

Know Your Customer/Counterparty Policy

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Introduction

Moscow Exchange MICEX-RTS (the "Exchange") is part of Moscow Exchange Group established in December 2011 through the merger of the Russia's two leading exchanges, MICEX and RTS. Nowadays, the Exchange is the country's main public market offering trading across all the major assets classes.

The Exchange operates the FX, Money and Derivatives Markets¹. It is also the Technical Center² for other companies of the group and specifically, for the MICEX Stock Exchange, the operator of the Equity & Bond Market³.

The Exchange's trading and clearing systems function on the basis of the Technical Center's software and hardware facilities. Therefore, technical connection of member firms and their clients to the Moscow Exchange's services is a cornerstone of safe and reliable trading. At the same time, trading effectiveness is a key factor affecting the Moscow Exchange competitiveness.

Moscow Exchange provides technical connection to its services by means of both in-house resources and external entities such as, for example, communications service providers connecting clients to the Technical Center's software and hardware suite (the TC SHS). Member firms also connect to the TC SHS via their own software and hardware facilities. They are allowed to develop such facilities on their own or purchase a tailored solution. Such customer-side software and hardware is developed independently by third parties with their number growing steadily.

The reliability and effectiveness of on-exchange trading then directly depend on service quality delivered by the Exchange's partners and quality of customer-side software and hardware as it forms a component of the TC SHS. Any connectivity failures with respect to the TC SHS may result in substantial financial loss for the Exchange and clients. Non-resilient technical organization of the trading process may cause damage to the Moscow Exchange's reputation.

Therefore, the Exchange's vendors providing technical connectivity to the TC SHS must ensure standards established by the Exchange. They must be well-equipped technically; their staff must have necessary expertise, skills and reputation. The Exchange seeks to control the quality of vendors' services, see transparent service parameters and cut connectivity costs for customers and the Exchange.

On-exchange trades are executed on the basis of marker data that includes also orders of member firms and their clients. Trading turnover directly influences the Moscow Exchange financial performance. When any third parties access market data (through any network, program or hardware), Moscow Exchange is exposed to a potential risks of data leakage or loss, client attrition, market share reduction, loss of goodwill and finally, financial loss due to its full dependence on information technologies.

Any business relationship impacts the Moscow Exchange technological infrastructure, financial position and reputation as well as quality of services rendered to its clients. To satisfy its own and clients' interests and mitigate potential risks, the Exchange verifies prospective business relations to ensure that they meet the Exchange's financial, technical, qualification, reputational and other criteria. The Exchange particularly

¹ The Exchange license No. 077-001 dated 29 August 2013.

² Hereinafter, all terms are used as defined in section 1 Main Definitions.

³ The Exchange license No. 077-007 dated 20 December 2013.

assesses the possible impact of any business relationship on the Exchange and its clients. It also carries out scheduled and unscheduled verification of existing business relationships in order to confirm that they comply with requirements of this KYC policy, and preclude any threats to its and clients' interests.

This policy aims to provide a clear and fair treatment of prospective and existing business relationships connecting clients to the TC SHS.

1. Main definitions

Exchange	Public Open Joint Stock Company Moscow Exchange MICEX-RTS having its registered address at Bolshoy Kislovsky pereulok 13 Moscow Russia, Primary State Registration Number (OGRN): 1027739387411, Taxpayer ID (INN): 7702077840
Internal documents	current regulations of Moscow Exchange such as the Customer-Side Software and Hardware Certification Procedure and the Procedure for Communicating with ExtraNet Providers.
Customer Software	Any software and hardware specified by the Technical Center as eligible for being integrated to the TC SHS through certain software and hardware tools (including also the Universal Scheme). Integrating such customer-side software and hardware to any other suites is allowed upon agreement with the Technical Center.
Request	Any business proposals to the Exchange from a Prospective Business Partner including proposals to enter into a contract, as well as any customer-side software and hardware certification requests from Prospective Business Partners.
Client	Trading Members, candidate Trading Members, and entities with which Moscow Exchange have entered into the market data agreement.
Moscow Exchange	Moscow Exchange Group comprising also the Exchange.
Client Application	An initial request from a Client to connect to the TC SHS or to change the Connection Scheme.
Responsible Division	The Exchange Department of Operational Risk, Information Security and Business Continuity.
Policy	This Know Your Customer/Counterparty Policy with its all appendices and supplements. The Policy is to be published on the Exchange's website.
Prospective Business Partner	<ol style="list-style-type: none">(1) A communication service provider submitting a Request including a Provider Accreditation Request, to the Exchange;(2) an ExtraNet provider submitting a request to the Exchange regarding the connection of the TC SHS to ExtraNET;(3) an entity (individual or a legal entity) owing, also through a license agreement, any customer-side software and hardware and submitting a Certification Request to the Exchange.
Executive Board of the Exchange	The collective executive body of the Exchange which performs the management of the company and implements decisions of the annual

general meetings of the company's shareholders and the Supervisory Board.

Provider

A partner accredited by the Exchange to provide the Client with communication services under the Universal Scheme.

Software and Hardware Suite of the Technical Center (TC SHS)

The software and hardware suite as the combination of software and hardware tools used for rendering trading, clearing, settlement and other services to the Moscow Exchange clients.

Negative consequences for TC SHS

Any system glitch, degradation of the system operation, compromise of data confidentiality or integrity.

Business Partner/Existing Business Partner

The following entities connecting Clients to the TC SHS under any Connection Scheme on the basis of an agreement with Moscow Exchange or otherwise:

- (1) Providers;
- (2) Communications services providers that are not the Providers;
- (3) ExtraNet providers;
- (4) Entities owning Customer-Side Software and Hardware also through a license agreement.

