

Human resources

HUMAN RESOURCES POLICY

Moscow Exchange aims to be a first-choice employer, offering its employees equal opportunities to harness their skills, talents and potential regardless of age, race, gender or social background.

The Exchange's human resources policy has three main objectives:

- ▶ to attract, incentivize and retain highly qualified professionals and managers;
- ▶ to facilitate continuous professional development of employees;
- ▶ to create an atmosphere that allows each employee to achieve his or her full potential and contribute to the success of MOEX and the achievement of MOEX's strategic goals.

In accordance with applicable laws and Moscow Exchange's Code of Business Ethics, the Exchange does not tolerate labor discrimination. The Code of Business Ethics, amended in 2016, calls for all employees to adhere to principles of equality with respect to labor rights, to not discriminate towards personnel and customers on the basis of gender, race, skin color, nationality, language, origin, property, marital status, social or occupational position, age, residency, religious beliefs, personal opinions and affiliation or non-affiliation with non-governmental associations or social groups. MOEX shall also respect each employee's culture, personal views and lifestyle and refrain from any action that would promote the creation an atmosphere of intimidation, hostility, offence or violation of human dignity in the workplace.

The Code of Business Ethics is published on MOEX's intranet portal and incorporated in all job descriptions and employment contracts. As part of the on-boarding program, all new employees are provided with a New Employee Handbook that includes a section on business ethics. In addition, a course on business ethics is included in the Group's compulsory training program. Newcomers are also briefed on matters related to business ethics, conflicts of interest and the use of insider and confidential information by the Internal Control Department as part of the on-boarding program.

In 2018, MOEX LAB was launched. Under this program, any employee may propose a project, assume responsibility for its implementation and receive resources for its development. The program is aimed at identifying new opportunities for growth or diversification of the Group's business, improving the experience of users of MOEX products and services, enhancing customer loyalty, training employees and increasing the attractiveness of MOEX's HR brand among young professionals.

MOEX continuously improves its HR management processes and employee training programs. In 2018, the HR Strategy focused on the well-being and comfort of employees, and implementation of initiatives to give employees greater flexibility in terms of their workplace, schedule and hours on the job. The Exchange continues to develop its HR Digital platform, an HR environment intended to underpin policy implementation with advanced HR technologies.

In addition to the continuing automation of different areas of HR, in December of 2018 the Group introduced MOEX FeedBack to replace Net Promoter Score (NPS), with the aim of enhancing efficiency of cross-functional cooperation and activity of employees, boosting the level of employee engagement and strengthen internal processes. This service allows each employee to provide and receive feedback continuously (365 days a year) with respect to any event/project or cooperation of employees.

Personnel structure by category¹

Employees excl. those with a second job in the Group (incl. maternity leaves).	2016		2017		2018	
	Male	Female	Male	Female	Male	Female
Senior executives	17	4	17	4	14	5
Heads of functional units	243	176	256	176	239	161
Specialists	533	609	564	589	610	629
Laborers	31	0	31	0	31	0
Total	824	789	868	769	894	795
	1 613		1 637		1 689	

Personnel structure by age¹

Employees excl. those with a second job in the Group (incl. maternity leaves).	2016		2017		2018	
	Male	Female	Male	Female	Male	Female
Under 25	42	29	56	32	45	37
26-35	278	283	304	274	297	269
36-55	392	421	395	411	426	426
Over 56	112	56	113	52	126	63
Total	824	789	868	769	894	795
	1,613		1,637		1,689	

1. As at the end of the period.

Staff turnover

	2016		2017		2018	
	Male	Female	Male	Female	Male	Female
Under 25	5.6%	2.7%	16.1%	15.6%	22.2%	13.5%
26-35	13.8%	6.2%	10.9%	10.6%	15.2%	10.8%
36-55	7.9%	3.3%	7.1%	4.6%	7.5%	4.0%
Over 56	3.0%	9.2%	7.1%	9.6%	8.7%	4.8%
Total	9.2%	4.7%	9.0%	7.5%	11.0%	6.8%
	7.0%		8.3%		9.0%	

