>Partially complied with.</p> <p>The Exchange's internal documents do not stipulate the following additional arrangements protecting the shareholders' rights and legal interests:</p> <p>engagement of an independent appraiser having an untarnished reputation recognized on the market and appraisal experience in the corresponding sphere or the provision of the grounds not to engage an independent appraiser when appraising the property disposed of or acquired in a large transaction or a related party transaction;</p> <p>appraisal of the company's shares during their redemption by the independent appraiser having an untarnished reputation recognized on the market and appraisal experience in the corresponding sphere with regard to the shares' volume-weighted average price for a reasonable period, notwithstanding the effect connected with the Exchange's entering into the relevant transaction, as well as notwithstanding the discount for carve-out of minority stake shares;</p> <p>extension of the list of the grounds whereon the Supervisory Board members and other persons stipulated by the legislation shall be recognized as related parties to the Exchange's transactions for the purpose of the related parties' actual relatedness evaluation.</p>	<p>The main reason for not full compliance with this corporate governance principle is that the Exchange does not have the obligation by law to establish such additional arrangements, as well as the short term passed after the Code's adoption which did not allow implementing and/or adapting its recommendations</p> <p>When approving transactions, the Supervisory Board make a specific decision on the price of assets being the subject of the transaction (sold or bought) based on the asset's market price. An independent appraiser must be invited as required by law.</p>
7.2.2.	Other key, according to the company, criteria (recommendations) of the Corporate Governance Code related to the stated corporate governance principle (principles).	-	-

## **SUPERVISORY BOARD REPORT ON PRIORITY AREAS OF DEVELOPMENT**

The Supervisory Board, as established in the Charter, governs the Exchange. The Supervisory Board functions include setting the strategy and development priorities, ensuring effective control over the Exchange's financial and business activities, guarantying execution and protection of shareholders rights as well as help in solving corporate conflicts and facilitating an effective performance of the Exchange's executive bodies including through monitoring of their activities.

The competence of the Supervisory Board includes issues relating to setting the exchange's development priorities, appointing members of the Executive Board and early termination thereof, calling and preparing AGMs, advising on dividend size, hearing, from time to time, statements of the CEO on the Exchange activities, etc.

In 2014, the Supervisory Board held 20 meetings, of which six were in presentia. The Board discussed the appointment of members of the Exchange Council and user committees, approval of new tariffs and trading rules for different Exchange markets, 2013 KPI performance by members of the Executive Board and their KPIs for 2014, the adoption of the 2015 consolidated budget, the strategy of the Exchange for 2015-2020, approval of new regulations on commissions of the Supervisory Board and on user committees, implementation of priority projects, improvement of corporate governance, convocation and preparing the AGM; annual reports and Exchange interim operating results; recommendations on profit distribution and dividend size; election of the auditor for the Exchange; reports of the internal audit and internal control services; approval of related-party transactions, etc.

The Supervisory Board was comprised of 19 members prior to the 2014 AGM. At the Extraordinary general meeting of the Exchange's shareholders held on 14 November 2013, it was decided to reduce the number to 15 names. After the 2014 AGM, the Board included four independent directors that met all independency criteria set forth in the Clearing Rules, ten non-executive directors and the Chairman of the Executive Board of the Exchange.

## SUPERVISORY BOARD

### Supervisory Board members as from 01 January 2014

### Supervisory Board members elected on 26 June 2014

#### *Independent directors*

1	Bratanov, Mikhail Valeryevich Karachinsky, Anatoly	Bratanov, Mikhail Valeryevich
2	Mikhailovich	Yuan Wang
3	Riess, Rainer	Karachinsky, Anatoly Mikhailovich
4	Li Quingyuan	Riess, Rainer

#### *Non-executive directors*

5	Nicola Jane Beattie	Nicola Jane Beattie
6	Buzuev, Alexander Vladimirovich	Sean Glodek
7	Golikov, Andrey Fedorovich	Golikov, Andrey Fedorovich
8	Martin Paul Graham	Goreglyad, Valeriy Pavlovich
9	Sean Glodek	Denisov, Yuriy Olegovich
10	Jacque Der Megredichyan	Zlatkis, Bella Ilyinichna
11	Denisov, Yuriy Olegovich	Kozlov, Sergey Alexandrovich
12	Jelezko, Oleg Viktorovich	Kudrin, Alexey Leonidovich
13	Zlatkis, Bella Ilyinichna	Lykov, Sergey Petrovich
14	Ivanova, Nadezhda Yuryevna	Shershun, Kirill Yevgenyevich
15	Lykov, Sergey Petrovich	
16	Shvetsov, Sergey Anatolyevich	
17	Shershun, Kirill Yevgenyevich	
18	Yumatov, Andrey Alexandrovich	

#### *Executive director*

19	Afanasiev, Alexander Konstantinovich	Afanasiev, Alexander Konstantinovich
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### Information on Supervisory Board members attendance

The Board held ten meetings from 26 June 2014 through 29 December 2014

Name	Number of meetings attended	Percentage in the total number of meetings held
Kudrin, Alexey Leonidovich	7	70
Lykov, Sergey Petrovich	10	100
Golikov, Andrey Fedorovich	10	100
Afanasiev, Alexander Konstantinovich	8	80
Nicola Jane Beattie	10	100
Bratanov, Mikhail Valeryevich	10	100
Yuan Wang	9	90
Sean Glodek	10	100

Goreglyad, Valeriy Pavlovich	9	90
Denisov, Yuriy Olegovich	9	90
Zlatkis, Bella Ilyinichna	9	90
Karachinsky, Anatoly Mikhailovich	8	80
Kozlov, Sergey Alexandrovich	8	80
Riess, Rainer	9	90
Shershun, Kirill Yevgenyevich	10	100

### Moscow Exchange Supervisory Board members

Members of the Moscow Exchange Supervisory Board elected by the Annual General Meeting on 25 June 2013<sup>8</sup>.

No.	Name	Company name, position	Brief biography
1	Shvetsov, Sergey Anatolyevich – Chairman of the Supervisory Board	Central Bank of the Russian Federation; Deputy Chairman	Date/place of birth: 27.12.1970, Moscow Education: higher Graduate of: Lomonosov Moscow State University Graduation: 1993. Qualification: mathematical economist Specialty: economic cybernetics
2	Afanasiev, Alexander Konstantinovich	Moscow Exchange; CEO	Date/place of birth: 12.01.1962, Moscow Education: higher Graduate of: 1. Moscow Institute of Finance Graduation: 1984 Qualification: economist Specialty: International economic relations 2. Moscow Institute of Finance. Post-graduate studies Graduation: 1987 Science degree: Candidate of Science, Economics
3	Beattie, Nicola Jane	NBXC Ltd. (trading under the name Market Structure Partners); CEO	Date/place of birth: 23.01.1966, Cobham, Surrey, UK Education: higher Graduate of: 1. Gilford Technical College, Gilford, Surrey, UK Graduation: 1985 Qualification: business and secretarial duties (bilingual) under the London Chamber of Commerce Specialty: Business in France 2. Birkbeck College, University of London, UK Graduation: 1998 Qualification: Bachelor of Science Specialty: Management and IT

<sup>8</sup> Information on the Board members is given as of 31 March 2013 which is the last reporting date before new Board members were elected in 2013

No.	Name	Company name, position	Brief biography
4	Bratanov, Mikhail Valeryevich	ROSBANK Commercial Bank Corp. (Public Corporation); Director, Depository Department; Head of Societe Generale Securities Services Russia and CIS	Date/place of birth: 16.05.1973, Dolgoprudniy, Moscow Oblast Education: higher Graduate of: 1. Moscow State College of Electronic Equipment (Polytechnic University) (MGIET TU) Graduation: 1996. Qualification: Engineer of Electronic Equipment; manager-economist 2. Moscow State College of Electronic Equipment (Polytechnic University) (MGIET TU) Postgraduate studies, 2003 Candidate of Science, Economics 3. Moscow School of Management "SKOLKOVO" Graduation: 2011. Qualification: Executive Master of Business Administration
5	Buzuev, Alexander Vladimirovich	UniCredit Bank; Advisor to the Executive Board	Date/ place of birth: 28.02.1955, Moscow Education: higher Graduate of Moscow State Institute of International Relations Graduation: 1977 Qualification: International Economic Relations, English Language Specialty: International Economic Relations
6	Glodek, Sean	Russian Direct Investment Fund; Director, member of Executive Board	Date/place of birth: 17.07.1971, Warsaw, Poland Education: higher Graduate of: 1. Stanford University Graduation: 1996. Qualification: BA Specialty: Economics 2. The Wharton School at the University of Pennsylvania Graduation: 2004. Qualification: MBA Specialty: Finance
7	Golikov, Andrey Fedorovich	currently not employed	Date/place of birth: 14.03.1969, Volzhskiy, Volgograd Oblast Education: higher Graduate of: Lomonosov Moscow State University, Dept. of Mechanics & Mathematics Graduation: 1991. Qualification: Mechanical Engineering Specialty: Mechanics
8	Graham, Martin Paul	Secondcap Limited; Board Chairman	Date/place of birth: 14.11.1962, Kingston upon Thames, UK Education: higher Graduation of: London School of Economics and Political Science Graduation: 1985. Qualification: Bachelor of Science Specialty: economics

No.	Name	Company name, position	Brief biography
9	Denisov, Yuriy Olegovich	temporarily not employed	Date and place of birth: 31.05.1970, Moscow Education: higher Graduate of: Moscow State Institute of International Relations Graduation: 1993 Qualification: : International Economic Relations, English Language Specialty: International Economic Relations
10	Der Megreditchian, Jacques	Sameta - Tax and Legal Consulting; Counsellor	Date/place of birth: 22.10.1959, Moscow Education: higher Graduate of: 1. European Business Institute, Paris Graduation: 1984 2. French Center for Financial Analysis Graduation: 1987 Specialty: Certified European Financial Analyst (CEFA)
11	Jelezko, Oleg Viktorovich	Da Vinci Capital; CEO	Date/place of birth: 26.09.1969, Aktyubinsk Education: higher Graduate of: Moscow Mendeleev Institute of Chemical Technologies Graduation: 1992 Qualification: Production engineer Specialty: chemical technology cybernetics
12	Zlatkis, Bella Ilyinichna	Sberbank of Russia; Deputy Chairman of the Management Board	Date/place of birth: 05.07.1948, Moscow Education: higher Graduate of: 1. Moscow Institute of Finance Graduation: 1970 Qualification: economist Specialty: finance and credit 2. Post-graduate studies in All-Russian Distance Institute of Finance and Economics Graduation: 1978 Candidate of Science, Economics
13	Ivanova, Nadezhda Yuryevna	Central Bank of the Russian Federation; Director of Consolidated Dept of Economics	Date/place of birth: 13.06.1953, Moscow Education: higher Graduate of: Moscow Institute of Finance Graduation: 1975 Qualification: economist Specialty: finance and credit
14	Karachinsky, Anatoly Mikhailovich	IBS Group; Chairman of Advisory Board	Date/place of birth: 12.07.1959, Moscow Education: higher Graduate of: Moscow Institute of Railroad Transport Engineering Graduation: 1981 Qualification: systems technology engineer Specialty: Computers
15	Li Qingyuan	currently not employed	Date and place of birth: 24.06.1950, China Education: higher Graduate of: 1. Beijing Foreign Languages Institute

No.	Name	Company name, position	Brief biography
			<p>Graduation: 1976.  Qualification: Bachelor of Art  Major: English language  2. Renmin University of China  Graduation year: 1990.  Qualification: Ph.D  Majority: Economics</p>
16	Lykov, Sergey Petrovich	<p>Bank for Development and Foreign Economic Affairs  (Vnesheconombank)  State Corporation;  Member of Executive Board, Deputy Chairman</p>	<p>Date/place of birth: 12.12.1952, Mitishi, Moscow Oblast  Education: higher  Graduate of: Moscow Institute of Finance  Graduation: 1975  Qualification: economist  Specialty: International economic relations</p>
17	Rainer, Riess	currently not employed	<p>Date and place of birth: 20.01.1966, Darmstadt, Germany  Education: higher  Graduate of:  1. University of Miami  Graduation year: 1993  Qualification: Master of Business Administration  Specialty: Business (Finance, Marketing)  2. Johan Wolfgang Goethe University, Frankfurt  Graduation year: 1994.  Specialty: Master of Economics  Major: Economics</p>
18	Shershun, Kirill Yevgenyevich	<p>CentroCredit Joint Stock Commercial Bank;  First Deputy Chairman of the Executive Board</p>	<p>Date/place of birth: 18.05.1962, Moscow  Education: higher  Graduate of: Moscow Institute of Finance  Graduation: 1984.  Qualification: economist  Specialty: finance and credit</p>
19	Yumatov, Andrey Aleksandrovich	<p>Bank of Moscow;  Senior Vice President, Department Director</p>	<p>Date and place of birth: 26.02.1973, Yuzhno-Sakhalinsk, Sakhalin Region.  Education: higher  Graduate of: Financial Academy under the Government of the Russian Federation  Graduation: 1995.  Specialty: Global Economy  2. Post graduate studies, Financial Academy under the Government of the Russian Federation, 1995  Candidate of economic sciences</p>

Changes to the composition of the Supervisory Board were introduced by the AGM on 26 June 2014 (Minutes No. 52). The following Directors elected to the Board on 25 June 2013 were not appointed to the new Board:

Shvetsov, Sergey Anatolyevich;

Buzuev, Alexander Vladimirovich;  
 Der Megreditchian, Jacques;  
 Li Quingyuan;  
 Yumatov, Andrey Alexandrovich;  
 Jelezko, Oleg Viktorovich;  
 Ivanova, Nadezhda Yuryevna;  
 Martin Paul Graham.