Connection Scheme

The following technological solutions employed by the Exchange to connect clients to the TC SHS:

- ConnectME,
- Universal Scheme;
- ExtraNet;
- Internet;
- Co-location; and
- Point of presence in London.

Technical Center, TC

A company providing the maintenance and the operation of the TC SHS, and entering into agreements with users to provide them with the integrated technological service, technological services, technical access, etc. Technical Centers are the Exchange and MB Technologies for the MICEX SE's Equity & Bond Market; the Exchange for its FX Market and Precious Metals Market; and MB Technologies for the Exchange's Derivatives Market.

Type of Business Relationship

A certain category of Existing Business Partners for which Moscow Exchange specifies same requirements. Such cooperation may be carried out through an agreement executed between the parties. For the purpose of this Policy, Types of Business Relationship include cooperation between the Exchange and Providers, other communications service providers, ExtraNet providers and owners of any Customer-Side Software and Hardware (including those who use

such software and hardware on the basis of a license agreement).

Trading Members Any legal entities admitted to trading in accordance with the admission rules of Moscow Exchange.

Data Center (DC) Designated premises for server-side and network equipment used by the Exchange.

2. Schemes of Connection to the TC SHS

Clients are connected to the TC SHS via Connection Schemes specified in the Policy. Clients select the Connection Scheme depending on their equipment, software and hardware tools, connection bandwidth and availability, price and number of services to be connected and other characteristics of each Connection Scheme. The following Connection Schemes are used for connecting to Moscow Exchange:

Universal Scheme means connection to the TC SHS via a Provider. To connect via Universal Scheme, the Client must enter into an agreement with its Provider. Universal scheme allows access to any Moscow Exchange trading services.

ConnectME means connection solution designed as a direct point-to-point connection. This scheme requires a trilateral agreement to be signed between the Client, MB technologies and the network provider.

Internet connection means connection to the TC SHS via the Internet. This scheme gives relatively slow connection speed with just a limited number of the Moscow Exchange trading services available.

Point of presence (PoP) in London means connection to the TC SHS via a point of presence in London connected to the Moscow Exchange network. To get connected, Clients should connect to the London's data center. The London's PoP provides fast access to any Moscow Exchange trading services

ExtraNet means connection of the TC SHS to ExtraNet, the global data transmission network. ExtraNet is a secured service managed by the operator. To get access to Moscow Exchange services, clients of ExtraNet should sign a supplementary agreement with the ExtraNet operator.

Co-location means locating Clients' servers at Moscow Exchange's data center. To get access to the service, Clients should establish network connectivity to the site. The service is highly reliable, accessible and safe and provides the best latency for order execution and the fastest data feed.

The Connection Schemes given above describe technical solutions at the time of adopting this Policy. They change subject to the technological evolution and needs of Moscow Exchange and its Clients. New Types of Business Relationship may also arise within existing or new Connection Schemes.

3. Scope of this Policy

- 3.1. This Policy is local regulations adopted by the Exchange. It must be observed by all staff and structural divisions of the Exchange.
- 3.2. This Policy sets out criteria, verification and approval processes for Prospective Business Partners, mandatory requirements and procedures for Existing Business Partners and scheduled and unscheduled verifications for them.
- 3.3. Verification processes, requirements and procedures set out in this Policy are not generally applied to Clients other than Clients being Prospective or Existing Business Partners.
- 3.4. This Policy is not applied to entities involved in the process of technical connection of Clients to the TC SHS and being part of the Moscow Exchange Group pursuant to the current antimonopoly legislation.
- 3.5. To verify Prospective and Existing Business Partners, the Exchange is entitled to use any other Internal Documents. If any controversy arises between this Policy and any Internal Document, this Policy prevails.
- 3.6. If any new Connection Scheme or Type of Business Relationship appears, the Responsible Division decides on whether this Policy should cover such Connection Scheme or Type of Business Relationship. In this case the Policy may be amended if necessary.

4. Communications in the process of the Policy implementation

- 4.1. The Responsible Division is in charge of communicating with Prospective and Existing Business Partners and Clients while implementing this Policy as well as coordinating other structural divisions in carrying out assessments and scheduled and unscheduled verifications.
- 4.2. Staff and structural divisions of the Exchange must assist the Responsible Division in implementing this Policy.
- 4.3. Requests of Prospective Business Partners, applications of Clients and any other communications with the Exchange with respect to any procedures set out in the Policy, should be send by email at **KYC@moex.com** or by post at **Bolshoy Kislovsky pereulok 13 Moscow Russia 125009**.
- 4.4. If the Exchange's employee receives a request that may be qualified as a Prospective Business Partner Request or a Client Application, he or she must forward such request to KYC@moex.com.
- 4.5. For the purpose of this Policy, any information send by email is considered to have been submitted in writing unless specifically established otherwise. Any notifications and requests of the Responsible Division, other structural divisions and employees of the Exchange are to be send by email with a delivery receipt requested. In case a delivery receipt or an automatically generated delivery receipt has not been got within two (2) business days after sending the message, information containing in the message is send by post to an address known to the Responsible Division if any.

4.6. If a Prospective Business Partner sends completed Questionnaires, documents and information required pursuant to clauses 6.8, 6.9, and 6.18 hereof, by post to the address stated in clause 4.3 hereof, it must put the mark "For the attention of the Department of Operational Risks, Information Security and Business Continuity" on them.