Average number of training hours

Corporate training

	Average annual number of training hours per employee	Corporate (skills) training	Total training hours					
			Training breakdown by gender		Training breakdown by employee category			
			Male	Female	Senior executives	Heads of functional units	Specialists	Laborers
2016	10.18	16,418	9,051	7,367	658	7,829	7,931	-
2017	10.51	17,208	7,280	9,928	1,176	5,336	10,696	-
2018	6.52	11,014	6,687	4,327	596	6,184	4,234	-

Professional training

		Total training hours						
	Average annual number of training hours per employee	Professional training	Training breakdown by gender		Training breakdown by employee category			
			Male	Female	Senior executives	Heads of functional units	Specialists	Laborers
2016	15.58	25,124	13,638	11,486	568	8,240	16,316	-
2017	11.20	18,337	9,773	8,564	754	6,431	11,152	-
2018	12.52	21,147	10,541	10,606	445	6,897	13,373	432

Professional and corporate (skills) training

	Total training hours	Average annual number of training hours per employee
2016	41,542	25.75
2017	35,545	21.71
2018	32,161	19.04

Assessment of performance and career progress

	Employees assessed by category				Employees assessed by gender	
	Senior executives	Heads of functional units	Specialists	Laborers	Men	Women
2015	-	97%	95%	97%	93%	93%
2016	-	97%	93%	96%	97%	90%
2017	-	96%	93%	93%	94%	97%
2018	-	99%	91%	100%	90%	95%

Mandatory occupational safety activities in the Group	2016	2017	2018
Occupational safety training for heads of units (number of heads)	64	120	9
Operational control (number of workplaces)	19	820	900
Pre-employment and scheduled medical examinations (number of people)	66	8	108
Special evaluation of working conditions (workplace declaration), number of workplaces	145	19	1101
Psychiatric examinations	-	16	-
First aid training	-	45	136

ORGANIZATIONAL STRUCTURE

MOEX pays close attention to continually improving efficiency of its business processes and management systems.

In 2018, two key areas – sales and product development – were separated as part of an effort to ensure standard market division structures. To promote the Exchange’s products and services for designated segments of customers and to facilitate cross-market activities, as well as to organize complex cross-market work with key customers and issuers, new business units were established. These changes were aimed at enhancing the efficiency of each market, optimizing business processes and unifying the customer engagement process, including with the aim of improving customer satisfaction and the total volume of services. This transformation was designed to introduce a flatter management structure within business units, which is in line with the goals of implementing MOEX’s cross-market strategic initiatives, and growing career opportunities for employees. In 2018, a new business unit was established to create a financial product Marketplace platform.

The organizational chart is shown in Appendix .

At the end of the reporting year, the membership of the MOEX’s Executive Board decreased from six to five members as Sergey Polyakov, Managing Director for IT, left for another company. Since December, Dmitry Shcheglov, Managing Director for Operations, a member of the Executive Board, has overseen the IT business units. Igor Marich, Managing Director of the Money and Derivatives Markets took responsibility for project management and process optimization.

REMUNERATION POLICY

Moscow Exchange pays a competitive level of remuneration to attract, retain and incentivize employees. MOEX’s remuneration principles set out the fixed (base salary) and variable (annual bonus) components of remuneration. The fixed portion of remuneration and targeted size of the variable portion is determined based on the applicable system of basic salaries (grades) and data of the salary market. The variable portion of remuneration correlates with the performance of the Group and individual results of each employee, both of which are evaluated as part of the performance management process.

The Supervisory Board of Moscow Exchange approved corporate targets for 2018, including financial performance, progress on key projects as well as development of the MOEX’s business and technologies.

Corporate targets of NCC and NSD differ from those of Moscow Exchange due to the specific nature of NCC and NSD’s businesses (as a central counterparty and a central securities depository, respectively) and different legal requirements for credit institutions. As a result, the corporate targets for NCC and NSD are reviewed on a standalone basis and approved by their respective supervisory boards.

The Supervisory Board of the Exchange also approved the principles and parameters of a stock-based long-term remuneration program intended to help the Group retain key personnel and motivate them to contribute to the long-term sustainable growth of the Group.