

REMUNERATION PAYABLE TO MEMBERS OF THE EXECUTIVE BOARD

The remuneration system for members of Moscow Exchange's executive bodies is regulated according to the Policy on Remuneration and Compensation for Members of Executive Bodies approved by the resolution of the Supervisory Board in December 2016. This Policy establishes remuneration principles and approaches, procedures for determining the amount of remuneration and the types of payments, benefits and perquisites.

The Policy is based on the following key principles:

- ▶ Attracting and retaining professional and effective members of executive bodies capable of implementing the Exchange's strategy and other business priorities, as well as increasing shareholder value.
- ▶ Providing competitive remuneration sufficient to attract, motivate and retain competent and qualified members of the executive bodies.
- ▶ Maintaining an optimal balance when awarding compensation between the performance of Moscow Exchange as a whole and the personal contribution of each member of the executive body.

The Remuneration Policy is transparent and available to investors online¹.

Remuneration payable to executive body members is comprised of a fixed (salary) component and a variable component. The variable component constitutes a significant portion of total annual remuneration and consists of short- and long-term elements. Short-term variable compensation represents an annual bonus linked to the performance of Moscow Exchange and each executive body member's personal contribution. Long-term variable compensation is determined as per the share-based long-term incentive program.

Short-term variable compensation is linked to performance against key performance indicators (KPIs) reviewed and approved annually and including both corporate and individual KPIs. In 2018, corporate performance accounted for 40% and individual performance accounted for 60%.

To increase personal responsibility, the Supervisory Board may defer the payment of a portion of bonuses to members of executive bodies until it receives information on their financial and other achievements; the delayed portion may be reduced or cancelled in case of failure to attain a positive result in the relevant business line. Sixty percent of the approved bonus pool for 2018 will be paid in 2019, while 40% of the bonus pool will be paid in equal installments with a delay of one to two calendar years (20% after one calendar year, and the remaining 20% after another calendar year) as per decisions of the Supervisory Board. This allows the Group to account for the risks associated with decisions made by members of the executive body.

To improve motivation and accountability of Moscow Exchange executive body members, to ensure their interests are aligned with those of shareholders and to link remuneration to the Exchange's long-term performance, the Group runs a share-based long-term incentive program as per principles and parameters approved by the Supervisory Board. Under this program, the right to sell shares vests in stages, in one, two and three years subject to continued employment.

Similar to other employees of the Moscow Exchange, members of executive bodies are entitled to the following benefits:

- ▶ voluntary medical insurance and international medical insurance;
- ▶ life and accident insurance;
- ▶ financial assistance;
- ▶ salary payments for a certain number of days of incapacity from work per year.

In addition, members of the executive bodies are provided with a corporate car and a business mobile phone plan and are entitled to reimbursement of hospitality and travel expenses.

1. <http://www.moex.com/s798>

No severance pay is determined or paid in instances where a member of an executive body resigns or is dismissed on grounds related to disciplinary action, or their employment is terminated as a result of delinquency of the executive.

The compensation payable in the event of an executive body members' early termination (following the relevant resolution of the Supervisory Board) subject to no fraudulent actions on their part shall not exceed the fixed portion of their annual remuneration. If a member of an executive body is dismissed on other grounds, compensation is only paid in instances and in the amount specified by the Labor Code of the Russian Federation.

Remuneration payable to each executive body member, payment terms and procedures, along with conditions for early termination of contracts, including severance pay, compensation or any other payments in excess of those required by law, as well as conditions for payment thereof, are reviewed and approved by the Supervisory Board based on recommendations issued by the Board's Nomination and Remuneration Committee. To prevent a conflict of interests, the sole executive body being the Executive Director shall abstain from voting on the issue of approval of contract terms with members of executive bodies.

The Supervisory Board, together with the Nomination and Remuneration Committee, supervises the implementation of the Remuneration Policy and amends it, as necessary. In 2018, the Nomination and Remuneration Committee did not assess the system of remuneration of the members of executive bodies, and did not consider the issue of the efficiency of the rate of the fixed and variable portions of remuneration for members of executive bodies given that that was done in 2017.

Along with that, in 2018, the ration rate of the fixed and variable portions of remuneration was repeatedly assessed by the Nomination and Remuneration Committee when: setting or changing the remuneration from a member of the Executive Board, discussing the Long-Term Incentive Program. Total remuneration for Executive Board members, including the rate of remuneration portions, was also assessed to ensure it was competitive with remuneration at comparable companies following the results of a remuneration study by a leading consultancy. In 2019 the Nomination and Remuneration Committee plans to assess the remuneration system and the effectiveness of the fixed and bonus portions of remuneration for members of executive bodies.

It should be noted that members of Moscow Exchange's executive bodies are not remunerated for serving on the Boards of Moscow Exchange Group companies.

Total remuneration paid to Executive Board members in 2018 was as follows:

| Remuneration type | Remuneration amount, RUB |
|---|--------------------------|
| Remuneration for serving on a governance body (Board) | 0.00 |
| Salaries | 161,494.10 |
| Bonuses | 176,435.00 |
| Commission fees | 0.00 |
| Reimbursement for expenses | 0.00 |
| Other types of remuneration | 6,645.25 |
| Remuneration for serving on a governance body (Board) of a Missing number | |
| Total | 344,574.36 |