5. Aims and principles of this Policy

5.1. This Policy aims to:

- Ensure that connectivity to TC SHS is qualitative and reliable;
- Timely identify and prevent financial, legal, technical, reputational and other risks of associated with dealing with Business Partners for Moscow Exchange and/or its Clients;
- Standardise and optimise technological solutions to connect Clients to the TC SHS; take into account specifics of interaction between Moscow Exchange and Clients in terms of the technology;
- Ensure accessibility of the technical connection to the TC SHS for Clients and transparency of services rendered to Business Partners;
- Ensure clear and fair treatment of all Prospective and Existing Business Partners;
- Ensure compliance with the legislation, global standards and high ethical standards of business conduct in communications with Prospective and Existing Business Partners.

5.2. This Policy adheres to the following principles:

- clear and unified criteria of Prospective Business Partner verification for establishing business relations;
- equal conditions of scheduled and unscheduled verifications for Existing Business Partners;
- transparency and fairness in decision making with respect to issues related to Prospective and Existing Business Partners;
- reasonable balance of sole and collective decision makers in implementing this Policy;
- compliance with current Russian legislation including subordinate legislation applicable to Moscow Exchange such as regulated trading, anti-trust and anti-corruption legislations.

6. Client applications. Prospective Business Partner verification procedure

General provisions

- 6.1. To ensure that Prospective Business Partners have all necessary skills and facilities to provide qualitative, reliable and safe technical connectivity between TC SHS and Clients, and that connecting to the TC SHS would not entail any harm to the TC SHS and Moscow Exchange's financial position, information security, and reputation, Moscow Exchange verifies Prospective Business Partners wishing to cooperate in accordance with this Policy.
- 6.2. The Exchange may refuse to cooperate with a Prospective Business Partner only in cases stipulated herein.
- 6.3. In general, verification procedure starts upon receiving by the Exchange a Request from a Prospective Business Partner or a Client Application.
- 6.4. Requests are created in any format. However, any Request must include the following information:
 - General information about the Prospective Business Partner;
 - Information on existing or past cooperation between the Prospective Business Partner and Moscow Exchange if any;
 - Type of Business Relationship.
- 6.5. Client Applications must be written on the form prescribed by the Exchange if any. Otherwise, they are written in any format. Every Application must include the following information:
 - Connection scheme required by the Client;
 - Information on current Connection Scheme used by the Client;
 - Information (contracts) on persons to be involved in technical connection if necessary;
 - Information on software to be used (if necessary).
- 6.6. The Exchange is entitled to initiate cooperation with Prospective Business Partners on its own. In this case, it offers them to undergo verification procedure in accordance with this Policy.
- 6.7. When a Client Application is received, verification is divided in the following two parts:
 - (1) **Preliminary verification** comprising analyzing the Client Application and deciding whether to carry out principal verification and who are to be verified;
 - (2) **Principal verification** comprising verification of the Prospective Business Partner for compliance with criteria of legal capacity, financial capacity, business reputation and, in cases stipulated by the Policy, for compliance with criteria for certain Type of Business Relationship.

6.8. When a Request is received from a Prospective Business Partner, verification procedure comprises only its principal part. In this case, the Responsible Division sends the Questionnaire given in Appendix 1 hereto and the list of documents and information given in Appendix 2 hereto, to the Prospective Business Partner **within two (2) business days**. The Responsible Division requests also any other information depending on the Type of Business Relationship from the Partner in accordance with Article 6 hereof.

After the Responsible Division receives completed Questionnaire, such documents and information, it initiates principal verification.

Preliminary verification

6.9. After receiving a Client Application, the Responsible Division analyses Connection Scheme proposed by the Client **within five (5) business days**. If the Responsible Division concludes that such Connection Scheme requires any third parties to be involved that are subject to this Policy, but have not been verified by the Exchange and/or any customer-side software to be used that has not been certified by the Exchange, it sends a notice to such parties to require them to send the Request and undergo verification procedure under this Policy, as well as sends them the Questionnaire and claims documents and information in accordance with clause 6.8 hereof. Such parties are deemed the Prospective Business Partners since they submit the Request. The Responsible Division starts performing principal verification after receiving the completed Questionnaire, information and documents.

6.10. If clause 6.9 hereof is not applicable, preliminary verification is completed and the Responsible Division notifies the Client of its Application being satisfied without principal verification conducted.

Principal verification

6.11. Verification constitutes a comprehensive procedure that covers the Prospective Business Partner, its software and hardware.

6.12. Principal verification comprise the following things:

- General verification of the Prospective Business Partner (for compliance with criteria of legal capacity, financial capacity and business reputation);
- Verification of the Prospective Business Partner for compliance with special requirements set for certain Type of Business Relationship.

6.13. The Responsible Division verifies the Questionnaire, documents and information for any omissions and incompleteness **within five (5) business days** after receiving them from the Prospective Business Partner, and then sends the following notices:

- Notice of principal verification initiation if all necessary documents and information have been provided; or
- Request to provide missed information and/or documents.

- 6.14. After receiving missed information and/or documents, the Responsible Division decides on whether to initiate verification and then sends the relevant notice stated in clause 6.13 hereof.
- 6.15. Principal verification is performed within maximum **forty (40) business days** beginning with the date of the notice of principal verification initiation stated in clause 6.13 hereof. Final decision on the business relationship is made also in that period. The period may be extended for further **twenty (20) business days** if any the Responsible Division asks for further clarifications in accordance with clause 6.18 hereof.
- 6.16. Any documents and information submitted by the Prospective Business Partner for the purpose of verification are gathered by the Responsible Division to form the Partner's dossier. Dossiers are created in an electronic form for every Prospective Business Partner verified in accordance with this Policy.
- 6.17. The Responsible Division verifies the Prospective Business Partner in general. Compliance of the Prospective Business Partner with special technical requirements is verified by the Responsible Division with Exchange's other structural divisions involved as required by this Policy.
- 6.18. The Responsible Division and Exchange's other structural divisions can query further information from the Prospective Business Partner in the process of verification. After receiving any such query, the Prospective Business Partner must submit available information, give explanations or explain why information the Exchange requires cannot be delivered.