The following new directors were elected to the Board:

Kudrin, Alexey Leonidovich  
 Goreglyad, Valeriy Pavlovich  
 Yuan Wang  
 Kozlov, Sergey Alexandrovich

**Members of the Moscow Exchange Supervisory Board elected by the Annual General Meeting on 26 June 2014<sup>9</sup>**

No.	Name	Company name; position	Brief biography
1	Kudrin, Alexey Leonidovich, the Chairman of the Supervisory Board	St. Petersburg State University;  Dean of the Faculty of Liberal Arts and Sciences	Date/place of birth: 12.11.1960, Dobeles, Latvia (USSR) Education: higher Graduate of: 1. Leningrad State University Graduation: 1983 Qualification: economist, teacher of political economy Specialty: political economy
2	Afanasiev, Alexander Konstantinovich	Moscow Exchange; CEO	Date/place of birth: 12.01.1962, Moscow Education: higher Graduate of: 1. Moscow Institute of Finance Graduation: 1984 Qualification: economist Specialty: International economic relations 2. Moscow Institute of Finance. Post-graduate studies Graduation: 1987 Science degree: Candidate of Science, Economics
3	Beattie, Nicola Jane	NBXC Ltd. (trading under the name Market Structure Partners); CEO	Date/place of birth: 23.01.1966, Cobham, Surrey, UK Education: higher Graduate of: 1. Gilford Technical College, Gilford, Surrey,

<sup>9</sup> Information of the Board members effective as of 31.12.2014

No.	Name	Company name; position	Brief biography
			<p>UK</p> <p>Graduation: 1985</p> <p>Qualification: business and secretarial duties (bilingual) under the London Chamber of Commerce</p> <p>Specialty: Business in France</p> <p>2. Birkbeck College, University of London, UK</p> <p>Graduation: 1998</p> <p>Qualification: Bachelor of Science</p> <p>Specialty: Management and IT</p>
4	Bratanov, Mikhail Valeryevich	<p>ROSBANK Commercial Bank Corp. (Public Corporation);</p> <p>Director, Depository Department</p> <p>Head of Societe Generale Securities Services Russia and CIS</p>	<p>Date/place of birth: 16.05.1973, Dolgoprudniy, Moscow Oblast</p> <p>Education: higher</p> <p>Graduate of:</p> <p>1. Moscow State College of Electronic Equipment (Polytechnic University) (MGIET TU)</p> <p>Graduation: 1996.</p> <p>Qualification: Engineer of Electronic Equipment; manager-economist</p> <p>2. Moscow State College of Electronic Equipment (Polytechnic University) (MGIET TU) Postgraduate studies, 2003</p> <p>Candidate of Science, Economics</p> <p>3. Moscow School of Management "SKOLKOVO"</p> <p>Graduation: 2011.</p> <p>Qualification: executive master of business administration</p> <p>4. Institute of Directors, UK</p> <p>Graduation: 2014.</p> <p>Qualification: Dip IoD</p>
5	Yuan Wang	<p>China Development Bank;</p> <p>Senior Economist, Head for training and education</p>	<p>Date/place of birth: 17.02.1951, Beijing, China</p> <p>Education: higher</p> <p>Graduate of:</p> <p>1. School of Foreign Languages of Shanxi University</p> <p>Graduation: 1976.</p> <p>Qualification: Bachelor of Arts</p> <p>Specialty: English Language and Literature</p> <p>2. University of Bradford, UK</p> <p>Graduation: 1987</p> <p>Qualification: Master of Science</p> <p>Specialty: Development Economics;</p> <p>3. China Europe International Business School</p> <p>Graduation: 1998</p> <p>Qualification: MBA</p> <p>4. University of Bradford, UK</p> <p>Graduation: 2012</p> <p>Qualification: Honorary PhD</p>

No.	Name	Company name; position	Brief biography
6	Glodek, Sean	Russian Direct Investment Fund; Director, member of Executive Board	Date/place of birth: 17.07.1971, Warsaw, Poland Education: higher Graduate of: 1. Stanford University Graduation: 1996. Qualification: BA Specialty: Economics 2. The Wharton School at the University of Pennsylvania Graduation: 2004. Qualification: MBA Specialty: Finance
7	Golikov, Andrey Fedorovich	temporarily not employed	Date/place of birth: 14.03.1969, Volzhskiy, Volgograd Oblast Education: higher Graduate of: Lomonosov Moscow State University, Dept. of Mechanics & Mathematics Graduation: 1991. Qualification: Mechanical Engineering Specialty: Mechanics
8	Goreglyad, Valery Pavlovich	Central Bank of the Russian Federation; Chief Auditor	Date and place of birth: 18.06.1958, Glusk urban settlement, Glusk District, Mogilev Oblast Education: higher Graduate of: Moscow Aviation Institute Graduation: 1981 Qualification: Mechanical Engineer Specialty: Aircraft Production
9	Denisov, Yuriy Olegovich	temporarily not employed	Date and place of birth: 31.05.1970, Moscow Education: higher Graduate of: Moscow State Institute of International Relations Graduation: 1993 Qualification: : International Economic Relations, English Language Specialty: International Economic Relations
10	Zlatkis, Bella Ilyinichna	Sberbank of Russia; Deputy Chairman of the Management Board	Date/place of birth: 05.07.1948, Moscow Education: higher Graduate of: 1. Moscow Institute of Finance Graduation: 1970 Qualification: economist Specialty: finance and credit 2. Post-graduate studies in All-Russian Distance Institute of Finance and Economics Graduation: 1978 Candidate of Science, Economics
11	Kozlov, Sergey Alexandrovich	VTB 24; Senior Vice President, Deputy Director, Department for Investments	Date/place of birth: 17.06.1972, Moscow Education: higher Graduate of: 1. Moscow Institute of Instrument

No.	Name	Company name; position	Brief biography
			<p>Engineering  Graduation: 1994  Qualification: Electrical and Mechanical Engineer  Specialty: Instrument Engineering</p> <p>2. Institute of Retraining and Professional Development (IRPD) at the Finance Academy under the Government of the Russian Federation  Graduation: 1997  Qualification: Economist  Specialty: International Economic Relations</p>
12	Karachinsky, Anatoly Mikhailovich	IBS Group; Chairman of Advisory Board	<p>Date/place of birth: 12.07.1959, Moscow  Education: higher  Graduate of: Moscow Institute of Railroad Transport Engineering  Graduation: 1981  Qualification: systems technology engineer  Specialty: Computers</p>
13	Lykov, Sergey Petrovich	Bank for Development and Foreign Economic Affairs (Vnesheconombank) State Corporation; Deputy Chairman of Vnesheconombank - Member of the Executive Board	<p>Date/place of birth: 12.12.1952, Mitischi, Moscow Oblast  Education: higher  Graduate of: Moscow Institute of Finance  Graduation: 1975  Qualification: economist  Specialty: International economic relations</p>
14	Rainer, Riess	currently not employed	<p>Date and place of birth: 20.01.1966, Darmstadt, Germany  Education: higher  Graduate of:  1. University of Miami  Graduation year: 1993  Qualification: Master of Business Administration  Specialty: Business (Finance, Marketing)</p> <p>2. Johan Wolfgang Goethe University, Frankfurt  Graduation year: 1994.  Specialty: Master of Economics  Major: Economics</p>
15	Shershun, Kirill Yevgenyevich	CentroCredit Joint Stock Commercial Bank; First Deputy Chairman of the Executive Board	<p>Date/place of birth: 18.05.1962, Moscow  Education: higher  Graduate of: Moscow Institute of Finance  Graduation: 1984.  Qualification: economist  Specialty: finance and credit</p>

### **Moscow Exchange shares owned by members of the Supervisory Board:**

No Supervisory Board members reported owning shares of the Moscow Exchange during the reporting period.

### **Dealings in Moscow Exchange shares executed by members of the Supervisory Board:**

No Supervisory Board members executed transactions with Moscow Exchange shares during the reporting period.

## **ADDITIONAL INFORMATION ON THE CORPORATE GOVERNANCE SYSTEM**

### **GENERAL MEETING OF SHAREHOLDERS**

The general meeting of the Exchange's shareholders is the supreme management body of the company. At general meetings, resolutions on Exchange's strategic issues are made. The business of shareholders at general meetings is determined by the federal law On Joint Stock Companies and Exchange's charter.

In 2014, the Exchange held two general meetings of its shareholders. The absentee extraordinary general meeting took place on 10 February at which shareholders adopted new versions of the company's charter, provisions for the Supervisory Board and guidelines on remuneration and compensation of its members, with good corporate governance practices introduced therein, as well as they approved the D&O liability insurance agreement for the Moscow Exchange Group, which was of the business of the EGM due to the fact that all members of the Supervisory Board were beneficiaries under this agreement.

At the annual general meeting on 26 June shareholders

- approved the Exchange 2013 annual report;
- made resolutions on profit distribution and dividend payment for 2013 with the dividend amount standing at RUB 2.38 per ordinary share;
- approved Ernst & Young Vneshaudit that is one of the world's largest international accounting firms, as the company's auditor for 2014;
- elected members of the Supervisory Board and revisions commission;
- adopted a new version of the company's charter to include recent amendments in the legislation and corporate governance area;
- decided to pay remuneration to members of the Supervisory Board and revisions commission;
- approved new versions of the Executive Board and revisions commission provisions which replaced outdated and irrelevant versions;
- approved new versions of provisions for the Supervisory Board and guidelines on remuneration and compensation of its members;
- approved transactions with Exchange's subsidiaries and long-term partners, which transactions are related-party transactions according to the current law;
- and decided to terminate Exchange's membership in the Russian Exchange Union following cessation of the union.

In 2014, the Exchange completed the buyback of its 99,852,660 shares (4.2% of the share capital) from its fully-owned subsidiary MICEX-Finance. Following retirement of the shares increased existing shareholders' proportional ownership of the company's equity and their return on capital as well as strengthened corporate governance by preventing voting with these shares.

### **SUPERVISORY BOARD MEMBERS' APPOINTMENT, INDUCTION AND TRAINING**

In accordance with the law On Joint Stock Companies, shareholders holding at

least 2% of the Exchange's voting stock are entitled to propose candidates to the Supervisory Board. The number of such candidates cannot exceed the permitted number of Board members. The Exchange's charter provides for that such proposals must be submitted to the Exchange within 60 days after the end of the financial year.

Shareholders had to submit proposals for candidates to be elected at the 2014 AGM by 1 March 2014.

Number of the Supervisory Board members to be elected at the 2014 AGM was fifteen.

The Exchange's Supervisory Board must consider proposals for candidates nominated and decide on whether or not to include the candidates on the AGM voting list within five days after the period determined for sending proposals, ends, or by 6 March in 2014.

Any candidates nominated must be included on the voting list, except when:

Shareholders fail to meet the deadline for submitting proposals that is set forth in the law On Joint Stock Companies;

Shareholders do not hold percentage of voting stock required by the law On Joint Stock Companies;

The proposal does not comply with requirements stipulated in the law On Joint Stock Companies.

By the end of 1 March 2014, the Exchange had received proposals for 15 candidates to the Supervisory Board to be elected at the 2014 AGM. All candidates were included on the AGM's voting list.

After the candidates are elected to be the Supervisory Board members, they are given a brochure with the overall description of the company; the vision, mission and corporate values of the Exchange; its product offerings, revenue structure and trading volumes. The brochure contains also information on the Exchange's share structure and Moscow Exchange Group major companies; the corporate governance system; collegial bodies; principles of operation for the Supervisory Board's, its commissions and Executive Board; biographies of the Supervisory Board and Executive Board members and other relevant information.

To improve activities performed by Supervisory Board, a special session was arranged in 2014 for the Supervisory Board members. Terry Waymonth, a business coach at the UK Institute of Directors, was invited to participate in the session to discuss and find solutions for issues relating to corporate governance in the current context, the role of a director and supervisory board and necessary steps to ensure high efficiency of the board activities.

## COMMISSIONS OF THE MOSCOW EXCHANGE SUPERVISORY BOARD

Commissions of the Supervisory Board work to deal in advance with principal matters reserved for the Board, and provide recommendations on them. The commissions are composed annually of the Board members and other individuals. Each commission has independent directors. Lists of commissions' members given below are as of 31 December 2014.

### **Audit Commission**

The primary purpose of the Audit Commission is to ensure the efficient work of the Supervisory Board of the Moscow Exchange in making decisions on issues concerning control over financial and economic activities.

The key objectives of the Commission are:

1. Control, analysis and participation in consideration of issues in the area of the bookkeeping reporting (financial statements);
2. Control, analysis and assessment in the area of risk management and internal control;
3. Maintenance of independence and impartiality in the area of internal and external audit;
4. Control in the area of prevention of and response to mala fide actions of the company's employees and third parties;
5. Support to the members of the Supervisory Board of the Moscow Exchange in controlling the Moscow Exchange and the Moscow Exchange Group companies' business activities and their personal awareness of such activities.
6. Preview, analysis, preparing and providing opinions and recommendations to the Supervisory Board of the Moscow Exchange on issues with regard to functions and objectives of the Audit Commission.
7. Preparation of assessment of the Moscow Exchange auditor's opinion and submission of such assessment as the materials for the AGM of the Moscow Exchange.

Commission members:

Riess Rainer, the Chairman,

Nicola Jane Beattie,

Mikhail Bratanov,

Yuan Wang,

Yuriy Denisov,

Kirill Shershun.

Nomination and Remuneration Commission

The primary purpose of the Nomination and Remuneration Commission is to foster effective decision-making by the Supervisory Board on matters concerning activities of the Exchange and other companies directly or indirectly controlled by the Exchange related to nomination of and remuneration to the members of supervisory boards and executive management bodies, other key executives and the members of the revision commissions.

