

Approved
by the resolution of the Supervisory Board
of the Moscow Exchange
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**CONFLICT OF INTEREST AND CORPORATE CONFLICT POLICY
MOSCOW EXCHANGE**

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1. General provisions

1.1. This Conflict of Interest and Corporate Conflict Policy of Moscow Exchange (hereinafter, the “Policy”) is designed in compliance with the effective laws of the Russian Federation, the Corporate Governance Code of the Bank of Russia, the Charter and other internal documents of the Moscow Exchange (hereinafter, the “Moscow Exchange” or the “Exchange”).

1.2. The Purpose of the Policy is to prevent corporate conflicts by identifying measures and the manner in which the Exchange manages corporate conflicts.

1.3. Definitions:

Conflict of interest means any contradiction between the interests of the Exchange and personal interests of a member its Supervisory Board or the collective executive body or those of its one-person executive body, such personal interests shall mean any direct or indirect personal interests favouring a third party, including any interests arising by virtue of his/her business, friendship, family or other ties and relations, positions held by him/her or by any person associated¹ with him/her in any other legal entity, his/her or such associated persons’ ownership of shares in another legal entity, or contradiction between such person’s duties towards the Exchange and other legal entities. A conflict of interest may arise, in particular, from entering into a transaction in which a respective person is interested, whether directly or not, acquisition of shares (interests) in any legal entity competing with the Exchange, or holding a position in such a legal entity, or entering into contractual relations or other connection with it.

Corporate conflict means documented claims and disputes², arising/having arisen between shareholders of the Exchange, the Exchange and its shareholders, also between the shareholders of the Exchange and its management bodies; between/with Exchange’s subsidiaries, with the Exchange’s shareholder register-keeper, and with the depositary, which affect Exchange’s interests and lead to breaches in law, the Charter and/or internal documents of the Exchange, also to institution of legal proceedings.

Transaction involving a conflict of interest means a transaction, which involves a conflict of interest, in particular, a transaction entered into for the personal benefits of its substantial shareholders, members of the Supervisory Board, members of the Executive Board, whatever the amount of transaction is.

Such transactions may include the following transactions beyond the company’s ordinary course of business:

- shareholders agreement (participation in any shareholders agreement);
- first-time transactions the subject matter of which is sponsorship or likewise obligations;
- transactions the subject matter of which is a specific asset (real estate, specialised educational services for the management, which are not offered to other employees of the Exchange);
- other transaction, involving potential conflicts of interest, including transactions with the parties affiliated with (related to) substantial shareholders.

Substantial shareholder means a person who is entitled, whether directly or not, acting through entities controlled thereby, on his own or jointly with other persons associated therewith by virtue of a

¹ In relation to an individual, his/her associated persons shall mean: his/her spouse, parents, children, adoptive parents, adopted children, siblings (including half-sisters and half-brothers), grandparents, and any other individual residing with such first individual and having a common household with him/her.

² In particular, a conflict resulting from actions committed by a shareholder (a group of shareholders) with intention to gain control over the company; disagreements among shareholders over company’s profit distribution; disagreements between shareholders and executive bodies over management effectiveness and fairness in acts of executive bodies; activities aimed at damaging company’s financial health and competitiveness, inter alia attempts to initiate bankruptcy procedures; greenmail, meaning a situation when a shareholder (a group of shareholders) forces the company or other shareholders to repurchase its (their) shares at inflated prices (higher than the market price), or to pay a compensation to stop the conflict.

property trust management agreement and/or a simple partnership agreement and/or commission agreement and/or a shareholder agreement and/or another agreement with the subject matter being the exercise of rights attached to shares (interests) in the issuer to cast five or more percent of votes attaching to the Exchange's voting shares in its share capital.

CGD (Corporate Governance Department) means the Exchange's Corporate Governance Department with the corporate secretary functions.

Moscow Exchange Group means Public Joint-Stock Company "Moscow Exchange MICEX-RTS" (Moscow Exchange) and entities under its direct or indirect control.

Mediation process (mediation) means a voluntary form of a corporate conflict management process in which a mediator assists the parties to reach a mutually accepted resolution.

Mediator means a neutral third party (an individual) the disputing parties apply to in settling their dispute to facilitate their dispute resolution, carrying out mediation activities professionally or otherwise.

Terms not specifically defined herein have the meanings ascribed to them in the law and internal documents of the Exchange.