Overall verification of Prospective Business Partners

- 6.19. Overall verification of a Prospective Business Partner for criteria of legal capacity, financial capacity and business reputation is carried out by employees of the Responsible Division on the basis of the Questionnaire, documents and information provided by the Partner as well as other publicly available information to be kept in the Partner's dossier. Any information obtained from public sources (mass media, Internet, announcements made at conferences and forums, other public announcements, press releases, etc.) is subject to validation/analysis by the Responsible Division. Such information cannot constitute the single (particular) reason to reject the business relationship under clause 7.1 hereof.
- 6.20. Where a Prospective Business Partner requests certification of customer software, its rights for such software are also verified including for the presence of a license agreement, and the software is assessed for its impact on the TC SHS. In this case, verification for compliance with criteria listed in clauses 6.22-6.24 hereof, is not conducted as only customer software is subject to verification.
- 6.21. Overall verification of a Prospective Business Partner is conducted within maximum **ten (10) business days**.
- 6.22. Any Prospective Business Partner is verified for its compliance with the following legal capacity requirements:
- The Prospective Business Partner is a properly registered legal entity that is not in the process of winding up;

- Its place of business is not at mass registration address (according to the list published on the Federal Tax Service's website);
- There is neither arbitration award in effect that declares it bankrupt nor bankruptcy petition accepted by a court with respect to it;
- Its activities have not been suspended pursuant to the Russian Code of Administrative Offences;
- People acting on behalf of the Prospective Business Partner are properly authorized.

6.23. Any Prospective Business Partner is verified for its compliance with the following financial capacity requirements:

- It has paid all taxes, charges and other compulsory payments due to the Russian any level budget or national non-publicly funded schemes;
- It is registered by tax authority (applied to Prospective Business Partners incorporated pursuant to the Russia law);
- No information is available on any actions at law/arbitration proceedings filed with respect to it for an amount that equals or exceeds (in total or separately) 5% of its net assets as of the relevant record date.

6.24. Any Prospective Business Partner is verified for its compliance with the following business reputation requirements:

- Its executives bodies do not comprise disqualified persons;
- Its sole executive body, members of the collective executive body and the board of directors, and the chief accountant do not have prior convictions for the commission of crimes in the economic sphere;
- There is no evidence of any corruption offences with involvement of the Prospective Business Partner, or its specific employees or their related persons that were certified by authorized government agencies of the Russian Federation and other countries (including certifications to initiate crime or administrative proceedings).

6.25. If any doubts exist about compliance of the Prospective Business Partner with the criteria for legal capacity, financial capacity and business reputation, the Responsible Division is entitled to involve the Exchange's other structural divisions in verification.

Verification of Prospective Business Partners for compliance with special requirements

- 6.26. If a Prospective Business Partner has passed successfully the overall verification, i.e. it fully complies with requirements set out in clauses 6.22 – 6.24 hereof, it is verified for compliance with specific requirements set a certain Type of Business Relation.
- 6.27. Prospective Business Partners are verified for compliance with such specific requirements by the Responsible Division together with the Exchange's other structural divisions involved in the verification process pursuant to this Article.
- 6.28. To carry out verification, the Responsible Division sends a request to pertinent structural divisions of the Exchange. The Prospective Business Partner's dossier must be enclosed to the request.
- 6.29. Within **ten (10) business days** after receiving the request stated in clause 6.28, structural divisions verify the Prospective Business Partner for compliance with the special requirements and send their opinions to the Responsible Division.

Verification process with customer software certification requested

- 6.30. When applying for certification of its software, the Prospective Business Partner must provide information stated in Appendix 3 hereto.
- 6.31. The Responsible Division together with the Exchange's IT division assesses the expected impact of Clients' use of the customer software on Moscow Exchange on the bases of information obtained from the Prospective Business Partner.
- 6.32. The IT Division verifies the customer software for compliance with the data processing rules as prescribed by the Moscow Exchange Customer Software Certification Procedure, and verifies the software in the testing environment.
- 6.33. Following the verification, the IT Division sends to the Responsible Division an opinion on technical compliance of the customer software to the Exchange's standards. If the software is fully in line with such standards, it is considered to have been certified.
- 6.34. In general, any customer software is certified for an unlimited period of time. The IT Division may decide to cancel certification in cases set out in clause 8.24 hereof.

Verification process with ExtraNet connection requested

- 6.35. When applying for connecting ExtraNet, the Prospective Business Partner must provide information stated in Appendix 4 hereto.
- 6.36. The Responsible Division together with the Network Division assesses the impact of ExtraNet on Moscow Exchange on the bases of information obtained from the Prospective Business Partner.

For the purpose of such assessment, the Responsible Division sends a relevant request to the Exchange's other structural divisions if necessary.

6.37. The Responsible Division and the Exchange's other structural division involved in the assessment in accordance with clause 6.40 hereof, verifies compliance with the Procedure for Liaising with ExtraNet Providers.