The key objective of the Nomination and Remuneration Commission is preliminary review, development and provision of recommendations and conclusions to the Supervisory Board of the Exchange, to supervisory boards of the Moscow Exchange Group regarding the following matters:

- staff planning (succession planning), enhancement of professional composition and performance efficiency of supervisory boards;
- efficient and transparent remuneration to the members of supervisory boards and the collegial executive body, as well as the person, performing the

functions of the sole executive body (hereinafter – the members of executive management bodies) and to other key executives;

- priorities of the Moscow Exchange and the Moscow Exchange Group activities in relation to nomination of and remuneration to the members of supervisory boards and executive management bodies, other key executives as well as the members of revision commissions;
- policies and standards on choosing nominees to supervisory boards and executive management bodies, aiming at attracting qualified specialists;

Commission members:

Andrey Golikov, the Chairman,

Mikhail Bratanov,

Sean Glodek,

Yuriy Denisov,

Bella Zlatkis,

Alexey Kudrin,

Sergey Shvetsov.

Strategic Planning Commission

The primary purpose of the Strategic Planning Commission is to enhance efficiency of the Moscow Exchange and its subsidiaries and affiliates, companies under direct or indirect control of the Moscow Exchange in the mid-term and the long-term run.

The key objectives of the Commission are:

1. To enhance efficiency and quality of the Supervisory Board operations through preliminary consideration of and elaboration of recommendations regarding strategic planning issues within competence of the Supervisory Board, and updating the development strategy currently applicable at the Moscow Exchange Group;
2. To define strategic goals of the Moscow Exchange Group, control over implementation of the Moscow Exchange Group's Development Strategy, adjustment of the effective Development Strategy;
3. To establish strategy priorities of the Moscow Exchange Group and Moscow Exchange Group projects;
4. To assess the Moscow Exchange and Moscow Exchange Group companies performance over the mid-term and the long-term run;
5. To identify and assess the Moscow Exchange Group's key business risks;
6. To define the main source of financing;
7. To manage the Moscow Exchange and Moscow Exchange Group securities portfolio;
8. To define principles of the Moscow Exchange Group's regional policy.

Commission members:

Nicola Jane Beattie, the Chairman,

Alexander Afanasiev,

Yuan Wang,  
Sean Glodek,  
Andrey Golikov,  
Yuriy Denisov,  
Jacques Der Megreditchian,  
Riess Rainer.

### **Risk Management Commission**

The primary purpose of the Risk Management Commission is to assist in improving management of operating, legal, reputational, strategic and other business non-financial risks that the Exchange and the Moscow Exchange Group entities may face, with the view to enhance stability and operating efficiency of the Exchange.

Commission members:

Yuriy Denisov, the Chairman,  
Mikhail Bratanov,  
Valery Goreglyad,  
Segey Kozlov,  
Rainer Riess.

Budget commission

The primary purpose the Budget Commission is to ensure Supervisory Board's control over accumulation and spending the cash funds intended for financial support to Moscow Exchange and companies part of the Moscow Exchange Group.

The key objectives of the Commission are:

1. To define the key principles for Moscow Exchange's and Group's budgeting and budget spending
2. To set up the target budget of the Moscow Exchange and Moscow Exchange Group timely and accurately;
3. To securing day-to-day management in budgeting of the Moscow Exchange and Moscow Exchange Group;
4. To assess effectiveness in budgeting of the Moscow Exchange and Moscow Exchange Group.

Commission members:

Mikhail Bratanov, the Chairman,  
Sean Glodek,  
Andrey Golikov,  
Segey Kozlov,  
Andrey Ponomarev,  
Kirill Shershun

Eugeny Fetisov.

### **Technical Policy Commission**

The primary purpose of the Commission is to develop and enhance the efficiency of the Moscow Exchange and Moscow Exchange Group operations through preparing recommendations and experts' opinions for the Supervisory Board of the Moscow Exchange, Boards of Directors (Supervisory Boards) and their committees of Moscow Exchange Group companies regarding technical policy and IT and software solutions development in Moscow Exchange and Moscow Exchange Group companies.

The key objectives of the Commission are:

1. To foster efficient collaboration of the Moscow Exchange and Moscow Exchange Group companies with on-exchange securities and commodities markets participants using Moscow Exchange's software and hardware facilities on the matters regarding technical policy and IT and software solutions development;
2. To optimize the processes for complete and comprehensive assessment of on-exchange securities and commodities markets participants' demand for IT and software solutions development.
3. To coordinate the activities related to technical policy matters within Moscow Exchange Group and ensuring the centralized policy on the matters falling within competence of the Commission.

Commission members:

Anatoly Karachinsky, the Chairman,

Vladimir Gibenko,

Vladimir Kurlyandchik,

Mikhail Khasin,

Yury Yartsev,

Sergey Putyatinskiy,

Sergey Poliakoff.

## REVISION COMMISSION

This commission is elected at the AGM to control financial and business activities of the Exchange, estimate accuracy of information to be given in annual reports and included in the company's annual financial statements. The commission comprises three members.

Commission members elected by the AGM on 26 June 2014:

Tatyana Sannikova,

Olga Romantsova,

Vyacheslav Ulupov.

## EXECUTIVE BOARD<sup>10</sup>

Management of Moscow Exchange's day-to-day operations is carried out by the Chairman of the Executive Board (the Chief Executive Officer) and the Executive Board, which is the collective executive body of the Moscow Exchange. The Chairman heads the Executive Board and organizes its work.

### Chairman of the Executive Board (CEO)

No.	Name	Brief biography	Holding of Moscow Exchange stock	Notes
1	Afanasiev, Alexander Konstantinovich <i>since 21.06.2012</i>	Date/place of birth: 12.01.1962, Moscow Education: higher Graduate of: 1.Moscow Institute of Finance Graduation: 1984 Qualification: economist Specialty: International economic relations 2. Moscow Institute of Finance. Post-graduate studies Graduation:1987 Science degree: Candidate of Science, Economics	no holding	In accordance with a resolution of the AGM on 20.06.2012 (Minutes No. 44), elected as CEO effective 21.06. 2012

### Executive Board members:

No.	Name	Brief biography	Holding of the Moscow Exchange stock	Notes
1	Afanasiev, Alexander Konstantinovich <i>since 28.12.2011</i>	Date/place of birth: 12.01.1962, Moscow Education: higher Graduate of: 1.Moscow Institute of Finance Graduation: 1984 Qualification: economist Specialty: International economic relations 2. Moscow Institute of Finance. Post-graduate studies Graduation:1987 Science degree: Candidate of Science, Economics	no holding	As resolved by the Supervisory Board on 17.11.2011 (Minutes No.14), elected to the Executive Board effective 28.12.2011. In accordance with a resolution of the AGM on 20.06.2012 (Minutes No. 44), elected as the Chairman of the Executive Board effective 21.06.2012
2	Poliakoff, Sergey Olegovich <i>since 24.05.2013</i>	Date/place of birth: 06.10.1960, Moscow Education: higher Graduate of: New York University Graduation: 1991 Qualification: Computer Science Specialty: Master of Science	no holding	As resolved by the Supervisory Board on 23.05.2013 (Minutes No.42), elected to the Executive Board effective 24.05.2013

<sup>10</sup> Information effective as of 31.12.2014

No.	Name	Brief biography	Holding of the Moscow Exchange stock	Notes
3	Fetisov, Evgeny Evgenyevich <i>since 04.02.2013</i>	Date/place of birth: 15.01.1975, Ashkhabad Education: higher Graduate of: Federal Government National Financial Academy Graduation: 1996 Qualification: economist Specialty: global economics	0.00406%*	As resolved by the Supervisory Board on 31.01.2013 – 01.02.2013 (Minutes No.25), elected to the Executive Board effective 04.02.2013
4	Shemetov, Andrey Viktorovich <i>since 12.11.2012</i>	Date/place of birth: 18.07.1974, Briansk Oblast Education: higher Graduate of: Ordzhonikidze National Management Academy (State University) Graduation: 1996 Qualification: economist Specialty: economics of production management	0.002%**	As resolved by the Supervisory Board on 08.11.2012 (Minutes No.16), elected to the Executive Board effective 12.11.2012
5	Shcheglov, Dmitry Viktorivich <i>since 01.04.2013</i>	Date/place of work: 01.09.1975, Orkhovo-Zuevo, Moscow Oblast Education: higher Graduate of: Moscow State University of Technology ("Stankin") Graduation: 1998 Qualification: automating processes and production PhD in technical sciences	0.00526%***	As resolved by the Supervisory Board on 29.03.2013 (Minutes No.35), elected to the Executive Board effective 01.04.2013

**\* Description of transactions for E. Fetisov:**

13.01.2014 – Purchase of Moscow Exchange shares  
Shares in ownership before the transaction: 6,070 units  
Stake before the transaction: 0.0003%  
Shares in ownership after the transaction: 11,070 units  
Stake after the transaction: 0.00046%

06.03.2014 – Purchase of Moscow Exchange shares  
Shares in ownership before the transaction: 11,070 units  
Stake before the transaction: 0.00046%  
Shares in ownership after the transaction: 96,649 units  
Stake after the transaction: 0.00406%

06.03.2015 – Purchase of Moscow Exchange shares  
Shares in ownership before the transaction: 96,649 units  
Stake before the transaction: 0.00406%  
Shares in ownership after the transaction: 296,649 units  
Stake after the transaction: 0.013%

**\*\* Description of transactions A. Shemetov:**

03.03.2014 – Purchase of Moscow Exchange shares

Shares in ownership before the transaction: 0 units

Stake before the transaction: 0%

Shares in ownership after the transaction: 2,500,000 units

Stake after the transaction: 0.105%

04.03.2014 – Sale of Moscow Exchange shares

Shares in ownership before the transaction: 2,500,000 units

Stake before the transaction: 0.105%

Shares in ownership after the transaction: 50,000 units

Stake after the transaction: 0.002%

04.02.2015 – Purchase of Moscow Exchange shares

Shares in ownership before the transaction: 50,000 units

Stake before the transaction: 0.002%

Shares in ownership after the transaction: 775,000 units

Stake after the transaction: 0.034%

05.02.2015 – Sale of Moscow Exchange shares

Shares in ownership before the transaction: 775,000 units

Stake before the transaction: 0.034%

Shares in ownership after the transaction: 75,000 units

Stake after the transaction: 0.003%

**\*\*\* Description of transactions for D. Shcheglov:**

23.05.2014 – Purchase of Moscow Exchange shares

Shares in ownership before the transaction: 0 units

Stake before the transaction: 0%

Shares in ownership after the transaction: 61,242 units

Stake after the transaction: 0.00269%

05.08.2014 – Purchase of Moscow Exchange shares

Shares in ownership before the transaction: 61,242 units

Stake before the transaction: 0.00269 %

Shares in ownership after the transaction: 119,846 units

Stake after the transaction: 0.00526 %

03.02.2015 – Purchase of Moscow Exchange shares

Shares in ownership before the transaction: 119,846 units

Stake before the transaction: 0.00526%

Shares in ownership after the transaction: 145,825 units

Stake after the transaction: 0.0064%

## MANAGEMENT AND BOARD REMUNERATION

The Exchange's leadership structure includes:

- CEO and Executive Board members
- Supervisory Board members.

### CEO AND EXECUTIVE BOARD REMUNERATION

Remuneration and reimbursement of expenses are paid to the CEO and Executive Board members as stipulated in their respective employment contracts. These contracts, including provisions on salary, bonuses, and other incentives, are regulated by Moscow Exchange's Supervisory Board.

A procedure for paying annual bonuses to the CEO and Executive Board members was adopted by the Supervisory Board and included in the employment contracts. According to the procedure, payment of part of the annual bonus is deferred. Thus, 70% of the annual bonus for 2014 was paid after the year's results had been announced, 30% is expected to be paid in equal parts in one and two years' time (i.e. 15% after one calendar year and 15% after two calendar years), in accordance with the relevant Supervisory Board resolution. The deferred part of the bonus for 2015 will be 40%. This allows consideration to be given to risks associated with decisions made by Executive Board members.

Annual bonuses for Executive Board members are linked to company performance and individual KPIs. The Supervisory Board sets company targets and individual KPIs, determines their influence on bonus size, and evaluates performance. For 2014, the weighting of company targets/ individual KPIs in determining bonuses was 50/50 (not applied to CEO). Two of company's KPIs were included in the CEO's KPIs in 2014.

All Executive Board members participate in the Exchange's long-term incentive plan, which gives them the right to acquire shares in an amount and at a price set by the Supervisory Board.

Total payments made to the CEO and Executive Board members for 2014 was RUB 217 mln distributed as follows:

<b>Remuneration type</b>	<b>Remuneration size, thousands of RUB</b>
Remuneration for serving in the management body	0
Salary	116,720.15
Bonus	94,214.00
Commissions	0
Perquisites	0
Reimbursement of expenses	0
Other	5,611.74
<b>TOTAL</b>	<b>216,545.89</b>

### Supervisory Board Remuneration

The law “On Joint Stock Companies” states that Supervisory Board members may receive remuneration and/or reimbursement of expenses related to their activities as Board members, subject to approval by the AGM. Remuneration and reimbursement amounts are also determined at the AGM.

The amount of remuneration paid to Supervisory Board members in 2014 for service from being elected in 2013 until leaving the board in 2014 was set in accordance with the Moscow Exchange Regulation on Remuneration for Supervisory Board Members which was approved at the 2014 AGM.