2. Conflict of interest and corporate conflict management principles

2.1. In managing conflicts of interest and corporate conflicts the Exchange applies the following key principles:

- notification of the Moscow Exchange on the conflict of interest by the Supervisory Board and the Executive Board members, and the Chairperson of the Executive Board in cases and following the procedure stipulated by item 3.2 of the Policy;
- Moscow Exchange's interests and interests of its shareholders shall take priority over personal interests of Exchange's management bodies members;
- Moscow Exchange's Supervisory Board shall get priority on participation in corporate risk prevention, identification and management;
- independent directors shall get priority on participation in corporate conflicts prevention and execution by the latter of material corporate actions;
- clear delineation of management bodies' powers and unacceptability of powers abuse;
- Moscow Exchange's management bodies shall take decisions within their jurisdiction in the absence of any conflict of interest;
- circumstances which affect related party interest, actual and potential conflicts of interest shall be reported to the Exchange timely, accurately and to the fullest extent;
- striking a balance between interests of the parties concerned, as well as fairness and independence;
- compliance with the Russian Federation laws and Moscow Exchange's internal documents.

3. Managing conflicts of interest

3.1. Conflict-management efforts comprise conflict of interest prevention and identification.

3.2. Members of the Supervisory Board, members and the Chairperson of the Executive Board should:

- act reasonably and in good faith in the best interests of the Exchange, avoid any activity which puts their own interests in conflict with the interests of the Exchange, and, in the case of any such a conflict, notify the Chairman of the Executive Board and the Chairman of the Audit Committee thereof and of the circumstances which caused the conflict of interest situation through the Director of Corporate Governance;

- notify the Exchange of any conflict of interest arising in connection with agenda issues before discussion of such an agenda issue starts, and abstain from voting on any agenda issue involving any conflict of interest;
- notify the Exchange of entities where he/she, his/her spouse, parents, children, siblings (including half-brothers and half-sisters), adoptive parents and adopted children and/or controlled entities are controlling parties or authorised to give binding instructions; of entities where he/she, his/her spouse, parents, children, siblings (including half-brothers and half-sisters), adoptive parents and adopted children and/or controlled entities hold positions in the management bodies; on any transactions, whether executed or proposed, where he/she may be recognized as a related party, as well as of any changes in such data;
- keep information confidential, not disclose confidential or insider information or use it in their own or in any third party interests;
- provide the Exchange with information on holding Exchange's shares and their purchasing and selling;
- take other reasonable steps to prevent and identify any conflict of interest.

3.3. The Exchange shall exercise the following functions **to prevent** the conflict:

- collect and analyse information about affiliated and related parties;
- collect and analyse information about parties affiliated with (related to) Exchange's substantial shareholders;
- collect and analyse information required to prepare a list of affiliated parties;
- collect and analyse information about persons deemed to be interested in a transaction (transactions) under the laws of the Russian Federation;
- collect and analyse information relating to compositions of Supervisory Boards, collegial and sole executive bodies of subsidiaries, also for signs of any conflict of interest;
- communicate the obligations, stipulated by the Policy, to members of the Supervisory Board, members and the Chairperson of the Executive Board, as soon as possible after election to the relevant position;
- communicate any information of potential conflict of interest among candidates to the Supervisory Board of the Exchange to its shareholders;
- communicate any information on the matters which may give a rise to a conflict of interest or a corporate conflict to the Supervisory Board and shareholders;
- send notices of a transaction (linked transactions) involving related party interest to members of the Supervisory Board, members of the Executive Board and, when the laws prescribe so, to shareholders;
- send notices of transactions involving a conflict of interest to members of the Supervisory Board;
- comply with procurement procedures and procedures for getting agreements agreed upon, as set out in Exchange's internal documents, designed to avoid conflicts of interest by pursuing fairness and arm's length principles when selecting providers of goods, services and works;
- monitor legal cases involving shareholders of the Exchange, members of its management bodies, subsidiaries, depositories, shareholder register-keeper;
- perform other actions to prevent conflicts of interest.

3.4. To **prevent a conflict of interest**, the Exchange utilises an identification system which provides for taking the following measures when agreeing on/executing transactions in which there is a related party interest or which involve a conflict of interest:

- 3.4.1. Information of parties interested in the transaction, attributes of a transaction involving a conflict of interest set out in accordance with this Policy, and procedures for executing related party transactions and transactions involving a conflict of interest is published on the Exchange's internal portal (*accessible to all staff*).
- 3.4.2. When getting agreements agreed on, in the EDI (electronic document interchange) system available on the Exchange's internal portal (*accessible to all staff*) employees/departments in charge identify transactions (a group of linked transactions) in which there is a related party interest and transactions involving a conflict of interest. When employees/departments in charge identify related party transactions and transactions involving a conflict of interest, they shall report such a transaction to the Corporate Governance Department³.
- 3.4.3. The Corporate Governance Department shall notify:
 - members of the Supervisory Board and members of the Executive Board of any related party transaction;
 - shareholders of any related party transaction (a group of linked transactions), if all the members of the Supervisory Board have their interest in entering into such a transaction (transactions), or where its (their) price or book value equals or exceeds ten (10) percent of book value of Exchange's assets as of the latest reporting date, or when selling more than 2% of ordinary shares placed before; and
 - members of the Supervisory Board on any transaction involving a conflict of interest.
- 3.4.4. During 15 days, members of the Supervisory Board or Executive Board shall have the right to require the Supervisory Board's consent to execute a related party transaction, and the Supervisory Board members – Supervisory Board's consent to execute a transaction involving a conflict of interest. Transactions in which there is a related party interest or transactions involving a conflict of interest shall be executed after the given period to require for a consent of transaction expires, or after such a consent has been received.
- 3.4.5. Procedures to execute transactions involving a conflict of interest, which apply to all employees of the Exchange, inclusive of members of the Executive Board, are set out in other internal documents of the Exchange.

