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## GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders is the supreme governing body of Moscow Exchange. General Meetings of Shareholders adopt resolutions on strategic issues. The scope of issues within the terms of reference of General Meetings of Shareholders is determined by the Federal Law on Joint-Stock Companies (No. 208-FZ dated 26 December 1995) and the Moscow Exchange Charter.

On 26 April 2018, the Annual General Meeting of Shareholders (AGM) of Moscow Exchange was held, with the following resolutions being adopted:

- ▶ To approve Moscow Exchange's Annual Report and Accounting (Financial) Statements for 2017.
- ▶ To elect members of the Supervisory Board and the Revision Commission.

- ▶ To pay remuneration to members of the Supervisory Board and the Revision Commission for the 2017-2018 corporate year.
- ▶ To approve related-party transactions with subsidiaries in accordance with current legislation.
- ▶ To approve Deloitte & Touche CIS, one of the Big Four international audit companies, as the Exchange's auditor for 2018.
- ▶ To distribute profit and pay dividends for 2017 in the amount of RUB 5.47 per ordinary registered share, excluding interim dividends for the half-year of 2017 in the total amount of RUB 2.49 per share paid in the second half of 2017.

## SUPERVISORY BOARD

### Role of the Supervisory Board

The Supervisory Board is a key element of the corporate governance system with overall responsibility for the activities of Moscow Exchange.

The Supervisory Board is accountable to the General Meeting of Shareholders: members of the Supervisory Board are elected by the General Meeting of Shareholders, and their powers may be terminated at any time by the General Meeting of Shareholders.

Members of the Supervisory Board take part in the AGM. The Chairman of the Supervisory Board presides at the General Meetings of Shareholders. Any shareholder of the Exchange may speak on agenda items or at any time address the Chairman of the Supervisory Board, ensuring the necessary degree of objectivity when considering agenda items.

When developing Moscow Exchange's strategy, the Supervisory Board takes into account the shareholders' vision for the Exchange's development. The Supervisory Board considers appeals filed by shareholders and investors and, if necessary, gives appropriate instructions to senior managers.

The terms of reference of the Supervisory Board are established in the Charter and are clearly separated from those of the executive bodies that manage the day-to-day activities of the Exchange. The Supervisory Board:

- ▶ determines the vision, mission and strategy of the Exchange;
- ▶ is responsible for strategic management of the Exchange and long-term sustainable development;
- ▶ establishes strategic goals and key performance indicators.

The Supervisory Board's work schedule for a calendar year is approved at the first meeting of the newly elected Supervisory Board held after the Annual General Meeting of Shareholders. The work schedule includes the main activities of the Exchange, which are correlated with the strategic planning cycle and ongoing business cycles. When preparing the work schedule, proposals of members of the Supervisory Board and senior managers on priority issues are taken into account.

The agenda of each in-person meeting of the Supervisory Board includes from three to five significant issues, as well as management reports on performance for the past period. Issues arising from execution of priority projects, budget and instructions of the Supervisory Board are considered as frequently as required.

In-person meetings of the Supervisory Board are held in Moscow with the participation of all directors. The first meeting of the newly elected Supervisory Board is held in person, as a rule, on the date of the General Meeting of Shareholders, when the Supervisory Board is elected.

Information on the activities of the Supervisory Board, including its composition, meetings held and work of its committees, is disclosed on the official website of the Exchange in the form of press releases and corporate action notices, as well as the Annual Report, which ensures transparency of the activities of the Supervisory Board.

### ***Structure of the Supervisory Board***

The Supervisory Board of Moscow Exchange consists of directors who have the experience and professional skills required to oversee implementation of the Exchange's strategy.

In accordance with the decision of the Annual General Meeting of Shareholders held on 27 April 2016, the Supervisory Board comprises 12 people.

The Supervisory Board is managed and administered by the Chairman of the Supervisory Board.

The Chairman is elected and re-elected by the members of the Supervisory Board from among themselves, by a majority vote.

The following committees were formed by the Supervisory Board for preliminary consideration of key issues and preparation of recommendations for the Supervisory Board:

- ▶ Strategy Planning Committee;
- ▶ Audit Committee;
- ▶ Nomination and Remuneration Committee;
- ▶ Budget Committee;
- ▶ Technical Policy Committee;
- ▶ Risk Management Committee.

The Committees are formed annually from among the members of the Supervisory Board. Four of the six Supervisory Board Committees are headed by independent directors; the Audit Committee and the Nomination and Remuneration Committee are composed only of independent directors. Non-Board member IT experts are also invited to participate in the Technical Policy Committee.

The Supervisory Board comprises members who have the experience and professional skills required to oversee implementation of the Exchange's strategy. Members of the Supervisory Board of the Exchange are experts in financial market infrastructure, international organized trading, IT in the financial sector, operational and financial risk management, financial reporting and budgeting. They also have skills in personnel policy and modern approaches to incentivizing top managers.

Following the election at the 2018 Annual General Meeting of Shareholders, the Supervisory Board included five independent directors who met all the independence criteria set forth in the Listing Rules (no relationship with the Exchange, its significant shareholders, significant competitors, or counterparties, as well as no relationship with the government), and seven non-executive directors. In 2018, two directors were qualified as independent directors, notwithstanding the existing formal relationship with counterparties. Thus, Oleg Viyugin is also a member of the Board of Directors of the National Association of Securities Market Participants (NAUFOR), and Mikhail Bratanov is a member of the Board of Directors of the National Financial Association (NFA), for which the Exchange is a significant counterparty.

The Exchange did not receive information on the conflict of interests of the Supervisory Board members and the Executive Board members (including those relating to the participation of the said persons in the governing bodies of the Exchange's competitors).