Verification process with application filed for accreditation as a Provider

6.38. Prospective Business Partners applied for accreditation as a Provider must meet the following criteria:

- (1) The presence of valid licenses for rendering: communication channels services; data transmission (other than voice transmission) services; telematics services. If the licenses have been valid for less than five (5) years by the application date, the applicant must submit its previous licenses being no longer valid;
- (2) The presence of technical facilities for rendering communication services with quality parameters available for configuration and permissions to operate communication structures from the Federal Service for Supervision of Communications, Information Technology, and Mass Media (the Roskomnadzor) in all following cities in which Moscow Exchange's branches and representative offices operate: Moscow, St. Petersburg, Nizhny Novgorod, Samara, Novosibirsk, Ekaterinburg, Kazan, Rostov-on-Don and Krasnodar;
- (3) The presence of quality monitoring systems for circuits and data transmission;
- (4) The presence of continuity and service quality management programs. Presence of the business continuity and recovery plan;
- (5) The presence of qualified staff (at least two employees per shift) with CCNP (Cisco Certified Network Professional, Routing and Switching) or higher certification, or similar certification obtained from the producer of network equipment in use;
- (6) The presence of call out teams able to resolve problems with a maximum response time of one-hour;
- (7) Proprietary fiber-optic communication links with a length of at least three hundred (300) km;
- (8) Income from communication services provided to companies being parts of one group must not exceed 30%;
- (9) Last year's revenues from communication services must be no less than RUB 100 million (one hundred million);
- (10) The Prospective Business Partner agrees to create and develop customized operator products for the Exchange and its Clients and ensure quality services according to a service level agreement (SLA) as high as required by the Exchange. The above-mentioned criteria are subject to publication on the Exchange's website.

6.39. When applying for accreditation as a Provider, the Prospective Business Partner must submit documents and information in accordance with Appendix 5 hereto.

- 6.40. The Responsible Division together with the Network Division and the Legal Division verify the Provider on the basis of information and documents obtained from the Prospective Business Partner.
- 6.41. The Network Division sends a report on the conformity of the Provider to the Exchange's criteria, to the Responsible Divisions. If the full conformity has been reached, the Provider is considered to have been accredited.
- 6.42. The resolution on the Provider's accreditation may be reviewed if the Provider does not meet the following requirements at the moment of signing the agreement:
- The Provider ensures 24/7/365 monitoring of service availability, including IP level;
 - The Provider has technical support of the network for Clients and the Exchange;
 - The Provider has a dedicated support number for the Exchange with a maximum average response time of one minute;
 - The Provider has a dedicated support number for Clients with a maximum average response time of one minute.

7. Making a decision following verification

- 7.1. The Exchange may reject cooperation with a Prospective Business Partner in the following cases:
- (1) It does not meet requirements set out in clauses 6.22-6.24 hereof;
 - (2) It does not meet special requirements specified in this Policy and Internal Documents for the relevant Type of Business Relation;
 - (3) Cooperation with the Prospective Business Partner would entail losses for Moscow Exchange and its exposure to reputational risks;
 - (4) Cooperation with the Prospective Business Partner would entail orders to be submitted/trades to be executed outside the TC SHS (except trading venues (exchange, trading systems, etc.) with turnover exceeding 30% of the Moscow Exchange Equity & Bond Market's turnover) by any third parties on the basis of data obtained from the TC SHS;
 - (5) Cooperation with the Prospective Business Partner would entail Moscow Exchange's real time market data being used for executing trades outside the TC SHS;
 - (6) Cooperation with the Prospective Business Partner would entail negative consequences for the TC SHS;
 - (7) Cooperation with the Prospective Business Partner violates information security principles;
 - (8) Cooperation with the Prospective Business Partner may cause legislation and other regulatory acts being violated;
 - (9) The time frames specified in clause 6.15 hereof are not observed.

- 7.2. If a Prospective Business Partner has passed the verification successfully, the Exchange makes a decision to initiate cooperation with such Business Partner. Such decisions are made without the relevant item being included on the agenda of the Supervisory Board.
- 7.3. The Executive Board of the Exchange is informed of Business Partners and new Business Partners/new agreements signed with them on a quarterly basis. Such information is delivered in the form of a report with Partners names and brief verification analysis provided.
- 7.4. Information on new business relationship including new partnership agreements is published on the Exchange's website, if necessary.
- 7.5. Where any concerns arise that would cause a Prospective Business Partner to be rejected, such business relationship is considered by the Executive Board of the Exchange. The Responsible Division submits verification materials from the dossier of the Prospective Business Partner including opinions of the Exchange's structural divisions.
- 7.6. The meeting of the Executive Board at which a Prospective Business Partner for which any concerns have arisen that would cause it to be rejected, is to be discussed, is held within **35 (thirty five) business days** from sending the Notice of principal verification initiation specified in clause 6.13 hereof to the Prospective Business Partner. The time frame may be changed by no more than **20 (twenty) business days** if any query was send in accordance with clause 6.18 hereof.
- 7.7. The Executive Board of the Exchange decides whether or not to establish business relationships with the Prospective Business Partner through the analysis of verification materials from the Partner's dossier including opinions of the Exchange's structural divisions.
- 7.8. The Responsible Division informs the Prospective Business Partner about the decision taken by post (if the negative decision was made), fax or email within **5 (five) business days** from:
 - 1) Making the positive decision in accordance with clause 7.2 hereof;
 - 2) Making the positive or negative decision by the Executive Board if the relevant item was included on the agenda of the Board.

If the decision is negative, the notice made in accordance with this clause includes also reasons for rejection.