This regulation stipulates that remuneration of a Supervisory Board member is determined at the AGM based on the member’s actual contributions to the Supervisory Board and Board committees during his/her term of service.

Of 19 Supervisory Board members, sixteen received the following remunerations in 2014:

<b>Remuneration type</b>	<b>Remuneration size, thousands of RUB</b>
Remuneration for serving in the management body	44,875.00
Salary	0
Bonus	0
Commissions	0
Perquisites	0
Reimbursement of expenses	216.65
Other	0
<b>TOTAL</b>	<b>45,091.65</b>

**Individual remunerations of the Supervisory Board members were as follows in 2014:**

<b>№</b>	<b>Supervisory Board Member</b>	<b>Remuneration (for service as a member, as expense reimbursement, and other types of remuneration), in thousands of Russian roubles</b>
1.	Sergei Lykov	2,250.00
2.	Andrey Golikov	3,500.00
3.	Nicola Jane Beattie	2,578.65
4.	Mikhail Bratanov	3,000.00
5.	Alexander Buzuev	2,500.00
6.	Sean Glodek	3,000.00
7.	Martin Paul Graham	3,576.58

8.	Yury Denisov	3,500.00
9.	Jacques Der Megreditchian	3,500.00
10.	Oleg Zhelezko	2,250.00
11.	Bella Zlatkis	2,500.00
12.	Anatoly Karachinsky	2,625.00
13.	Li Quingyuan	2,250.00
14.	Rainer Riess	3,061.42
15.	Kirill Shershun	2,500.00
16.	Andrey Yumatov	2,500.00

## **RELATED-PARTY TRANSACTIONS**

**By the resolution of the Supervisory Board dated 31.01.2014 (Minutes No. 19):**

1. Agreement on termination of Agreement No. 3 on cooperation between the Bank of Russia, Closed Joint Stock Company “Moscow Interbank Currency Exchange” and CJSC “MICEX Stock Exchange” in providing the data on results of trading in securities on CJSC “MICEX Stock Exchange” to the Bank of Russia dated 23 May 2005 on the following terms and conditions:

Parties to the transaction: Moscow Exchange, Bank of Russia and CJSC “MICEX Stock Exchange”.

Subject matter of the transaction: Termination of Agreement No. 3 on cooperation between the Bank of Russia, Closed Joint Stock Company “Moscow Interbank Currency Exchange” and CJSC “MICEX Stock Exchange” in providing the data on results of trading in securities on CJSC “MICEX Stock Exchange” to the Bank of Russia dated 23 May 2005.

Transaction price: This Termination Agreement does not contain provisions on financial obligations of the Parties.

Other essential terms and conditions of the transaction: none.

There are no beneficiaries of the transaction.

2. Agreement on cooperation between the Bank of Russia and Open Joint Stock Company “Moscow Exchange MICEX-RTS” in providing Exchange information to the Bank of Russia on the following terms and conditions:

Parties to the transaction: Moscow Exchange and Bank of Russia.

Subject matter of the transaction: The Moscow Exchange provides Exchange information (data on securities) to the Bank of Russia pursuant to the list of securities delivered by the latter. Moscow Exchange confirms that it is fully empowered to provide Exchange information under this Agreement.

Transaction price: This Agreement does not contain provisions on financial obligations of the Parties.

Other essential terms and conditions of the transaction: Agreement No.2 on cooperation between the Bank of Russia and Open Joint Stock Company “MICEX-RTS” in securities lending operations by the Bank of Russia dated 31 December 2004 terminates starting from the date of providing the Exchange information, stipulated by Bank of Russia letter in accordance with item 3.7.2 of the Agreement.

There are no beneficiaries of the transaction.

3. Agreement on cooperation between the Moscow Exchange and National Settlement Depository in running deposit auctions by Vnesheconombank as a state managing company responsible for trust management of pension savings funds on the following terms and conditions:

Parties to the transaction: Moscow Exchange and National Settlement Depository (NSD).

Subject matter of the transaction: Setting out cooperation and communication procedures for the Moscow Exchange and NSD in running deposit auctions by

Vnesheconombank as a state management company responsible for trust management of pension savings funds.

Transaction price: This Agreement does not contain provisions on financial obligations of the Parties.

Other essential terms and conditions of the transaction: This Agreement becomes effective upon signing and remains in force through 31 December 2014. The Agreement shall be automatically extended for each next consecutive year unless either Party submits a written notification of termination to the other Party 10 business days prior to the date of expiration of Agreement.

Agreement No.1 as of 23 November 2009 between MICEX CJSC and MICEX Settlement House CJSC on cooperation in running deposit auctions by Vnesheconombank as a state management company responsible for trust management of pension savings funds shall be terminated upon signing Agreement No.2.

There are no beneficiaries of the transaction.

4. Non-residential Premises Sub-subtenancy Agreement between the Moscow Exchange and RTS Settlement Chamber on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Subtenant) and RTS Settlement Chamber (Sub-subtenant).

Subject matter of the transaction: Subtenant agrees to sub-sublet to Sub-subtenant non-residential premises №5.25 with the total area of 13.63 (thirteen and 63/100) sq.m on the 5th floor of the building located at 4/7 bld. 1, Vozdvizhenka str., Moscow.

Transaction price: Price under sub-subtenancy agreement for the entire period of Agreement shall be USD 7,163.58 excluding VAT, comprising of:

- Rent – USD 6,670.86, excluding VAT;
- Operating services – USD 492.72, excluding VAT.

Monthly rent under this Sub-subtenancy agreement in the event of its renewal for the period less than 5 months will be USD 1,193.93 per month excluding VAT, comprising of:

- rent – USD 1,111.81, excluding VAT;
- operating services – USD 82.12, excluding VAT.

Other essential terms and conditions of the transaction: Sub-subtenancy Agreement shall take effect since a date of signature thereof, cover relations of the Parties arising since 01 January 2014 and be effective till 30 June 2014.

Sub-subtenancy period under this Agreement shall be 6 months, starting from 01 January 2014 through 30 June 2014 with the possibility to extend the period of Agreement for the period not exceeding 5 months from 01 July 2014 through 30 November 2014.

There are no beneficiaries of the transaction.

5. Supplementary Agreement No. 4 between the Moscow Exchange and the Bank of Russia on amendments to Agreement No.2 as of August 11, 2006 on Moscow Exchange's electronic trading system employment by the Bank of Russia to conclude transactions with credit organizations when executing deposit and credit

operations in the currency of the Russian Federation on the following terms and conditions:

Parties to the transaction: Moscow Exchange and Bank of Russia.

Subject matter of the transaction: Introduction of amendments in view of expected opening up of an opportunity for the Bank of Russia to run deposit auctions of the new type with Moscow Exchange notification of auction conditions not later than 30 minutes prior to the start of bids collection form the Participants (unlike with other deposit auctions, the Bank of Russia shall not make schedule of such transactions in advance) and an opportunity for credit institutions to early withdraw time deposits placed in the Bank of Russia.

Transaction price: The Supplementary Agreement does not contain provisions on financial obligations of the Parties.

Other essential terms and conditions of the transaction: none.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 20.02.2014 (Minutes No. 20):

6. Supplementary Agreement No.1 to Agreement for information supply on indicative rates between the National Foreign Exchange Association and the Moscow Exchange on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Information User) and the National Foreign Exchange Association (Information Owner).

Subject matter of the transaction: change of time in providing the current values of NFEA SWAP Rate to the Information User.

Transaction price: Supplementary Agreement No.1 does not contain provisions on financial obligations of the Parties.

Other essential terms and conditions of the transaction: Provisions of Supplementary Agreement No.1 shall cover the relationship between the parties starting as of 09 January 2014.

There are no beneficiaries of the transaction.

7. Supplementary Agreement No.6 to Contract No.БР-Д-19/495 for interaction in the course of trading in securities on CJSC "MICEX Stock Exchange" between the Moscow Exchange, Bank of Russia, Bank "National Clearing Centre" Closed joint-stock company and CJSC "MICEX Stock Exchange" on the following terms and conditions:

Parties to the transaction: Moscow Exchange; CJSC "MICEX Stock Exchange"; Bank "National Clearing Centre" Closed joint-stock company; Bank of Russia.

Subject matter of the transaction: Change in procedure and time frame for providing data on running Repo Auctions and fixed rate repo trades, introducing the new document format into the MICEX Stock Exchange and Bank of Russia document flow.

Transaction price: The Supplementary Agreement does not contain provisions on financial obligations.

Other essential terms and conditions of the transaction: none.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 18.03.2014 (Minutes No. 23):

8. Agreement between the Moscow Exchange and the Bank of Russia for authorization for the Bank of Russia to use “E-Mail Delivery Module” Automatic Messages Recording and Transportation System on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Licensor) and Bank of Russia (Licensee);

Subject matter of the transaction: authorization for the Bank of Russia to use “E-Mail Delivery Module” Automatic Messages Recording and Transportation System.

Transaction price: RUB 5,508,000.00 (five million five hundred and eight thousand).

Other essential terms and conditions of the transaction: none.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 18.04.2014 (Minutes No. 24):

9. Agreement between the Moscow Exchange and the Bank of Moscow for purchase and sale of one share of the National Settlement Depository on the following terms and conditions:

Parties to the transaction: Open Joint Stock Company “Moscow Exchange MICEX-RTS” (Buyer) and Bank of Moscow (Seller).

Subject matter of the transaction: The Seller undertakes to transfer the ownership of and the Buyer shall accept and pay for 1 (one) book entry registered ordinary share of the National Settlement Depository with the par value RUB 1,000 (one thousand), issue state registration number 10103294C.

Transaction price: the Share price shall be RUB 28,354.3

Other essential terms and conditions of the transaction: none.

There are no beneficiaries of the transaction.

10. Agreement between the Moscow Exchange and Sberbank CIB for purchase and sale of one share of the National Settlement Depository on the following terms and conditions:

Parties to the transaction: Open Joint Stock Company “Moscow Exchange MICEX-RTS” (Buyer) and Sberbank CIB (Seller).

Subject matter of the transaction: The Seller undertakes to transfer the ownership of and the Buyer shall accept and pay for 1 (one) book entry registered ordinary share of the National Settlement Depository with the par value RUB 1,000 (one thousand), issue state registration number 10103294C.

Transaction price: the Share price shall be RUB 28,354.

Other essential terms and conditions of the transaction: none.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 16.05.2014 (Minutes No. 26):

11. Supplemental Agreement with shareholders of NSD to Shareholders Agreement with respect to NSD dated 30 June 2011 on the following terms and conditions:

Parties to the transaction:

NSD shareholders: Moscow Exchange, ALOR INVEST CJSC, ALFA-BANK OJSC, ATON Limited Liability Company, State Corporation "Bank for Development and Foreign Economic Affairs" (Vnesheconombank), Kompaniya Brokercreditservice Limited Liability Company, VTB Bank (OJSC), Gazprombank (OJSC), Commercial Bank "J.P. Morgan Bank International" (Limited Liability Company), Deutsche Bank Limited Liability Company, INFINITUM Specialized Depository OJSC, KIT Finance (Limited Liability Company), BANK CREDIT SUISSE (MOSCOW) CJSC, MDM Bank OJSC, IFC METROPOL Limited Liability Company, Morgan Stanley Bank Limited Liability Company, NOMOS-BANK OJSC, OTKRYTIE Brokerage House OJSC, Raiffeisenbank CJSC, Renaissance Broker Limited Liability Company, Joint-Stock Commercial Bank "ROSBANK" (OJSC), BANK SAINT PETERSBURG OJSC, Saint Petersburg Currency Exchange CJSC, Sberbank of Russia OJSC, Sotsinvestbank OJSC, CentroCredit Joint-Stock Commercial Bank (CJSC), UniCredit Bank CJSC, CJSC "Computershare Registrar", Irkol CJSC, Novyi Registrator CJSC, Professional Registration Center CJSC, JSC "DRAGa", Open Joint-Stock Investment Company "ZERICH Capital Management", JOINT-STOCK COMMERCIAL BANK "EVROFINANCE MOSNARBANK".

New shareholders: Euroclear Bank SA/NV, Clearstream Banking S.A., Republican Central Securities Depository (Belarus).

Subject matter of the transaction: By entering into this Supplemental Agreement, new shareholders become parties to the Shareholders Agreement. Under the Supplemental Agreement new shareholders agree to become parties to the Shareholders Agreement. The New Shareholder agrees that it shall become a party to the Agreement and, upon transfer of ownership of shares, shall acquire the same rights and accept the same obligations under the Agreement, as the Shareholders under the Agreement have as at the date of this Supplemental Agreement or will subsequently have.

Transaction price: The Supplemental Agreement does not contain provisions on financial obligations of the parties.

Other essential terms and conditions of the transaction: Moscow Exchange intends to transfer the ownership of one ordinary share in the share capital of National Settlement Depository with the par value of RUB 1,000 (One Thousand) to each of the New Shareholders through entering into share purchase agreement.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 09.06.2014 (Minutes No. 28):

12. Supplementary Agreement No. 7 to Contract No. BR-D-19/495 on Securities Trading Coordination at CJSC "MICEX Stock Exchange" as an interested party transaction between the Moscow Exchange, the Bank of Russia, Bank "National Clearing Centre" Closed joint-stock company and CJSC "MICEX Stock Exchange" on the following terms and conditions:

Parties to the transaction:

Moscow Exchange;

CJSC "MICEX Stock Exchange";

Bank "National Clearing Centre" Closed joint-stock company;

Bank of Russia.

Subject matter of the transaction: Changes in the timing, composition and procedure of information submission to the Bank of Russia in implementing the Exchange-Traded REPO with Collateral Management and Securities Market Clearing Settlement Prior to Trade Completion projects and in execution of individual assignments.

