

In addition, the Group put in place a system of benefits, including several types of insurance and financial assistance plans.

MOEX consistently strengthens the competitiveness of its compensation packages for recruitment and retention of professionals. In the reporting year, MOEX strived to increase the interdependence of the variable portion of remuneration, especially bonuses for employees of market business units, with financial targets and implementation of strategic projects through a goal-setting system.

CORPORATE CULTURE

Fostering a strong corporate culture is one of Moscow Exchange Group's strategic priorities. Specifically, the Exchange aims to:

- ▶ Develop highly efficient employee behavior models to address business challenges;
- ▶ Strengthen employee engagement in the implementation of the Group's strategy;
- ▶ Enhance effective staff interaction (vertical, horizontal and cross-functional).

A strong corporate culture is built on the Exchange's values:

- ▶ We are responsible for the future of the Company;
- ▶ We strive for excellence and are open to change;
- ▶ We work in partnership with our clients;
- ▶ We value transparency and integrity.

To integrate these values into its everyday business, the Group incorporated them into all key processes and communication tools:

- ▶ Values and competences feedback;
- ▶ Internal communications;
- ▶ Top management as a role model for embracing the company's values;
- ▶ Audit of regular business processes to ensure compliance with the values;
- ▶ Employee training;
- ▶ Assessment of new employees based on the refined values;
- ▶ Non-financial incentives for employees;
- ▶ Talent management;
- ▶ HR brand development;
- ▶ Recognition programs with values-based categories;
- ▶ Corporate clubs.

Moscow Exchange strives to ensure a uniform approach to develop the company's corporate culture. With this in mind, 2019 was declared the year of a dialogue between Senior Management and employees, between internal customers and performers, as well as between colleagues.

To better understand the corporate culture, the Group conducted a survey to assess the level of engagement of employees, with 88% of the Group's employees participating. Following the results of this survey the Group identified key areas for development that it specifically plans to focus on in 2019.

TRAINING AND DEVELOPMENT

MOEX's training and development systems consist of educational programs, tools for growth in the work place and self-education. MOEX encourages employees to take charge of their own education, providing them with advanced technology and the necessary resources and opportunities. Starting from 2017, MOEX adhered to the 70-20-10 education concept that calls for shifting the educational focus to self-education and workplace development (70% of efforts), alongside with learning from others' experience (20%) and hands-on training sessions (10%).

692 employees took part in various educational programs and trainings.

Professional and compulsory training is the priority. MOEX also focuses on the development of employee competences along with the leadership and project management skills necessary to deliver on strategic projects. These educational initiatives account for up to 30% of time. In 2018, the third educational stream began, pursuant to the Management Faculty program with 40 Group employees expanding their leadership competences. Under the Project Faculty program, 30 employees developed their project management and design thinking skills.

The Professional Faculty launched an Internal Coaches project, under which the Group's employees hold master classes, trainings and workshops to share unique knowledge with their colleagues. In 2018, ten MOEX employees were elevated to the status of internal coaches, and held 16 trainings on various topics attended by 135 employees.

Every year the company holds a Week of Knowledge for Group employees to familiarize themselves with educational trends. In 2018, over 400 employees attended master classes dedicated to development of the critical thinking and emotional intelligence.

Educational programs for senior executives include both individual and group trainings. To ensure continuous development of the company's management, a leading European business school developed and implemented a program to develop strategic management and leadership skills.

Special attention was given to performance management, particularly the feedback component of performance management. The working instruments of the company's leadership in this regard were the results obtained from MOEX FeedBack and the updated 360-degree survey. Plans for 2019 consist of launch of Dialogue Workshop, a specialized training course for senior managers of all levels.

In 2018, MOEX upgraded its talent management program, seeking to put in place a consistent performance and capabilities assessment process to establish long-term individual plans for professional and career development. The program places particular emphasis on discussions around succession planning and building a pool of potential successors to key positions. The Group runs a succession planning program for members of executive bodies, including at the subsidiaries, to define a pool of successors to key positions and put in place individual succession development plans.

SOCIAL SUPPORT

Providing social support above and beyond the mandatory minimums prescribed by law is a part of the Group's social policy and is designed to ensure a sense of security for employees and to improve workforce performance and loyalty. Corporate social support is provided as per the Regulations on Corporate Social Support to Employees of Moscow Exchange approved by the Group's executive bodies in 2016. Healthcare, maternity leave and childcare are the key elements of the social support policy. All Group companies provide voluntary health insurance (VHI),

international health insurance, medical insurance for travellers as well as personal accident and disease insurance plans for all employees. Insurance programs are subject to annual audits, including following the results of employee surveys assessing the quality of medical insurance coverage. Employees can have family members covered under VHI programs at the expense of the Group (subject to the predefined individual limit).

The Group has a standing Support Committee to handle such issues as providing financial assistance (and determining the size thereof) to employees who suffered an accident or emergency not covered by existing insurance plans.

Employees with work experience of six months or more are entitled to additional temporary incapacity payments if they fall ill or need to care for an ailing family member; while those with a track record of at least two years can also claim additional maternity leave payments.

The Group also promotes a healthy lifestyle among its employees, and offers influenza and viral respiratory infection vaccinations. A Health Days campaign was launched. Employees are entitled to special corporate discounts at leading fitness centers and can join a number of sports clubs (for running, triathlon, mini football, hockey, basketball, volleyball, yachting and chess), they can also use a small gym and showers, and for those who ride a bike to work, bicycle storage facilities are available. Employees can access special rates at leading fitness centers.

The Group established and successfully runs corporate clubs for entertainment and intellectual development, including: intellectual club MOEX Smart Club, scientific club MOEX Data Science, educational club MOEX Walk, culinary club MOEX Kitchen and dancing club MOEX Dance. These initiatives serve to strengthen the corporate culture and create a favorable environment for employees, including by promoting a healthy lifestyle.

The Group strictly adheres to labor laws providing social guarantees to certain categories of employees (including those with a family) and granting additional days off to parents taking care of disabled children and additional unpaid leave to employees taking care of babies.