8. Procedures for Existing Business Partners

General provisions

- 8.1. To ensure qualitative, safe and reliable technical connection to Moscow Exchange for Clients, to prevent damage (resulting from the use the Exchange's services) to reputation, infrastructure and information security of the Exchange and its Clients, as well as to avoid a negative impact on the TC SHS, Existing Business Partners of the Exchange are subject to scheduled and unscheduled verifications.
- 8.2. Scheduled verifications include the comprehensive verification of an Existing Business Partner for its compliance with the Exchange's standards of legal capacity, solvency and goodwill, as well as special requirements set for relevant Type of Business Relationship.
- 8.3. Any scheduled verification of an Existing Business Partner is carried out once in two years at the most in accordance with a schedule approved by the Responsible Division.
- 8.4. Any unscheduled verification is a prompt response of the Exchange to the following things:
 - 1) The Exchange has received information/identified details which prove/would prove non-compliance of the Existing Business Partner with the Moscow Exchange requirements;
 - 2) Any incident (glitch) occurring in connecting to the TC SHS.
- 8.5. Any unscheduled verification aims to identify and assess potential risks associated with further business relationships with the Existing Business Partner.
- 8.6. Information specified in clause 8.4 hereof may be obtained by the Exchange also from the following sources:
 - 1) Public sources (mass media, Internet, announcements made at conferences and forums, other public announcements, press releases, etc.);
 - 2) Based on results of the inspection carried out by the Security Department of the Exchange;
 - 3) From Clients and other partners, employees or shareholders of Moscow Exchange.

Information determined in this clause must be stored in the Existing Business Partner's dossier.

- 8.7. The scope of an unscheduled verification is not limited just to information giving rise to the verification, but may include also verification of the Existing Business Partner for its compliance with all requirements of the Policy.
- 8.8. Scheduled and unscheduled verifications are carried out in accordance with rules for verifying Prospective Business Partners set out in Article 6 hereof and other Internal Documents subject to exceptions outlined in this Article.
- 8.9. In carrying out any scheduled or unscheduled verification, the Responsible Division and other Exchange's structural divisions involved are entitled to request clarification on certain matters from the Existing Partner. Such Partner must reply by providing available information, giving explanations or indicating that information cannot be submitted. If the Partner fails to submit such information or unreasonably withheld it, the Responsible Division makes a relevant note in the Partner's dossier and Report on verification results.
- 8.10. Following a scheduled or an unscheduled verification a decision is made in accordance with the relevant clause of Article 8 hereof.

Procedure for scheduled verification

- 8.11. To initiate a scheduled verification, the Responsible Division sends to the Existing Partner a pertinent notice, the Questionnaire and the list of documents and information required for the verification under Appendix 2 hereto and the list of documents specified in Article 6 hereof with respect to certain Type of Business Relationship.
- 8.12. Any scheduled verification is carried out by employees of the Responsible Division and other structural divisions of the Exchange in accordance with Article 6 hereof. The Responsible Division produces the report on verification results.
- 8.13. Any scheduled verification does not suspend ongoing cooperation of Moscow Exchange and the Existing Business Partner except for cases of cooperation suspension given in the pertinent clause of Article 8 hereof.
- 8.14. Any scheduled verification takes **40 (forty) business days**. It may be prolonged by maximum **20 (twenty) business days** if any clarification is needed in accordance with clause 8.9 hereof.
- 8.15. If any facts specified in clauses 7.1 and 8.1 hereof are identified during a scheduled verification that prove a substantial risk for and/or threat to interests of Moscow Exchange or its Clients is to arise from further cooperation with the Existing Business Partner, the Responsible Division may initiate the suspension of such cooperation pursuant to Article 8 hereof.

Procedure for unscheduled verification

- 8.16. To initiate an unscheduled verification, the Responsible Division sends to the Existing Partner a pertinent notice and the list of documents and information determined by the reason of the verification and required for it to be carried out.

- 8.17. Any unscheduled verification takes **40 (forty) business days** starting from receiving all documents and information requested in accordance with 8.18 hereof by the Responsible Division.
- 8.18. If any facts are identified during an unscheduled verification that prove a substantial risk for and/or threat to interests of Moscow Exchange or its Clients is to arise from further cooperation with the Existing Business Partner, the Responsible Division may initiate the suspension of such cooperation pursuant to Article 8 hereof.

Verification procedure by type of business relationship

Provider verification

- 8.19. For the purpose of its regular service quality monitoring, a Provider must submit quarterly service quality reports to the Exchange with respect to services rendered to its Clients. Such reports are provided by the 15th day of the month following the end of the quarter. Quarterly reports are produced in the form of tables in accordance with Appendix 6 hereto.
- 8.20. The Exchange analyses the Provider's quarterly service quality reports, monitors service quality on its own and analyses Client complaints on a regular basis.
- 8.21. While carrying out scheduled and unscheduled verifications, the Responsible Division considers also information specified in clause 8.23 hereof. Provider's reports and other documents must be provided by the relevant structural division of the Exchange to the Responsible Division within **10 (ten) business days** from receiving the pertinent request.
- 8.22. During any scheduled and unscheduled verifications of Providers, the Responsible Division and other structural divisions monitor the following things:
- 1) Any service quality gaps on the side of the Provider;
 - 2) Any failures to meet the quarterly service quality reporting deadlines by the Provider;
 - 3) Any evidences of misrepresentations in the Provider's quarterly service quality reports;
 - 4) Any complaints from Clients about the quality and terms of the communications services, and the validity of such complaints;
 - 5) Any breaches of the service agreement between the Exchange and the Provider by the Provider;
 - 6) Any non-compliance of the Provider with this Policy or the service agreement between the Exchange and the Provider;
 - 7) Presence of any warnings issued for the Provider as part of unscheduled verifications.
- 8.23. The following circumstances serve as a ground to terminate business relationship with the Provider and the agreement between the Exchange and the Provider:
- 1) Recurring breaches stated in clause 8.22 hereof are committed;
 - 2) The Provider has not actually provided the services to the Client during 12 months.

