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| **APPROVED**by the Executive Board of Moscow Exchange 6 July 2018 (Minutes No 33)The Chairman of the Board \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ А.Afanasiev |  |

**MOEX 10 Index Methodology**

Moscow Exchange 2018

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1. **Introduction**
	1. **Terms and definitions**
		1. For the purpose of this MOEX 10 Index Methodology of the Moscow Exchange (the “Methodology”), the following terms and definitions are applied:
			* + Stocks means Russian stocks of admitted to trading on the Exchange including stocks and depositary receipts representing stocks of foreign issuers with most business activities in the Russian Federation. Stocks do not mean stocks issued by joint stock investment funds.
				+ List of Constituents means a list of securities used to calculate the Index.
				+ The Exchange, Moscow Exchange means Public Joint-Stock Company Moscow Exchange MICEX-RTS.
				+ Index Review Date means a trading day immediately preceding the effective of the updated list of constituents as set forth in Clause 3.1.
				+ Constituent List Date means the date at which statistical data is calculated to compile the List of Constituents. These days are 15 February, 15 May, 15 August and 15 November. If any of those days is not a trading day, the Constituent List Date is set to be a trading day immediately preceding the 15th day of the relevant month.
				+ Stock’s Weight means the share in per cent of Stock’s value in the aggregate value of all Stocks in the list of Constituents.
				+ Issuer means any issuer of ordinary, preferred or represented stocks.
		2. Terms not specifically defined herein shall be construed in accordance with other documents of the Exchange as well as laws and regulatory acts of the Bank of Russia.
	2. **General provisions**
		1. The MOEX 10 Index (previously known as the MICEX 10 Index) or the Index is a composite index of the Russian stock market calculated by the Exchange based on tradable prices of the ten most liquid Stocks. The Index is computed based on RUB-denominated prices in trades.
		2. The Index’s name in Russian is “Индекс MocБиржи 10” (previously “Индекс ММВБ 10”); in English “MOEX 10 Index (previously “MICEX 10 Index”).
		3. The methodology as amended and supplemented from time to time is subject to approval by the Exchange. The Methodology as amended and supplemented from time to time becomes effective on a date determined by the Exchange. Any amendments and supplements are only allowed once per quarter.
		4. The text of the Methodology as adopted by the Exchange is made publicly available at least three days before coming into force.
2. **Index calculation**
	1. **General procedure**
		1. The Index is calculated in accordance with the following formula:

$$I\_{n}=\frac{I\_{0}}{N}∙\sum\_{i=1}^{N}\frac{P\_{i}}{P\_{i}^{0}} ,$$

where:

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| In – | The Index's value as of nth  moment; |
| Pi – | The price of the ith  constituent Stock; |
| Pi0 – | The price of the ith  constituent Stock as of the Index Review Date;  |
| N – | The number of Stocks in the List of Constituents; |
| I0 –  | The Index’s end-of-day value as of the Index Review Date. |
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* + 1. The Index was first calculated at 18:00 MSK on 30 December 1997. Its initial value I1 = 100.
		2. The Index’s values (In) are in basis points accurate to two decimal places.
		3. The Index’s end-of-day value (I0) is used to calculate the Index in the period from the trading day immediately following the Index Review Date until the next Review Date and/or the occurrence of a corporate event specified in clause 3.3 below.
	1. **Stock price calculation**
		1. To calculate the price of the ith  Stocks (Pi), the following prices of trades executed on the MOEX Equity and Bond Market and Deposit Market are used:
			+ - Prices of trades in the Stock executed during the trading period in the T+ Central Order Book;
				- The Stock’s closing prices.
		2. Trading modes and periods used to derive data on the ith Stock prices in accordance with the procedure described in Clause 2.2.1, are subject to change as decided by the Exchange.
		3. The price of the ith Stock (Pi) shall be deemed equal to the price of the last trade executed in this Stock (Pitdeal) on the Exchange, except for cases indicated in Clauses 2.2.4 and 2.2.5.
		4. For removing nonmarket fluctuations in Stocks’ prices, a fluctuation value from the weighted average price of the preceding 10 trades shall be calculated for each trade. If the value for the last trade (Pitdeal) of the fluctuation from the weighted average price of the preceding 10 trades exceeds the set value, the preceding price value (Pit-1) that meets the following requirement shall be used instead of the last trade’s price (Pitdeal):

$$P\_{it}=P\_{it-1}, if \left|\frac{P\_{it}^{deal}}{P\_{it}^{avg}}-1\right|>FT\_{i} ,$$

where:

Pit – price of the ith Stock at the moment of the last trade execution (t);

Pit-1 – price of the ith Stock at the moment of execution of the preceding trade (t-1);

Pitdeal – the last trade price;

FTi – maximum fluctuation value is 0.02 unless otherwise specified by the Exchange;

Pitavg – the weighted average price of the last ten trades, calculated by using the formula:

$$P\_{it}^{avg}=\frac{\sum\_{j=t-10}^{t-1}P\_{ij}^{deal}∙q\_{ij}}{\sum\_{j=t-10}^{t-1}q\_{ij}} ,$$

where:

Pijdeal – price of the jth trade;

qij – size of the jth  trade in Stock units.

If fewer than ten trades in the ith Stock have been executed in the relevant trading mode since the start of the main trading session of the current Trading day, the price (Pi) of the ith Stock shall equal to the last trade price (Pitdeal) for the Stock.

* + 1. At the end of the main trading session, the ith Stock’s price (Pi) equals the closing price.
		2. The ith Stock price (Pi) shall be determined with price tick accuracy prescribed in the Trading Rules for the Equity & Bond Market and Deposit Market.
		3. The procedure for calculating the ith Stock price (Pi) specified in Clauses 2.2.1- 2.2.6 shall not apply in cases described in Clause 3.3.3.
	1. **Weight calculation**
		1. The weight of the ith  Stock in the total value of all constituent Stocks (the Weight) is calculated as follows:

$$Wght\_{i}=\frac{\frac{P\_{i}}{P\_{i}^{0}}}{\sum\_{i=1}^{N}\frac{P\_{i}}{P\_{i}^{0}}}∙100\%$$

where:

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| Wghti | The weight of the ith  Stock; |
| Pi – | The price of the ith  constituent Stock; |
| Pi0 – | The price of the ith constituent Stock on the Index Review Date; |
| N – | The amount of Stocks in the List of Constituents. |

1. **Building and reviewing the List of Constituents**
	1. **Reviewing the List of Constituents**

* + 1. Upon a review, Stocks are added to and removed from the List of Constituents.
		2. The Exchange reviews the List of Constituents once a quarter or less often, except for cases provided for in this Methodology. The updated List of Constituents takes effect at the start of the main trading session on the trading day immediately following the third Thursday of March, June, September and December. The Exchange may set other dates for the reviewed List of Constituents to come into force.
		3. In reviewing the List of Constituents, the Exchange is guided by the principles set forth in Clause 3.2.
		4. An unscheduled review may take place if a corporate event including that set forth in Clause 3.3, has occurred to the issuer.
		5. Regular reviews of the List of Constituents are announced at least two weeks before the resolution made by the Exchange on the approval of the updated List of Constituent comes into force.
		6. Unscheduled reviews are announced at least one day before the updated list comes into effect.
	1. **Principles for drawing up the List of Constituents**

* + 1. The Constituent Stock List comprises the 10 stocks which have the largest values of the aggregated selection criteria Ci unless otherwise decided by the Exchange. This criteria is calculated as follows:

$$C\_{i}=\left(\frac{F\_{i1}}{F\_{1}^{max}}\right)∙\left(\frac{F\_{i2}}{F\_{2}^{max}}\right)∙\left(\frac{F\_{i3}}{F\_{3}^{max}}\right)∙\left(\frac{F\_{i4}}{F\_{4}^{max}}\right)$$