Transaction price: The Supplementary Agreement does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: none.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 11.07.2014 (Minutes No. 2):

13. Information Service Contract No. 112/INFO/NDS between the Moscow Exchange and CentroCredit Bank on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Exchange) and CentroCredit Bank (User).

Subject matter of the transaction: Under this Contract the Moscow Exchange shall provide CentroCredit Bank with the market data to the extent and within the scope determined in the agreement for the use in 1 (one) non-display system of CentroCredit Bank.

Transaction price: The transaction price under this Contract has been determined based on the market data type and the purposes the CentroCredit Bank intends to use such Market data in accordance with Moscow Exchange fees, and equals RUB 15,000 excluding VAT.

Other essential terms and conditions of the transaction: This Contract comes into force upon its signing and shall remain effective until notification of termination from either Party.

Under this Contract the Moscow Exchange shall have the right to amend fees for its services, but no more than once (1) a year by sending a written notification thereof to CentroCredit Bank at least 120 (one hundred and twenty) calendar days prior to effective date of such amendments.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 24.07.2014 (Minutes No. 3):

14. IT Service Agreement between the Moscow Exchange and CJSC "MICEX Stock Exchange" on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Technical Centre) and CJSC "MICEX Stock Exchange" (MICEX Stock Exchange).

Subject matter of the transaction: Under this Agreement the Technical Centre undertakes to render comprehensive IT services to MICEX Stock Exchange as necessary for MICEX Stock Exchange to perform its professional activity as trading organizer having been licensed as a stock exchange aimed at:

- Providing opportunity for MICEX Stock Exchange to use Moscow Exchange's software and hardware tools (firmware) in the amount not exceeding 10% of total resources capacity of Technical center firmware, by providing to MICEX Stock

Exchange technical access to the following firmware subsystems of Technical center:

- Trade system of MICEX Stock Exchange;
- Local Back-Office system (for MICEX Stock Exchange) (subsystem of Technical center firmware designed for trades managing and connected with access to database of Trade system of MICEX SE, including subsystems of electronic documents interchange system);
- electronic document flow subsystem of MICEX Stock Exchange;
- electronic document flow subsystem of Clearing Center for securities market
- Ensuring continuous functioning of aforesaid subsystems of Technical center firmware;
- Ensuring MICEX Stock Exchange's data safety;
- Ensuring electronic documents interchange between MICEX Stock Exchange, Technical Centre, Bank "National Clearing Centre" Closed joint-stock company, trade participants, Bank of Russia and others;
- Providing opportunity for MICEX Stock Exchange to employ other services, in particular those used to ensure data exchange between employees; and antivirus protection.

Transaction price: The transaction price under this Agreement is determined based on the costs of services, i.e. RUB 10,073,100 per month inclusive of VAT 18% equaling RUB 1,536,574.58. The transaction price does not exceed 2% of Moscow Exchange' assets book value stated in the recent financial statements.

Other essential terms and conditions of the transaction: This Agreement is concluded for an indefinite period.

The terms and conditions of this Agreement shall be applied retrospectively from 01.01.2014.

There are no beneficiaries of the transaction.

15. IT Service Agreement between the Moscow Exchange and Bank "National Clearing Centre" Closed joint-stock company on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Technical Centre) and Bank "National Clearing Centre" Closed joint-stock company (Clearing Center).

Subject matter of the transaction: Under this Agreement the Technical Centre undertakes to render a comprehensive package of IT services to the Clearing Center as necessary for the Clearing Centre to perform its clearing activity in compliance with the Clearing Rules, aimed at:

- Providing the Clearing Center with opportunity to use firmware resources of Technical Center in the amount of no more than 20% of total volume of Technical Center capacity required for clearing, performed by Clearing Center in accordance with Clearing Rules, by providing for Clearing Center technical access to the following subsystems of Technical Center firmware:

- Clearing subsystem of ASTS trade system (including UNIX);
- Clearing subsystem of FORTS trade system;

- Clearing subsystem of NAVIGATOR trade system;
- ASTS trade system;
- FORTS trade system;
- NAVIGATOR trade system;
- On-line Server system;
- Remote back-office system;
- Electronic document flow subsystem of Clearing Center;
- Electronic document flow system;
- E-mail system
- Ensuring data safety of Clearing Center;
- Ensuring electronic documents interchange between the Clearing Centre, Organizer of trading, Technical Centre, trade participants, Bank of Russia and others;
- Providing opportunity for Clearing Center to employ other services, in particular those used to ensure data exchange between employees; and antivirus protection;
- Providing Clearing Center with specific technological service on the respective markets of the trading organizers.

Transaction price: The transaction price under this Agreement is determined based on the costs of services, i.e. RUB 25,326,900 per month inclusive of VAT 18% equaling RUB 3,863,425.42. The transaction price does not exceed 2% of Moscow Exchange assets book value stated in the recent financial statements.

Other essential terms and conditions of the transaction: This Agreement is concluded for an indefinite period.

The terms and conditions of this Agreement shall be applied retrospectively from 01.01.2014.

There are no beneficiaries of the transaction.

16. Supplementary Agreement No.3 to Contract No.26-11/67 dated April 01, 2011 on HR services between the Moscow Exchange and Bank "National Clearing Centre" Closed joint-stock company on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Contractor) and Bank "National Clearing Centre" Closed joint-stock company (Customer).

Subject matter of the transaction: This Supplementary Agreement determines the amount of expenses on outsourced services and the reimbursement procedure.

Transaction price: The transaction price is determined based on expenses of the Contractor related to outsourcing the services and equals RUB 307,980 (three hundred and seven thousand nine hundred and eighty), including VAT of RUB 46,980 (forty six thousand nine hundred and eighty).

Other essential terms and conditions of the transaction: none.

There are no beneficiaries of the transaction.

17. NDA between the Moscow Exchange and Nicola Jane Beattie, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Nicola Jane Beattie (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorized access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improper performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

18. NDA between the Moscow Exchange and Mikhail Bratanov, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Mikhail Bratanov (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorized access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improper performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

19. NDA between the Moscow Exchange and Yuan Wang, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Yuan Wang (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorized access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improperly performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

20. NDA between the Moscow Exchange and Sean Ian Glodek, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Sean Ian Glodek (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorized access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improperly performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 3 (three) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

21. NDA between the Moscow Exchange and Andrey Golikov, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Andrey Golikov (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorized access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improperly performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

22. NDA between the Moscow Exchange and Valery Goreglyad, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Valery Goreglyad (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorized access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improper performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

24. NDA between the Moscow Exchange and Yuriy Denisov, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Yuriy Denisov (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorized access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improper performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

25. NDA between the Moscow Exchange and Bella Zlatkis, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Bella Zlatkis (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorized access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improperly performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

26. NDA between the Moscow Exchange and Anatoly Karachinsky, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Anatoly Karachinsky (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorized access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improperly performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

27. NDA between the Moscow Exchange and Sergey Kozlov, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Sergey Kozlov (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorized access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improperly performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

28. NDA between the Moscow Exchange and Alexey Kudrin, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Alexey Kudrin (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorized access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improperly performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

29. NDA between the Moscow Exchange and Sergey Lykov, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Sergey Lykov (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorized access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improperly performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

30. NDA between the Moscow Exchange and Rainer Riess, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Rainer Riess (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorized access to such

confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improperly performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

31. NDA between the Moscow Exchange and Kirill Shershun, the Exchange's Supervisory Board member, on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Disclosing party) and Kirill Shershun (Receiving party).

Subject matter of the transaction: The Receiving party undertakes to protect and not to disclose confidential information, prevent unauthorized access to such confidential information, its loss or damage and shall be held liable in the default subject to terms and conditions of the NDA.

Transaction price: This NDA does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: If the Receiving party fails to perform or improperly performs (also unintentionally) its obligations under the NDA, the Receiving party shall compensate the Disclosing party for the loss (real damage) in connection with such failure.

Non-disclosure obligation remains effective during 5 (five) years starting from receiving the confidential information or until such information becomes available to public.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 22.08.2014 (Minutes No. 4):

32. Contract of information services No.98/INFO between the Moscow Exchange and Sberbank CIB on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Exchange) and Sberbank CIB (Distributor).

Subject matter of the transaction: Moscow Exchange undertakes to provide Sberbank CIB with training data to the extent agreed in the Contract for distribution among Users (authorized by login and password) by demonstrations on the Sberbank CIB internet sites, distribution by email and to mobile devices via pager, telephone and similar communication for training, testing purposes and demonstrating software and hardware tools capabilities.

Transaction price: The transaction price is based on Moscow Exchange's fees and equals RUB 15,500 per month excl. VAT. The transaction price will not exceed 2% of Exchange's assets book value as of recent reporting date.

Other essential terms and conditions of the transaction: The Contract becomes effective upon signing and remains in force until either party notifies on its termination. The Contract applies in respect of relationship arising between the Parties from 1 March 2014.

There are no beneficiaries of the transaction.

33. Contract of information services No.99/INFO/NDS between the Moscow Exchange and Sberbank CIB on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Exchange) and Sberbank CIB (User).

Subject matter of the transaction: Moscow Exchange undertakes to provide Sberbank CIB with market data to the extent agreed in the Contract for usage in 1 (one) non-display system of Sberbank CIB.

Transaction price: The transaction price is determined based on the market data type and market data usage in accordance with Moscow Exchange's fees and equals RUB 15,000 per month excl. VAT. The transaction price will not exceed 2% of Exchange's assets book value.

Other essential terms and conditions of the transaction: The Contract becomes effective upon signing and remains in force until either party notifies on its termination. The Contract applies in respect of relationship arising between the Parties from 1 March 2014.

There are no beneficiaries of the transaction.

34. Non-exclusive License Agreement between the Moscow Exchange and Bank "National Clearing Center" on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Licensee) and Bank "National Clearing Center" Closed joint-stock company (Licensor).

Subject matter of the transaction: The Licensor grants the Licensee a license to use the Unified Client Database software.

Transaction price: The Licensor's fee is RUB 334,368 per year payable by equal monthly installments of RUB 27,864. The Licensor's fee is not subject to VAT.

Other essential terms and conditions of the transaction:

1) Software use: The Licensee will use the Software remotely via a web-browser with intent to obtain information from the Unified Client Database and add it with the data regarding clearing services, generation of reports as needed to perform clearing activities in conformance with clearing rules of NCC.

2) The Licensor will provide the license for the use of software not later than in 5 business days from the date of Agreement.

3) The Agreement becomes effective upon its signing and remains in force throughout a period of one year, unless either Party terminates it by sending a notice thereof 30 days before the date of expiration. The Agreement may be renewed for each next coming year with the same terms and conditions.

4) License territory – Russian Federation.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 15.10.2014 (Minutes No. 6):

35. The Listing Service Agreement between the Moscow Exchange and CJSC “MICEX Stock Exchange” on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Company) and CJSC “MICEX Stock Exchange” (Stock Exchange).

Subject matter of the transaction: The Stock Exchange undertakes to provide services to the Company to the extent, in the manner and in accordance with terms and conditions determined in the Listing Rules of the Stock Exchange, in consideration of the class/type/category of securities in respect of which the following services (hereinafter jointly referred to as the Services) are provided:

- inclusion into (change the level of listing) and maintenance of securities in the respective section of their the List of securities admitted to trading (hereinafter the List),
- placement of securities (admission of securities to trading in the course of placement),
- assignment of identification number to commercial papers issue (new issue) of commercial papers,
- approval of changes in the decision on issue (new issue) of commercial papers and/or prospectus of commercial papers,
- pre-view of documents on commercial papers,

and the Company undertakes to accept these services and pay for them.

Transaction price: The price of the aforesaid transaction is determined based on the Tariffs (the fees amount charged by the Stock Exchange for services provided according to the Listing Rules), as approved by the Stock Exchange and effective on the date of Services delivery.

The transaction price will not exceed 2% of assets book value.

Other essential terms and conditions of the transaction: This Agreement is a redrafted version of the Agreement № B-010/13 dated 01.02.2013 for listing and maintaining securities in the Quotation List.

There are no beneficiaries of the transaction.

36. Non-Disclosure Agreement between the Moscow Exchange and Sberbank CIB on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Receiving Party) and Sberbank CIB (Disclosing Party).

Subject matter of the transaction: The Moscow Exchange undertakes not to disclose the contents of data, documents and other information provided by Sberbank CIB in the course of the data audit.

Transaction price: This Agreement does not contain any financial obligations of the parties.

Other essential terms and conditions of the transaction: The Agreement becomes effective from the signing by the Parties and remains in force during three (3) years after the data audit completion.

There are no beneficiaries of the transaction.

37. Non-Exclusive Software Use License Agreement between the Moscow Exchange and Sberbank of Russia on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Licensor) and Sberbank of Russia (Licensee).

Subject matter of the transaction: The subject of the transaction is provision by the Licensor to the Licensee of the right of the use of the program for electronic computing machines (ECM) (simple (non-exclusive) license) "MICEX Trade SE" (certificate of state registration of the ECM program No.2007610189 dated 09.01.2007), including all updated versions of this ECM Program to be installed on the remote work places of the Licensee, for the purpose of linking the Licensee to the Trading System of MICEX SE and the Equity & Bond Market Clearing System (software-technical complex designated for securing clearing activity performed by Bank "National Clearing Centre" Closed joint-stock company).

Transaction price: Transaction price is determined based on the Tariffs of the Moscow Exchange and equals RUB 20,350 per month.

Other essential terms and conditions of the transaction: This Agreement becomes effective and binding for the Parties from the signing thereof and shall be valid till 31 December 2014, inclusively. If a notice on the intention of one party to terminate the Agreement is not received by the other party at least 30 calendar days prior to termination of the validity period, the validity period of the Agreement shall be extended for the next calendar year – from 01.01.2015 till 31.12.2015.