Specifics of customer software verification

8.24. During any scheduled and unscheduled verifications, certification of customer software may be cancelled on the initiative of the Responsible Division if:

- The Exchange has introduced logic functions that require customer software recertification. In this case, the Exchange must add the recertification notice to the emails accompanying the distribution of the functionality for public testing;
- The Exchange has identified the use of uncertified functionality (i.e. functionality having been not submitted initially or new functionality marked by the Exchange for recertification);
- Certified software behaves abnormally that can have a negative impact on the TC SHS or Clients including those connected to other customer software to use the Exchange's services.

8.25. To restore certification cancelled pursuant to clause 8.24 hereof, a person concerned should submit a Request to the IT Division to undergo verification process in accordance with the Moscow Exchange Customer Software Certification Procedure and submit software for testing.

Suspension of business relations for verification period

8.26. Any business relations can be suspended if circumstances specified in clauses 7.1 and 8.1 hereof have been confirmed or the Moscow Exchange Market Data Policy has been breached materially or would be breached and direct or indirect evidences of such breaches including information from mass media and public statements can be provided. Business relations with Existing Business Partners are suspended until a decision is made based on results of a scheduled/unscheduled verification, but in any case for no longer than **90 (ninety) calendar days**.

8.27. If circumstances specified in clause 8.26 hereof are detected, the Responsible Division must prepare a business relation suspension proposal within 5 (five) business days. Such proposal must include risk factors, their assessment and be accompanied by confirming documents and information.

8.28. The Executive Board decides on the business relationship suspension on the basis of the suggestion of the Responsible Division.

8.29. If an Existing Business Partner cooperates with the Exchange in different areas, business relations with such Partner in areas other than that in question can be preserved provided that no negative effect is expected on reputation, infrastructure and information security of the Exchange and its Clients in such areas, and no breaches of the Moscow Exchange Market Data Policy have been detected.

8.30. The Responsible Division notifies the Existing Business Partner about the business relation suspension within **3 (three) business days** from making a relevant decision. Such notice must include reasons for the suspension and its consequences for the Existing Business Partner and its Clients.

Making a decision following scheduled/unscheduled verification

8.31. One of the following decisions can be made following a scheduled/unscheduled verification:

- The Existing Business Partner has successfully undergone verification and the business relationship is to be continued;
- The business relationship with the Existing Business Partner is to be terminated.

- 8.32. The decision to consider a scheduled/unscheduled verification to have been undergone successfully and continue the business relationship is made by the Head of the Responsible Division. The matter is not included on the agenda of the Executive Board.
- 8.33. If any circumstances have been identified that can serve as a ground to terminate business relationship with an Existing Business Partner, the Executive Board decides on further business relationship with such Partner. In this case, the Responsible Division provides members of the Board with the verification materials.
- 8.34. The Executive Board of the Exchange decides whether to continue business relationship with an Existing Business Partner by analyzing verification materials including reports of the Exchange's structural divisions involved in the verification.
- 8.35. The Responsible Division informs the Existing Business Partner about the decision taken by post, fax or email within **5 (five) business days** from:
- 1) Making the positive decision by the Head of the Responsible Division;
 - 2) Making the positive or negative decision by the Executive Board if the relevant item was included on the agenda of the Board.
- If the decision is negative, the notice made in accordance with this clause includes also reasons for the business partnership termination.

Приложение 1. Анкета

Appendix 1. Questionnaire

№	Вопрос/Question	Ответ/Answer	Комментарии/Comments
1.	Полное наименование компании/ Full company name		
2.	Адрес регистрации/ Registered office		
3.	Адрес местонахождения/ Location address		
4.	Страна регистрации/ Country of registration		
5.	Год регистрации/ Year of registration		
6.	Сведения о величине зарегистрированного и оплаченного уставного капитала/ Amount of the share capital		
7.	Оборот за последние 5 лет/ Overall turnover for the last 5 years		
8.	Основные виды деятельности/ Main activities		
9.	Список аффилированных юридических лиц/ List of affiliated companies		
10.	Основные виды деятельности аффилированных юридических лиц/ Main activities of affiliated companies		
11.	ФИО руководителя, членов коллегиального исполнительного органа, членов Совета Директоров, главного бухгалтера/ Full name of the CEO, members of the Executive Board, members of the Board of Directors, Chief Accountant		

12.	Список бенефициарных владельцев/совладельцев компании (включая акционеров владеющих 5% и более акций компании)/ List of the ultimate beneficial owners/co-owners of the company (including shareholders owned 5% and more of the Firm)		
13.	Членство компании в некоммерческих организациях/ Participation in non-commercial organizations		
14.	Список действующих лицензий/разрешений, относящихся к предлагаемому типу сотрудничества/ List of current licenses relevant to proposed Type of Business Relationship		
15.	Международные сертификаты соответствия, относящиеся к предполагаемому типу сотрудничества/ International Certificates of Conformity relevant to proposed Type of Business Relationship		
16.	Предполагаемый Тип Сотрудничества с Московской Биржей/ Proposed Type of Business Relationship with Moscow Exchange Group		
17.	Детальное описание предполагаемого сотрудничества с Московской Биржей/ Detailed description of proposed Type of Business Relationship with Moscow Exchange Group		
18.	Электронный адрес для последующего контакта по вопросам, связанным с прохождением оценки/ an e-mail address for further contacts relating to the assessment		

Просьба отправить заполненную анкету на адрес KYC@moex.com/ Please, send the completed questionnaire to [KYC @moex.com](mailto:KYC@moex.com)

В зависимости от указанных типов предполагаемого сотрудничества Вам будет выслан дополнительный запрос информации и документов/ Subject to the variant of assumed cooperation is opted, you will be requested to submit additional information and documents hereupon.