*i* = 1, 2,… N, where

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| N | The number of Stocks; |
| Fi1 | The number of trading days on which trades in the ith  Stock were made over the quarter preceding the Index Review Date; |
| Fi2 | The number of trades in the ith  Stock for the quarter preceding the Index Review Date; |
| Fi3 | Trading volume in the ith  Stock for the quarter preceding the Index Review Date; |
| Fi4 | The number of trading members trading the ith  Stock during the quarter preceding the Index Review Date; |
| F1max, F2max, F3max, F4max | The maximum values of criteria Fi1, Fi2, Fi3, Fi4, respectively. |

* 1. **Treatment of corporate events**
		1. If represented stocks have been split or consolidated, or the scope of rights and/or procedure for exercising rights carried by the represented stocks pursuant to the foreign law have been changed, the Exchange shall pass a resolution regarding such events subject to an expert opinion.
		2. Suspension of trading in Stocks on the Exchange.

If trading in the ith Stock on the Exchange is suspended for a period exceeding one trading day, then the price used in the Index shall be the last price calculated before suspension.

* + 1. Stock splits and consolidation.

In case of the ith  stock being split or consolidated, then on the day the resultant stock is admitted to trading, the price of the ith  stock (Pi0) calculated on day before is to be changed by dividing by the split ratio or multiplying by the consolidation ratio as applicable.

* + 1. Reorganisation of a joint stock company.

When a joint stock company is reorganised, the price (Pi) of its stock is fixed at its closing value as of the preceding trading day. Subject to the results of the reorganisation process, the price (Pi0) may be corrected after it is released. The date of the fixation day for the price (Pi) of the ith stock and the conditions for the cancellation of the price fixation are established by the Exchange subject to an expert opinion.

1. **Index calculation rules, information disclosure**
	1. **Calculation time**
		1. The Index is calculated once a second. The Exchange can change the calculation frequency subject to time frames established by the regulatory acts of the Bank of Russia.
		2. The Index is calculated during the main trading session. The Exchange may decide to calculate the Index during the additional trading session (if any).
		3. The Index’s value published first since the main trading session has started is the opening value for that trading day.
		4. The Index’s value published last in the main trading session is the end-of-day value for that trading day.
		5. Unless otherwise established by the regulatory acts of the Bank of Russia, the Exchange can change the start and/or end times of the Index calculation. Any decision made by the Exchange under this clause is notified to trading members at least five business days before it takes effect unless the Exchange sets other deadline by giving the relevant notice.
	2. **Procedure for Indices calculation control**
		1. In case of a technical disruption to the process of Index calculation or during securities trading at the Exchange that leads to corruption of data used to calculate the Index, the Index’s values are recalculated, but for a period no earlier than the previous trading day. If the Index’s values are recalculated, the Exchange shall perform such recalculation as soon as possible after the technical error was detected. In this case, the relevant notice is published on Exchange’s official website.
		2. If circumstances occur that may adversely impact how accurately the Index reflects the actual condition of the Russian stock market, the Exchange has the right to undertake any action necessary to ensure the accuracy of the Index, including removing Stocks from the Constituent Stock List, setting values of the parameters used for calculating the indicators specified in this Methodology, etc.
	3. **Publication**
		1. Information on the Index is published on Exchange’s official website.
		2. Alongside the information that must be disclosed pursuant to this Methodology, the Exchange publishes on a daily basis:
* The List of Constituents;
* The weight of the ith Stock;
* The Index’s end-of-day value.
	+ 1. The Index’s intraday values are announced within two minutes of calculation.
		2. Two years’ data for this Methodology, end-of-day valuations for the Index and weights of the constituents for the past two years is publicly available on the Exchange’s website.
		3. Information that is subject to disclosure under this Methodology may be disclosed in other ways, including via information agencies that distribute Exchange market data.
	1. **Transitional provisions**
		1. Since this Methodology has taken effect, the following codes and names are introduced: the code “MOEX10”, Russian name “Индекс МосБиржи 10” and English name "MOEX 10 Index”.
		2. During the transitional period (from the date of introduction of this Methodology until 31 December 2018 inclusive), the Index’s names applied before the effective date of this Methodology can be used alongside the new codes and names specified in 4.4.1 above.