There are no beneficiaries of the transaction.

38. Technical Services Agreement between the Moscow Exchange and Vnesheconombank on the following terms and conditions:

Parties to the transaction: Moscow Exchange – Technical Centre, State Corporation "Bank for Development and Foreign Economic Affairs (Vnesheconombank)" – User.

Subject matter of the transaction: The subject of the transaction is making the assignment by the User and assuming by the Technical Centre of obligations with regards to provision to the User of the services related to maintenance of configuration of the device designated for securing the safe internet network data exchange solely between the Technical Centre network segments and the local segment of the User network.

Transaction price: Transaction price is determined based on the Tariffs of the Moscow Exchange and equals RUB 144,000 per year.

Other essential terms and conditions of the transaction: The Agreement becomes effective and binding for the Parties from the signing thereof.

There are no beneficiaries of the transaction.

39. Additional Agreement No. 8 to Agreement No. BR-D-19/495 on interaction in the course of trading in securities on MICEX Stock Exchange between the Moscow Exchange, Bank of Russia, Bank "National Clearing Centre" Closed Joint-Stock Company and CJSC "MICEX Stock Exchange" on the following terms and conditions:

Parties to the transaction: Moscow Exchange; CJSC "MICEX Stock Exchange"; Bank "National Clearing Centre" Closed Joint-Stock Company; Bank of Russia.

Subject matter of the transaction: Change in time frames, content and the manner for delivering the information to the Bank of Russia when implementing “Listing reform” and “Settlement by clearing results before the end of trading on the Equity and Bond Market” projects and accomplishing certain current tasks.

Transaction price: This Additional Agreement does not comprise financial obligations of the parties.

There are no other essential terms and conditions of the transaction.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 21.11.2014 (Minutes No. 7):

40. Contract for information services No. 155/INFO/NDS between the Moscow Exchange and Sberbank CIB on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Exchange) and Sberbank CIB (User).

Subject matter of the transaction: The Moscow Exchange undertakes to provide the User with the services of market data provision for usage in an unlimited number of non-display systems, including those used by affiliated of Sberbank CIB. The content of market data is determined by the Contract.

Transaction price: The transaction price, as per the tariffs of the Moscow Exchange, equals RUB 76,500 per month excl. VAT and will not exceed 2% of the book value of the Exchange’s assets according to the accounting data as of the recent reporting date.

Other essential terms and conditions of the transaction: The Contract becomes effective upon signing thereof and remains in force until either party notifies on its termination.

The Contract provides for the Exchange’s right to revise tariffs for services pursuant to the unilateral procedure, although, no more than once per year.

Since the effective date of the Contract, Contract No. 99/INFO/NDS for market data provision dated 22 August 2014 between the Moscow Exchange and Sberbank CIB shall cease.

There are no beneficiaries of the transaction.

41. Contract on provision for CJSC “MICEX Stock Exchange” of a non-exclusive license for the usage of the software program “MICEX financial markets analysis & monitoring system “SAFRAN 3.0” between the Moscow Exchange and CJSC “MICEX Stock Exchange” on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Licensor) and CJSC “MICEX Stock Exchange” (Licensee).

Subject matter of the transaction: Provision by the Moscow Exchange to CJSC “MICEX Stock Exchange” of a non-exclusive license for the usage of the software program “MICEX financial markets analysis & monitoring system “SAFRAN 3.0”.

Transaction price: The transaction price equals RUB 3,264,000.00 (Three million two hundred and sixty four thousand) per year (VAT exempt pursuant to sub-clause 26 clause 2 article 149 of the RF Tax Code) and will not exceed 2% of the book value of the Exchange’s assets according to the accounting data as of the recent reporting date.

Other essential terms and conditions of the transaction: The Contract shall be concluded for a period of 1 (One) year. The Contract may be extended for the same period and on the same terms and conditions, if neither party declares of termination of the Contract 30 days prior to the end of the validity period. The terms and conditions of the Contract shall apply to the relations of the parties that arose prior to conclusion thereof, starting from 01.01.2014.

There are no beneficiaries of the transaction.

42. Contract on provision of the right of the usage of the software program “Software interface for link-up of the external systems to the trading complexes of CJSC “MICEX Stock Exchange” (a simple (non-exclusive) license) between the Moscow Exchange and Sberbank of Russia on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Licensor) and Sberbank of Russia (Licensee).

Subject matter of the transaction: The subject of the transaction is provision by the Licensor to the Licensee of the right of the usage of the software program “Software interface for link-up of the external systems to the trading complexes of CJSC “MICEX Stock Exchange” (a simple (non-exclusive) license) (certificate of state registration of the software program No. 2006610694 dated 07.02.2006), including all updated versions of this Software Program to be installed on remote working places of the Licensee, for the purpose of link-up of the Licensee to the trading system and the clearing system (the software complex designated for ensuring clearing activity performed by Bank “National Clearing Centre” Closed joint-stock company).

Transaction price: The transaction price is determined in accordance with the tariffs of the Moscow Exchange and equals RUB 9,000 per month.

Other essential terms and conditions of the transaction: The Contract takes effect and becomes mandatory for the parties upon signing thereof and remains in force within one calendar year. If no one party notifies another party of the intention to terminate the Contract not less than 30 calendar days prior to the end of the validity period, the validity period shall be extended until 31.12.2015.

There are no beneficiaries of the transaction.

43. Contract on rendering technical services between the Moscow Exchange and Sberbank of Russia on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Technical Centre) and Sberbank of Russia (User).

Subject matter of the transaction: The subject of the transaction is rendering by the Technical Centre to the User of the services related to technical support of link-up through the external software means to the software complex of the Exchange operating as per FIX protocol, for the purpose of link-up of the User to the trading system and clearing system.

Transaction price: The transaction price is determined in accordance with the tariffs of the Moscow Exchange and equals RUB 11,800 per month (inclusive of VAT).

Other essential terms and conditions of the transaction: The Contract takes effect and becomes mandatory for the parties upon signing thereof and remains in force until 31.12.2014. If no one party notifies another party of the intention to terminate

the Contract not less than 30 calendar days prior to the end of the validity period, the validity period shall be extended until 31.12.2019.

There are no beneficiaries of the transaction.

44. Supplementary Agreement No. 9 to Agreement No. БР-Д-19/495 on interaction in the course of trading in securities on MICEX Stock Exchange between the Moscow Exchange, Bank of Russia, Bank “National Clearing Centre” Closed joint-stock company and CJSC “MICEX SE” on the following terms and conditions:

Parties to the transaction: Moscow Exchange; CJSC “MICEX SE”; Bank “National Clearing Centre” Closed joint-stock company (NCC); Bank of Russia.

Subject matter of the transaction: Change in time frames, content and the manner for delivering the information to the Bank of Russia when implementing the “Repo auction with the Bank of Russia with settlement in foreign currency” project and certain current tasks.

Transaction price: This Additional Agreement does not describe financial obligations of the parties.

There are no other essential terms and conditions of the transaction.

There are no beneficiaries of the transaction.

45. Supplementary Agreement No. 8 to the Contract on interaction in the course of conduct of trading and additional sessions of the Uniform Trading Session between the Moscow Exchange, Bank “National Clearing Centre” Closed joint-stock company (NCC) and the Bank of Russia on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Exchange), Bank “National Clearing Centre” Closed-joint Stock Company (NCC); Bank of Russia.

Subject matter of the transaction: Supplementary Agreement No. 8 to the Contract on interaction in the course of conduct of trading and additional sessions of the Uniform Trading Session dated 10 December 2007 (hereinafter, the “Trilateral Contract”) makes the following amendments to the Trilateral Contract by restating it in a new version:

- amendments in connection with implementation of the project related to division of statuses of the Trading Members and the Clearing Members on the FX Market and the precious metals market:

- a procedure of conclusion of transactions in the course of conduct of an additional session was changed to the effect that such transactions are deemed to be OTC ones;

- swap transactions with the Bank of Russia for the purpose of provision of liquidity to NCC in US dollars and EUR for fulfillment of obligations before a bona fide Clearing Member will be concluded with the use of Reuters-Dealing, on the market terms, rather than in the course of additional sessions;

- a procedure of settlements under swap transactions to be concluded with the use of Reuters-Dealing was determined.

- a procedure of interaction of the parties in the course of conduct of the Auctions with the Bank of Russia was determined;

- the possibility for NCC to apply to the Bank of Russia for liquidity in Russian rubles, US dollars and EUR for fulfillment of obligations before a bona

vide Clearing Member not only on the FX Market but also on other market, clearing for which is performed by NCC, was provided for;

- a preliminary exchange certificate in EUR was added.

Transaction price: Supplementary Agreement No. 8 to the Trilateral Contract doesn't comprise any financial liabilities of the parties.

Other essential terms and conditions of the transaction: Supplementary Agreement No. 8 to the Contract becomes effective upon signing thereof by the parties.

There are no beneficiaries of the transaction.

46. Supplementary Agreement No. 9 to the Contract on interaction between CJSC «MICEX Stock Exchange» and Bank «National Clearing Centre» Closed joint-stock company (NCC) in the course of arrangement and conduct of the Uniform Trading Session and the services of collection, retention and transfer of the commission fees to the Administrator of the UTS Trading System dated 10 December 2007 between the Moscow Exchange and Bank «National Clearing Centre» Closed joint-stock company on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Exchange) and Bank «National Clearing Centre» Closed-joint Stock Company (NCC).

Subject matter of the transaction: Supplementary Agreement No. 9 to the Contract on interaction between CJSC «MICEX SE» and NCC in the course of arrangement and conduct of the Uniform Trading Session and the services of collection, retention and transfer of the commission fees to the Administrator of the UTS Trading System dated 10 December 2007 (hereinafter, the «Agreement») makes the following amendments to the Contract by restating it in a new version:

- clients identification procedure was clarified;
- amendments were made to the reports for the purposes of reflection and provision of respective information depending on a member type: Trading Member or Clearing Member;
- interaction in the area of an additional session was excluded, due to a change of the status of transactions to be concluded for OTC one.

Transaction price: Supplementary Agreement No. 9 to the Contract doesn't comprise any financial liabilities of the parties.

Other essential terms and conditions of the transaction: Supplementary Agreement No. 9 to the Contract becomes effective upon signing thereof by the parties.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 28.11.2014 (Minutes No. 8):

47. Contract on provision of the right of the usage of the software program «Software interface for link-up of the external systems to the trading complexes of MICEX SE (a simple (non-exclusive) license) between the Moscow Exchange and Vnesheconombank on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Licensor) and Vnesheconombank (Licensee).

Subject matter of the transaction: The subject of the transaction is provision by the Licensor to the Licensee of the right of the usage of the software program «Software interface for link-up of the external systems to the trading complexes of

MICEX SE (a simple (non-exclusive) license) (certificate of state registration of the software program No. 2006610694 dated 07.02.2006), including all updated versions of this Software Program to be installed on remote working places of the Licensee, for the purpose of link-up of the Licensee to the trading system and the clearing system (the software complex designated for ensuring clearing activity performed by Bank “National Clearing Centre” Closed-joint Stock Company).

Transaction price: The transaction price is determined in accordance with the Tariffs for provision to the Licensee of the right of the usage of the software program “Software interface for link-up of the external systems to the trading complexes” and equals RUB 2,000 per month, VAT free.

Other essential terms and conditions of the transaction: The Contract is executed for a period of one calendar year. The contract period may be extended for every next following year, unless either party notifies the other party of the intention to terminate the Contract in writing.

There are no beneficiaries of the transaction.

48. Additional Agreement to Non-residential Premises Lease Agreement No. 87-16/13-47 dated 01.08.2014 between the Moscow Exchange and NSD on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Lessee) and the National Settlement Depository (NSD) (Lessor).

Subject matter of the transaction: the increase of space leased 12, Spartakovskaya, Moscow by 150.2 m<sup>2</sup>. This space is equal to the part of premises numbered 5 and premises on the 2nd floor of the building (according to the Bureau of Technical Inventory plan). The total area will make 453.4 m<sup>2</sup> (four hundred and fifty three 4/10 sq.m).

Transaction price: the size of monthly lease payment under the Agreement will be adjusted upward by RUB 558,464.95 to reach RUB 1,401,596.18 net of VAT.

The total lease payment for the period of the Agreement, considering the Additional Agreement provisions will be 13,183,698.18 plus VAT (18%), i.e. 2,373,065.67. The lease payment comprises of:

- Payment for the use of premises, i.e. RUB 12,561,427.62 net of VAT;
- Payment for the use of furniture, i.e. RUB 622,270.55 net of VAT.

Other essential terms and conditions of the transaction: the Additional Agreement becomes effective upon signature, will apply to relationship between the parties arising from 1 December 2014 and remain in force throughout 30 June 2015.

There are no beneficiaries of the transaction.

49. Additional Agreement to Non-residential Premises Lease Agreement No. 87-16/13-31 dated 29.11.2013 between the Moscow Exchange and NSD on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Lessor) and the National Settlement Depository (NSD) (Lessee).

Subject matter of the transaction: the increase of space leased at 1/13 building 8, Sredny Kislovsky pereulok, Moscow by 79.7 m<sup>2</sup>. This space is equal to the area of premises numbered 53-54A and 55 on the 5th of the building (numbered 11, 12,

13, 14 according to the Territorial Bureau of Technical Inventory plan). The total area will make 322.1 m<sup>2</sup> (three hundred and twenty two 1/10 sq.m).

Transaction price: the size of monthly lease payment under the Agreement will be adjusted upward by RUB 332,084.95 to reach RUB 1,342,083.33 net of VAT.