3.5. Conflicts of interest are **identified** by employees, executive officers and members of management bodies of the Exchange in the discharge of their duties, in the course of reviews and audits performed by the Internal Audit Service, Internal Control Service, Revision Committee and by the Auditors, and upon requests from shareholders in accordance with procedures set out in the Information Policy of the Exchange.

The information of identified conflict of interest is reported to the Chairman of the Supervisory Board or a senior independent director (if any) and the Chairman of the Audit Committee by the Director of the Corporate Governance.

3.6. The Director of Corporate Governance keeps records of conflict of interest data.

³ The Director of Corporate Governance, or any other Corporate Governance Department's employee authorised by him/her to do so, checks whether a transaction has attributes of a transaction involving a conflict of interest.

4. Managing corporate conflict

4.1. Corporate conflict management means implementing a combination of pre-court procedures aimed at settling such conflict.

4.2. The following methods shall apply in managing corporate conflicts:

- corporate conflicts managing by the Supervisory Board (the Audit Committee); and
- mediation.

4.3. The Supervisory Board or the Audit Committee, if so instructed by the Supervisory Board, shall take all the best efforts to manage corporate conflicts. The primary task of the Supervisory Board with respect to corporate conflicts management shall be objective, legitimate and sound decision-making in the interests of the Exchange.

4.4. Corporate conflicts shall be managed according to the following procedures:

- 4.4.1. The Director of Corporate Governance shall immediately report the identified conflict of interest situation to the Chairman of the Supervisory Board and the Chairman of the Audit Committee.
- 4.4.2. Following the decision of the Chairman of the Supervisory Board, the corporate conflict issue shall be brought to the Audit Committee for its preliminary review. The Audit Committee makes recommendations on the conflict management procedure, and decided whether the procedure needs to be brought to the Supervisory Board for consideration. With that, independent members of the Supervisory Board preliminary analyses possible actions and draft resolutions. The outcomes from this analysis are included as part of materials for the meeting of the Supervisory Board at which the relevant agenda item is under consideration.
- 4.4.3. Parties to a conflict, members of the Supervisory Board, members and the Chairman of the Executive Board are authorised to participate in the conflict consideration.
- 4.4.4. The Supervisory Board (the Audit Committee) shall make decisions taking into consideration the conflict of interest and corporate conflict management principles prescribed in Section 2 herein.

4.5. Mediation:

- 4.5.1. A mediation process is a free act of parties guided by the principles of voluntariness, confidentiality, partnership and equality among the parties, neutrality and independence of a mediator.

The precondition for managing a corporate conflict with assistance of a mediator shall be a mediation agreement between the parties to a corporate conflict, which should contain the following details:

- details of the parties;
- details of the dispute's subject matter (corporate conflict substance);
- mediator's details;
- details of mediation procedures;
- details of each party's share in expenses associated with mediation; and
- dates of mediation procedures.

A mediation agreement may provide that the parties thereto undertake not to refer to the court or arbitration during the period of mediation, unless either of them believes that it needs to defend its rights. In such an agreement, the parties may authorize their mediator to independently decide on mediation procedures given the dispute circumstances, wishes of the parties and need for early management of the dispute.

4.5.2. In the course of mediation, a mediator shall be authorised to request further clarifications from the parties, arrange meetings and communicate with all the parties both collectively and individually.

4.5.3. Following the corporate conflict consideration, the parties shall execute a mediation agreement.

4.6. The Department of Corporate Governance shall immediately communicate decisions resulted from corporate conflicts consideration, including those based on mediation procedures, to all members of the Supervisory Board, members of the Executive Board, the Chairman of the Executive Board and parties to a conflict.

4.7. The above-listed efforts are not intended to be exhaustive. Other methods to manage a conflict may be selected on an ad hoc basis, depending on the area such conflict emerges in.

5. Concluding provisions

5.1. Where any corporate conflict may not be resolved through mediation, the parties to a conflict may refer to the court.

5.2. Control with regard to this Policy, in particular its implementation analysis and assessment, shall be exercised by the Audit Committee.