

It is crucial for me that the company follows best practices not formally but in its core DNA. The Exchange is dynamic yet prudent in its approach, open to change and leaving behind outdated rules that hinder its development. It is constantly searching for new ways how to be most effective and advanced

**Rainer Riess,**  
*Member of the Supervisory Board,  
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# *Corporate Governance*

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# Corporate governance system

## MOSCOW EXCHANGE CORPORATE GOVERNANCE MODEL AND PRACTICE IN BRIEF

Moscow Exchange is one of Russia's largest public companies, and its shares are included in key financial market indicators such as the MOEX Russia Index and RTS Index. One of the Exchange's shareholders is the Bank of Russia, which acts as a regulator of the financial market. The Exchange is also a market infrastructure operator that establishes rules for other issuers. Because of all these factors, the Exchange must demonstrate higher corporate governance standards and serve as a model for other issuers. Continued development of the corporate governance system is aimed primarily at improving MOEX's effectiveness and competitiveness, and at maintaining positive perceptions of the Exchange's corporate governance system amongst shareholders, investors and the business community.

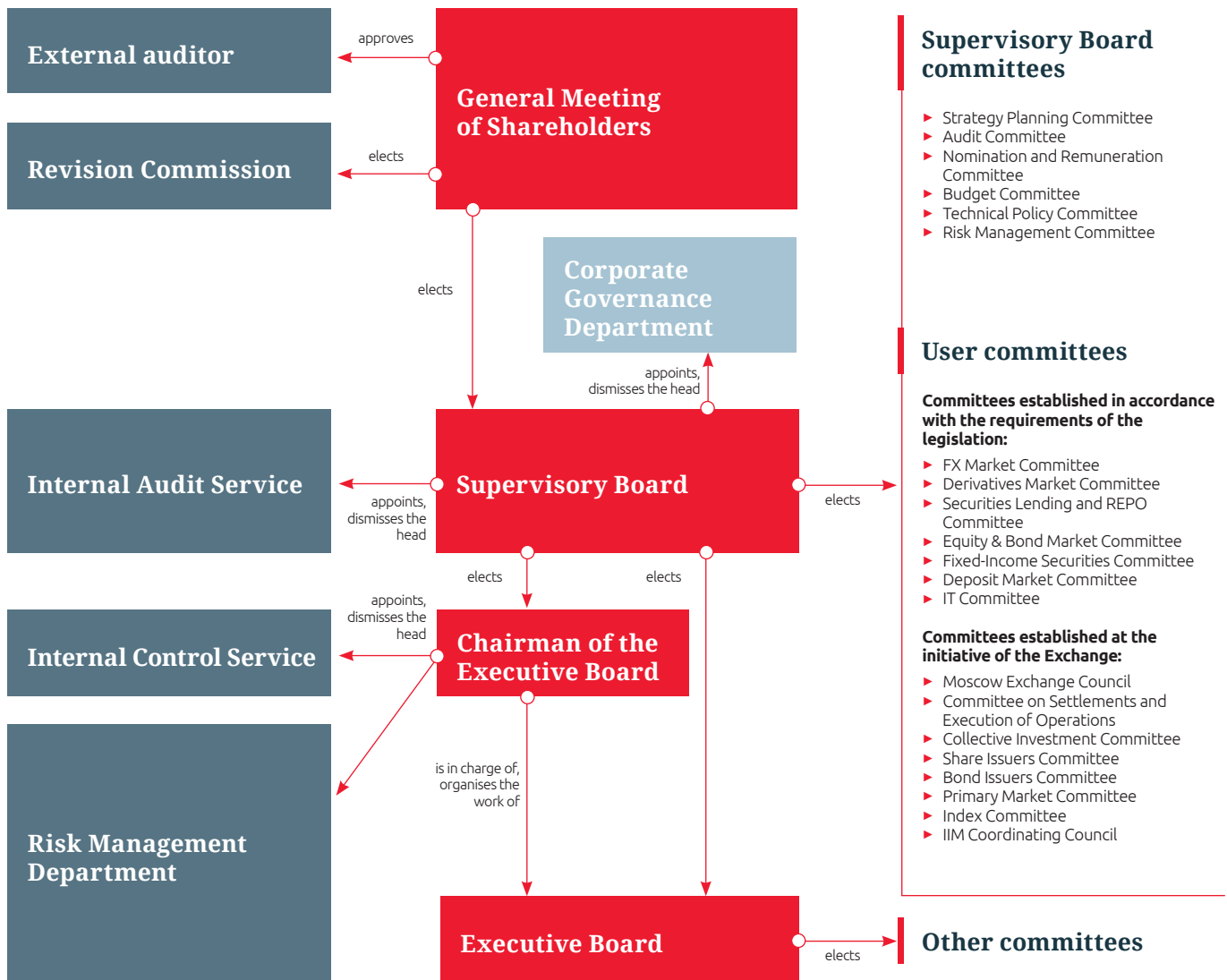
The Exchange continuously evaluates and responds to developments in corporate legislation and corporate governance practices in Russia and internationally. It complies with the Federal Law on Organized Trading (No. 325-FZ dated 21 November 2011), which outlines the requirements for the trading organizer's corporate governance system; the principles and recommendations prescribed in the Corporate Governance Code of the Bank of Russia; the requirements of the Listing Rules; the G20/OECD corporate governance principles; international standards and

principles relating to corporate social responsibility and sustainable development; as well as the disclosure standards developed by the Global Reporting Initiative (GRI).

Shares of Moscow Exchange are traded on the exchange's own platform and included in the first (highest) level quotation list. To ensure that the Exchange's activities and documents fully comply with the corporate governance requirements set out in the Listing Rules and with the Bank of Russia's Corporate Governance Code, the following measures were taken in 2018:

- ▶ Five independent directors were elected to the Supervisory Board, which consists of 12 members, and two more directors received independent director status during the reporting period;
- ▶ All independent directors meet the independence criteria set by the Listing Rules;
- ▶ An independent director was elected as Chairman of the Supervisory Board;
- ▶ The Audit Committee and the Nomination and Remuneration Committee consist only of independent members of the Supervisory Board.

## CORPORATE GOVERNANCE SYSTEM STRUCTURE



- Governing bodies
- Control and audit bodies
- Advisory bodies
- Corporate Secretary

\* Advisory bodies of the Exchange established in accordance with the requirements of Article 10 of the Federal Law No. 325-FZ dated 21 November 2011 "On Organised Trading" and Regulations of the Bank of Russia No. 437-P dated 17 October 2014 "On Organised Trading Activities"