The total lease payment for the period of the Agreement considering the Additional Agreement thereto will be RUB 11,774,152.1 plus VAT (18%), i.e. RUB 2,119,347.38.

Other essential terms and conditions of the transaction: the Additional Agreement becomes effective upon signature, will apply to relationship between the parties arising from 10 September 2014 and remain in force throughout 31 October 2014.

There are no beneficiaries of the transaction.

50. Non-residential Premises Lease Agreement between the Moscow Exchange and NSD on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Lessor) and the National Settlement Depository (NSD) (Lessee).

Subject matter of the transaction: the Lessor leases to the Lessee for a fee non-residential premises numbered 7 and 8 located on the 3rd floor, and 1-10, 11-14, 19-21 located on the 5th floor at 1/13 building 8, Sredny Kislovsky pereulok, Moscow, to carry out activities which conform to its charter. Total area of premises to be leased under the Agreement will be 322.1 m<sup>2</sup> (three hundred and twenty two 1/10 sq.m)

Transaction price: the size of monthly lease payment under the Agreement will be RUB 1,342,083.33 net of VAT.

The total lease payment for the period of the Agreement will be RUB 14,762,916.63 plus VAT (18%) of RUB 2,657,325.

Other essential terms and conditions of the transaction: the Agreement becomes effective upon signature and will apply to relation between the parties arising from 1 November 2014 and remains in force throughout 30 September 2015.

There are no beneficiaries of the transaction.

51. Agreement for car parking space lease between the Moscow Exchange and Bank "National Clearing Centre" Closed-joint Stock Company on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Lessor) and Bank "National Clearing Centre" Closed-joint Stock Company (NCC) (Lessee).

Subject matter of the transaction: The lessor leases to the Lessee for a lease payment 6 (six) car parking spaces numbered 4, 5, 6, 8, 9, 10 and located in the basement of the building 11, Bolshoy Kislovsky pereulok for Lessee's cars parking.

Transaction price: the size of monthly payment per 6 (six) parking spaces per month will be RUB 102,660.00 including VAT (18%) of RUB 18,478.80.

The total price for the period of Agreement will be RUB 1,129,260 including VAT (18%) of RUB 203,266.80

Other essential terms and conditions of the transaction: the Agreement for Car Parking Space Lease becomes effective upon signature and will apply to relation

between the parties arising from 1 November 2014. The lease period will be from 1 November 2014 throughout 30 September 2015.

There are no beneficiaries of the transaction.

52. Agreement for provision of the right to use the “Gateway Access Server” between the Moscow Exchange and Sberbank of Russia on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Licensor) and Sberbank of Russia (Licensee).

Subject matter of the transaction: The Licensor grants the Licensee the right to use the main and backup software X-stream Distribution Gateway (hereinafter the Software) (the rights are granted on the grounds of the Agreement between OMX TECHNOLOGY AB and the Moscow Exchange dated 27.12.2012). The permissible number of connections will be from 21 and over.

The software use method will be to write to memory of computer (access server) and further to start the software for connection to the trading system of the Licensor operating on the X-stream platform.

Transaction price: The price of transaction will be RUB 1,825,120 comprising of fee for software installation and configuration services RUB 40,120 with VAT, and license fee 1,785,000 free of VAT.

Other essential terms and conditions of the transaction: The Agreement becomes effective and binds the Parties upon signature, and will remain in force throughout 31 December 2019.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 16.12.2014 (Minutes No. 9):

53. Interaction Agreement between the Moscow Exchange and the Bank of Russia on the following terms and conditions:

Parties to the transaction: Moscow Exchange and Bank of Russia.

Subject matter of the transaction: The Agreement determines the basic principles for the Moscow Exchange and Bank of Russia interaction while the Bank of Russia provides unsecured loans to credit institutions with the use of the Moscow Exchange’s electronic trading system. The interaction procedures include data interchange when appointing authorised persons and making changes to the rules of conducting credit auctions when the Bank of Russia provides unsecured loans to credit organisations, interchange of data on participants (credit organisations); credit transaction interaction, interaction in the course of and in the follow up of credit transactions execution, and emergency situation interaction.

Transaction price: This Agreement does not describe financial obligations of the Parties.

Other essential terms and conditions of the transaction: The planned Agreement will replace the existing Agreement №1/20 dated 20 October 2008 on interaction in the process of credit auctions when the Bank of Russia provides unsecured loans to the credit organisations with the use of the MICEX electronic trading system.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 29.12.2014 (Minutes No. 10):

54. Additional Agreement No. 1 to Agreement on Participation in Client-ClearingBank system No. ККБ01/10 dated 15.06.2010 between the Moscow Exchange and Bank "National Clearing Centre" Closed joint-stock company on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Participant) and Bank "National Clearing Centre" Closed joint-stock company (NCC).

Subject matter of the transaction: Additional Agreement No. 1 is making amendments into relations of the parties with respect to writing off commission fees and the procedure of suspension of the Participant's access to the System, namely:

- payment of the services related to operation of Client-ClearingBank system shall be made monthly, by writing off on the latest business day of rendering the services by NCC of the commission fees in accordance with the Fees of the Participant's bank account opened with NCC, without an additional order of the Participant;

- in case of insufficient funds on the Participant's bank account required for writing off the commission fees by NCC, NCC shall have the right to suspend the Participant's access to the System.

Transaction price: to be determined in accordance with the Commission Fees for services rendered to NCC clients.

The transaction price will not exceed 2% of the book value of the assets.

Other essential terms and conditions of the transaction: Additional Agreement No. 1 becomes effective upon signature thereof and applies to relations of the Parties that arose starting from 01.12.2014.

There are no beneficiaries of the transaction.

By the resolution of the Supervisory Board dated 10.02.2014 (Minutes No. 51):

55. Agreement to insure liability of Supervisory Board (Board of Directors) members and officers of Moscow Exchange and its subsidiaries (D&O Liability Insurance Agreement) between the Moscow Exchange and AIG, CJSC on the following terms and conditions:

Parties to the transaction: Moscow Exchange (the Policyholder) and AIG, CJSC (the Insurer).

Subject matter of the transaction: In case of any insured event indicated in the D&O Liability Insurance Agreement the Insurer undertakes to pay out an insurance compensation (depending on the insured event) to a respective insured person and/or any other person eligible for such compensation.

Transaction price: The price of the purchased services shall be based on the insurance premium payable under the D&O Liability Insurance Agreement. The insurance premium is not more than one hundred forty five thousand and nine hundred (145,900) US dollars.

Other essential terms and conditions of the transaction: Insurance period: from 14 February 2014 to 30 June 2015. Coverage amount: fifty million (50,000,000) US dollars. Aggregate additional coverage amount for independent directors: ten million (10,000,000) US dollars.

Beneficiaries: The Policyholder and its subsidiaries, members of the supervisory boards (boards of directors) and/or officers of the Policyholder and its subsidiaries.

By the resolution of the Supervisory Board dated 26.06.2014 (Minutes No. 52):

56. Transactions for rendering services on calling and conducting General Meetings of Shareholders which may be made between Moscow Exchange and CJSC STATUS in the course of ordinary business on the following terms and conditions:

Parties to the transaction: Moscow Exchange and CJSC STATUS.

Transaction price: The maximum value of all transactions to be made in the term preceding the next Annual General Meeting of Shareholders of Moscow Exchange is RUB 5,500,000 (five million five hundred thousand).

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

57. Transactions on placement of temporarily spare cash of the Moscow Exchange on Sberbank of Russia deposits which may be made by the Moscow Exchange in the future in the course of ordinary business between the Moscow Exchange and Sberbank of Russia on the following terms and conditions:

Parties to the transaction: Moscow Exchange and Sberbank of Russia.

Transaction price: The maximum amount (value) of each transaction on placement of temporarily spare cash on Sberbank of Russia deposits is RUB 3,000,000,000 (three billion) including the deposit amount and interest estimated on the basis of interest rate set by Sberbank of Russia; the maximum amount (value) of all transactions to be made in the term preceding the next Annual General Meeting of Shareholders on the placement of temporarily spare cash on deposits is RUB 36,000,000,000 (thirty six billion); total spare cash on several deposits simultaneously should not exceed RUB 3,000,000, 000 (three billion); in the event of cash being placed in foreign currency, the value of the transaction is set at the exchange rate of the Bank of Russia on the date of the depositary transaction.

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

58. Transactions on placement of temporarily spare cash of the Moscow Exchange on National Clearing Centre deposits which may be made by the Moscow Exchange in the future in the course of ordinary business between the Moscow Exchange and Bank “National Clearing Centre” Closed joint-stock company on the following terms and conditions:

Parties to the transaction: Moscow Exchange and Bank “National Clearing Centre” Closed joint-stock company.

Transaction price: The maximum amount (value) of each transaction on placement of temporarily spare cash on National Clearing Centre deposits is 7,000,000,000

(seven billion), including the date of the deposit and interest estimated based on the interest rate set by the National Clearing Centre; the maximum amount (value) of all transactions to be made in the term preceding the next Annual General Meeting of Shareholders on the placement of temporarily spare cash on deposits is RUB 84,000,000,000 (eighty four billion); the total amount of cash placed on several deposits at the same time should not exceed RUB 7,000,000,000 (seven billion); in the event of cash being placed in foreign currency the transaction amount is set at the exchange rate of the Bank of Russia on the date of the depositary transaction.

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

59. Conversion transaction (buying and selling one currency for another) which may be made by the Moscow Exchange in the future in the course of ordinary business between the Moscow Exchange and Bank “National Clearing Centre” Closed joint-stock company on the following terms and conditions:

Parties to the transaction: Moscow Exchange and Bank “National Clearing Centre” Closed joint-stock company.

Transaction price: The maximum amount of each conversion transaction (buying and selling one currency for another) is the rouble equivalent of USD 100,000,000 (one hundred million) at the exchange rate of the National Clearing Centre on the date of the transaction; with the maximum amount (value) of total conversion transactions to be made in the term preceding the next Annual General Meeting of Shareholders not exceeding the rouble equivalent of USD 1,200,000,000 (one billion two hundred million).

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

60. Transactions which may be made by the Moscow Exchange in the future in the course of ordinary business:

with CJSC “MICEX Stock Exchange|:

– on commercial lease

Transaction price: The maximum amount (value) of each transaction is RUB 16,500,000.00 per year. The maximum amount of lease payments on all transactions per year is RUB 28,700,000.00.

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

with NSD:

– on commercial lease

Transaction price: The maximum amount (value) of each transaction is RUB 15,600,000.00 per year. The maximum amount of lease payments on all transactions per year is RUB 29,050,000.00;

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

– on the lease of parking spaces

Transaction price: The maximum amount (value) of each transaction is RUB 206,000.00 per year. The maximum amount of lease payments on all transactions per year is RUB 206,000.00.

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

with Bank “National Clearing Centre” Closed joint-stock company:

– on commercial lease

Transaction price: The maximum amount (value) of each transaction is RUB 73,200, 000.00 per year. The maximum amount of lease payments on all transactions per year is RUB 89,500,000.00.

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

– on the lease of parking spaces

Transaction price: the maximum amount (value) of each transaction is RUB 1,044,000.00 per year. The maximum amount of lease payments on all transactions per year is RUB 1,044,000.00.

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

with the National Mercantile Exchange:

– on commercial lease

Transaction price: The maximum amount (value) of each transaction is RUB 910,000.00 per year. The maximum amount of lease payments on all transactions per year is RUB 910,000.00.

Other essential terms and conditions of the transaction: Before the next Moscow Exchange Annual General Meeting of Shareholders, the said transactions may be

made, amended and terminated in accordance with the procedure set by the parties to the transaction.

There are no beneficiaries of the transaction.

61. Agreement No.76/2 dated 01.11.2011 on IT services for the securities market between the Moscow Exchange and CJSC "MICEX Stock Exchange" on the following terms and conditions:

Parties to the transaction: Moscow Exchange (Technical Centre) and CJSC "MICEX Stock Exchange" (MICEX Stock Exchange).

Subject matter of the transaction: The Technical Centre provides MICEX Stock Exchange with IT services that enable MICEX Stock Exchange to operate on the securities market as of a stock exchange with trading system and aiming at:

- ensuring continuous data processing and interchange between MICEX Stock Exchange, Bank "National Clearing Centre" Closed joint-stock company (NCC) and other trading members;
- providing opportunity for MICEX Stock Exchange to use Technical Centre's software and hardware necessary to maintain securities market operations on MICEX Stock Exchange;
- MICEX Stock Exchange accessing to Technical Centre's software and hardware subsystems;
- ensuring continuous operations of Technical Centre's software and hardware subsystems;
- ensuring electron document interchange;
- arranging data storage system for MICEX Stock Exchange data stored on Technical Centre's software and hardware;
- arranging data protection system for MICEX Stock Exchange data stored on Technical Centre's software and hardware;
- opportunity to use Technical Centre's public sources.

Transaction price: RUB 1,449,911,366 (one billion four hundred and forty nine million nine hundred and eleven thousand three hundred and sixty six).

Other essential terms and conditions of the transaction: none.

There are no beneficiaries of the transaction.

## **LARGE TRANSACTIONS**

In 2014 Moscow Exchange did not conclude any large transactions as defined by the law On Joint Stock Companies.

Moscow Exchange's charter does not include a provision for any other kinds of transactions subject to approval as large transactions.

## **ENERGY CONSUMPTION: REPORT ON VOLUME OF ENERGY CONSUMED**

As a socially responsible business, Moscow Exchange is highly attentive to minimising its consumption of energy. It employs advanced energy saving instruments and equipment, controls its electric load distribution at various points during the day, and monitors its electricity consumption.

### **I. ENERGY CONSUMED IN 2014 IN NATURAL AND MONETARY TERMS**

1. At the Bolshoy Kislovskiy Pereulok premises (Bolshoy Kislovskiy Pereulok 11 and 13, Sredniy Kislovskiy Pereulok 1/13, bldg 4 and 8):

- Heat consumption: 2,215.246 Gcal totalling RUB 2,710,443 (ex. VAT).
- Electricity consumption: 6,717,425 kW totalling RUB 24,748,981 (ex. VAT).
- Cold water consumption: 28,593.356 cum totalling RUB 760,869 (ex. VAT).

2. At Ulitsa Vozdvizhenka 4/7, Bldg 1:

- Heat consumption: 867,108 Gcal totalling RUB 1,052,781 (ex. VAT).
- Electricity consumption: 1,309,039 kW totalling RUB 4,833,853 (ex. VAT).
- Cold water consumption: 5,978 cum totalling RUB 149,909 (ex. VAT).

*Moscow Exchange has not signed any direct contracts with utilities providers for the property at Ulitsa Vozdvizhenka 4/7, Bldg 1; the amounts shown above are a variable part of the rent.*

### **II. FUEL AND LUBRICANT CONSUMPTION**

Moscow Exchange in 2014 consumed 92,089.466 liters of gasoline and diesel totalling RUB 2,986,055.74 (ex. VAT).

## **RISK FACTORS**

In this mandatory section of the annual report, Moscow Exchange lists potential operating risks and describes steps that the Exchange takes to monitor and mitigate them.

### **Political Risks**

Moscow Exchange may face operating risks related to possible changes in the political and economic situation in Russia that could affect the company's business.

To reduce political risks during the course of its operations, the Exchange monitors the political and economic situation and builds high-probability political and economic scenarios. The results of such research are later considered in the Exchange's approved development plan and when implementing new projects.

Political and economic instability in Russia may be detrimental for businesses in the country. The Russian economy relies to a significant degree on the pricing and export of crude oil and other minerals and also on the global market environment. For instance, the global financial turmoil of 2008-2009 changed the operating environment for most Russian business entities significantly, by triggering capital outflow and a slump in manufacturing, trade and investments. Uncertainty as to the scale and duration of the current economic crisis and capital cost may affect the Exchange's financial standing, performance and economic prospects.

### **Corporate Management Risks**

During the course of the Exchange's operations, corporate management risks may arise from untimely or incorrect executive decisions, delayed solutions to controversies that trigger litigation, media publications and other factors that could affect the Exchange's business reputation.

To minimise corporate management risks, the Exchange's internal documents set out the meeting and decision-making procedures for management regarding operational issues, with measures designed to prevent conflicts of interest and procedures to enforce such internal procedures.

### **Operating Risks**

Moscow Exchange's operations may be impacted by operating risks, i.e., risks of potential loss caused by mismatch with the company's profile and scale, legal non-compliance of corporate procedures and regulations and failure of executives and employees to observe them, inadequate functionality or failure of IT and other systems used by Moscow Exchange Group, and as a result of external events.

Moscow Exchange has implemented a series of measures to improve management of operating risks:

- a dedicated subdivision to handle operating risks was established;
- operational risk across the company's divisions was assessed;
- collection of information concerning events associated with operational risk was arranged;
- a database of operational risks was created;
- a procedure for assessing each operational risk was established and a procedure for making a decision on further actions concerning such risk was

introduced. An action plan is being developed for each risk for which a resolution was made to reduce it;

- a procedure for independent control to enforce mitigation plans for identified operating risks was introduced;
- a series of personnel trainings on operational risk management was arranged.

The Executive Board considers operational risk issues on a monthly basis. Operational risks and issues, together with issues of legal, reputational and regulatory risk, are discussed on a regular basis by the Risks Commission, which reports to the Supervisory Board.

To ensure information security and integrity of business processes:

- independent audits of IT control processes are conducted;
- basic IT control processes to match international practices CobIT and ITSM are adopted;
- periodical audits in companies that purchase the Exchange's market data are arranged;
- Information Security procedures have been considerably optimised, and preliminary work to prepare for compliance certification under IT security standard ISO27001 completed;
- an Operations Continuity and Recovery Plan for the Moscow Exchange Group's business divisions has been drafted;
- the project of Exchange's backup office expansion was initiated;
- certification to ISO 22301 has been prepared.

Currently, the key system availability ratio is maintained at 99.98%, which is equal or higher than that of other major international exchanges.

### **Regulatory (Compliance) Risks**

In its operations as an organiser of trading, Moscow Exchange may face compliance (regulatory) risks, potentially leading to reputational risk. To reduce the risks related to trading parties' or Exchange employees' activities and to protect the rights and lawful interests of investors, the following system of measures has been established:

- creation and approval of corporate documents regulating the activities of Moscow Exchange as a trading venue, ensuring compliance with the laws, regulations and statutes of the Bank of Russia;
- creation of rules to prevent, detect, and stop unlawful use of insider information and/or market rigging;
- ongoing monitoring of participant activities on the exchange market (filing requests and entering transactions) to detect unusual events, including ones that may destabilise the market, with monitoring results submitted to the Bank of Russia;
- Anti-money laundering and terrorism control efforts;
- Anti-corruption efforts;
- Efforts to prevent, detect and eliminate conflicts of interest;
- Processing and analysis of customers' applications;

- Establishment and enforcement of requirements to protect confidential and restricted-use information, commercial secrets and personal information to prevent unauthorised access;
  - Control of access to classified and insider information, and commercial secrets strictly in compliance with regulations.

### **Central Counterparty Risks**

One of the main credit risks to which the Group is exposed is risk associated with the performance of central clearing for members. In a case of clearing member default, the central counterparty must fulfil its obligations to non-defaulting members. Managing this risk is one of the Group's core activities. An integrated system for monitoring and managing the risk has been developed that comprises the following:

- a division responsible for designing risk-management methodologies and procedures;
- margin requirements for clearing members' open interest;
- the guarantee of funds to cover simultaneous defaults of the two largest clearing members;
- periodic stress tests of members' positions to check collateral and guarantee fund sufficiency for periods of high market uncertainty;
- procedures for settlement of default situations to minimise losses;
- close cooperation with regulators (including the Bank of Russia) in central counterparty risk management.

In the event of a clearing member defaulting and insufficiency of collateral and guarantee funds, the central counterparty's capital may be involved in paying off the defaulter's debts

### **Legal Risks**

In the course of its operations, Moscow Exchange is likely to confront legal risks that may affect its performance.

The list of legal risks that arise during operations of Moscow Exchange includes risks of newly enacted legal acts and other legislation that may affect professional activities on financial markets, resulting in compromised competitive ability, lost sources of revenues and other adverse outcomes for professional operations on the securities market.

To minimise legal risks, the Exchange uses the following system of checks:

- tracking of legislative bills that would regulate Exchange operations, and submitting relevant proposals;
- monitoring of changes to legal acts and regulations, and examination of international law and judicial practices in issues relevant to the operations of Moscow Exchange;
- expert evaluation of corporate documents and contracts signed for legal compliance with federal law and other applicable regulation;
- interaction with the Russian government and Central Bank of Russia on issues related to newly established requirements to regulation of exchange markets, with recommendations and explanations as required.

**Credit Risks**In the course of its operations, the Exchange faces credit risks, the sources of which are:

- transactions to place available funds with counterparties, including funds deposited with other banks;
- administrative, business and other transactions with counterparties that require prepayment.

Moscow Exchange Group manages credit risks centrally, taking into consideration the credit risk profiles and risk levels of individual units in the Group.

Expert evaluation of credit risks by counterparties is based on analysis of their respective financial reports and other available information about their operations.

Methods of credit risk management include:

- setting priorities (criteria) to deposit available funds by Moscow Exchange;
- establishing limits for the deposit of funds.

#### *Liquidity Risks*

Moscow Exchange may be exposed to liquidity risk if it incurs losses following its failure to ensure full and timely performance of its obligations to participants and counterparts. Such losses may take place if available assets are insufficient to fulfill such obligations because the company's financial assets and liabilities are inadequately balanced.

During the reporting period, the Exchange adhered to its regular, highly conservative liquidity management policy. The liquidity risk management method implied diversification across transactions maturity while placing temporary available funds.

#### **International Business Risks (Country-Specific Risks)**

Moscow Exchange has embarked upon a range of investment projects in several foreign states, and owns holdings in the assets of corporate entities (in Ukraine and Kazakhstan). Potential shift of political balance, changes in local law, or deteriorating social and business climate might affect evolution and activities of these projects. To minimize the risks, it is necessary to continuously monitor the situation in the host countries of Moscow Exchange and its subsidiaries, and to ensure timely and adequate response to ongoing changes.

#### **Risks of Force Majeure**

Should they arise, emergencies (forces majeures) such as failure and/ or physical destruction (demolition) of buildings, utility networks, equipment, or information arrays may impact the Exchange's operations.

This may disrupt the functioning of the Exchange's markets during emergencies.

To reduce the risk of forces majeures, Moscow Exchange does the following:

- Ensures that two IT centres are always available (main and standby), both able to support the operations of the main IT systems used to organise trading on Moscow Exchange;
- maintains an up-to-date action plan in case of need to switch to the capacity of the standby IT centre, and conducts regular drills of operating sequences under the plan;

- maintains redundant computer units and telecommunications equipment at each IT centre, with additional communication channels also available;
- maintains project solutions built in to applied systems to ensure distribution of loads and backup at the level of access servers and main data processing servers;
- uses a computer with built-in duplicate main units as a platform for the most critical tasks;
- uses telecommunication devices with inbuilt duplicate main units;
- uses highly robust, high-redundancy equipment to store databases and other critical information;
- ensures working performance of procedures for regular (at least daily) multi-level backups for all critical data, which also provide for storage of regularly updated backup copies in specially equipped reinforced facilities (safe boxes) away from the IT centre premises;
- backs up (in special cases, with multiple copies) all internal workstations in digital data processing systems, both at main and standby computer centres;
- ensures that the rooms of both the main and standby computer centres have automatic firefighting systems;
- maintains a 24/7 monitoring system to control computer and telecommunication resources and the condition of the rooms of the computer centres (both main and standby).

### **Sanction Risks:**

The introduction of global economic sanctions against Russia makes further deceleration of the Russian economy in general and its financial sector in particular highly probable, which may have adverse implications on the Issuer's profitability. In this regards, the Issuer develops the efforts to preserve and ensure growth in the operating income, in particular, by offering new products and services to the market players, while curbing costs.

In addition, the risks of imposing the U.S. and EU economic sanctions on the Issuer and its subsidiaries may arise that could indirectly affect the Issuer's operating model and the Issuer's cooperation with foreign partners. To reduce this risk, the Issuer is developing the plans of the Issuer's operations under possible sanctions and is diversifying its global footprint.

There is also a risk of freezing of some of the Issuer's shares in Ukrainian companies, though the effect on the Issuer's financial standing would not be significant, given the low value of these assets.

### **D&O liability insurance**

Moscow Exchange has signed a D&O liability insurance agreement with regard to its Supervisory Board members and senior managers of the Moscow Exchange Group. The insurer is AIG, one of the leading companies in this type of insurance.

The terms of the D&O liability insurance is as follows:

1. Insurance coverage:

A-level coverage is for directors, officers, directors of stand-alone enterprises and independent (non-executive) directors, when the insurer indemnifies for losses of every insured person.

B-level coverage is for directors, officers, directors of stand-alone enterprises and independent (non-executive) directors, when the insurer indemnifies the company for losses which company paid out for insured person.

C-level coverage provides the company with indemnification only for claims related to securities.

2. Insurance period: from 14 February 2014 to 30 June 2015 (both dates inclusive).

3. Retroactive date: 20 June 2012.

4. Continuity date: 14 February 2013.

5. Territory covered: worldwide, including the US and Canada

6. Liability limit (including defence costs):

Aggregated (for all and each event insured): 50,000,000 (fifty million) US dollars.

At least 1,000,000 (one million) US dollars per one independent director with the aggregated limit of 10,000,000 (ten million) US dollars for all independent directors.

7. Franchise:

A-level coverage: not applicable.

B-level and C-level coverage: maximum 150,000 (one hundred fifty thousand) US dollars in relation to claims filed in the US and Canada, and 100,000 (one hundred thousand) US dollars in relation to claims filed in other countries.

8. Cost of insurance: 145,900 US dollars.

## **EXTERNAL AUDITOR**

Full business name: Closed Joint-Stock Company Ernst & Young Vneshaudit (Taxpayer ID 7717025097, State Registration Number 1027739199333).

Address: 115035 Moscow Sadovnicheskaya naberezhnaya 77 building 1.

Full name of a self-governing organization of which the auditor is a member: Non Profit Partnership Audit Chamber of Russia.

Address of a self-governing organization of which the auditor is a member: 105120 Moscow 3rd Syromyatnichesky per. 3/9 Building 3

Team of auditors:

- Evgeniya Zaichikova, partner,
- Anna Lapina, senior manager,
- Anna Ratinskaya, manager.

The audit of the Moscow Exchange's annual financial statements and Moscow Exchange Group's consolidated financial statements for 2014 will cost RUB 3.75 mln, exclusive of VAT.

Closed Joint-Stock Company Ernst & Young Vneshaudit did not render any other except audit, services to the Moscow Exchange in 2014.

# **CONSOLIDATED FINANCIAL STATEMENTS**

**Moscow Exchange**  
**Open Joint Stock Company**  
**2014 ANNUAL REPORT**

Alexander K. Afanasiev, Chairman of the Executive Board

Olga.Y. Gordienko, Chief Accountant