Appendix 2. List of documents

For legal entities:

- (1) State registration certificate of legal entity.

If the legal entity was registered before 01 July 2002:

- State registration certificate of legal entity;
- Certificate of an entry in the Unified State Register of Legal Entities for a legal entity registered before 01 July 2002.

- (2) Tax registration certificate.
- (3) A current version of the charter of the legal entity.

If the Charter has been amended through a separate document:

- The charter of the legal entity;
- The Charter as amended.

- (4) An extract from the Unified State Register of Legal Entities with information on the legal entity. Not older than two months.
- (5) Minutes (decision) of the authorised body of the legal entity on the appointment of the sole executive body of the legal entity (director, general director, etc.).
- (6) Power of attorney issued to a person acting on behalf of the Prospective/Existing Business Partner (if any).
- (7) Current licenses if applicable.
- (8) Tax clearance certificate.
- (9) The balance sheet and profit & loss statement as of the last reporting date.
- (10) Letter of commitment from the Prospective/Existing Business Partner with the following guarantees provided:
 - The guarantee of the Prospective/Existing Business Partner not being subject to liquidation proceedings; there is no arbitral award on its bankruptcy or initiation of bankruptcy proceedings;
 - The guarantee of operation of the Prospective/Existing Business Partner having been not suspended under the Russia's Code of Administrative Offences;
 - The guarantee of the Prospective/Existing Business Partner having no debts in taxes and levies and other compulsory payments to state budgets of any levels or government and state extra-budgetary funds.

For individuals:

- (1) A copy of an ID or other document of identification;
- (2) Consent for obtaining and/or processing personal data.

Appendix 3. List of documents and information for customer software

- (1) General information about customer software including developer's name and details;
- (2) Information about a Prospective Business Partner applying for customer software certification and belonging to a group of Russian and/or foreign exchange and non-exchange venues;
- (3) Information about the customer software used to trade on any Russian and/or foreign regulated exchange and non-exchange venues;
- (4) The Moscow Exchange's market on which the software is to be used;
- (5) Information about Moscow Exchange Clients planning to use the software (if available as of the application date);
- (6) Type of the software with the functionality specified (only obtaining market data or obtaining market data and sending transactions to the Moscow Exchange trading & clearing system);
- (7) Information on any other functions of the software. Especially required if such functions are not standard for such software;
- (8) Purpose of market data obtained via the software (in-house analytical or back office systems/proprietary trading system/further distribution also through publications on the website and in mass media, etc.

Appendix 4. List of documents and information for ExtraNet

- (1) Technical specifications of the ExtraNet network, including the following things:
 - Address space;
 - Multicast type;
 - Dynamic routing method;
 - Problem escalation procedures;
 - Operator's area of responsibility;
 - ExtraNet network topology;
- (2) Plans and policies on business continuity and recovery;
- (3) Company information security policy;
- (4) A written consent of the Prospective Business Partner to comply with rules of communication with Moscow Exchange, in particular to the following things:
 - Moscow Exchange controls access to its services via the ExtraNet network;
 - Moscow Exchange carries out routine audits of ExtraNet clients upon their access to its services including upon their receipt of market data in accordance with the Procedure for Liaising with ExtraNet Providers;
 - Introduction of a prescribed procedure for providing access to new clients with the place of the client specified.

Appendix 5. List of documents and information for Providers

(1) Copies of the following licenses:

- Communication channels license;
- Data (excl. voice data) transmission license;
- Telematics service license.

(2) Copies of permissions to use communication facilities;

(3) Documents confirming that a quality control system is in place;

(4) Copies of plans and policies on business continuity and recovery;

(5) A copy of a staffing table and copies of certificates;

(6) Information in free form on the Prospective Business Partner's profile and history;

(7) Documentary evidence of the communication service provision during at least 5 (five) years;

(8) Information in free form about the structure and size of the Prospective Business Partner's income;

(9) A copy of the audited financial statements for the last financial year;

(10) A list of the biggest companies to which the Prospective Business Partner provides communication services;

(11) Testimonials and references (if any).

Appendix 6.

Quarterly Report Form.

Quality of Provider Communication Services.

Form to review service quality parameters in the virtual private network IP VPN MX

No	Parameter	Value					Note
		Q1	Q2	Q3	Q4	Year	
1	The average* value of RTD** for 10 Mbit Client channel						
2	The average value of RTD for 100 Mbit Client channel						
3	The average value of RTD for 1000 Mbit Client channel						
4	RTD at the last mile to the Exchange's DC K 13						
5	PLR*** at the last mile to the Exchange's DC K 13						
6	RTD at the last mile to the Exchange's DC M1						
7	PLR at the last mile to the Exchange's DC M1						
8	Jitter**** in the network						
9	The total number of communication gaps detected						
10	Of which:						
11	Corrected within the set time limits						
12	The total number of communication gaps detected						
13	The total number of complaints recorded						
14	Of which:						

No	Parameter	Value					Note
		Q1	Q2	Q3	Q4	Year	
15	Number of reasonable complaints						
16	Of which:						
17	Reasonable complaints about organizational aspects of the service						
18	Reasonable complaints about technical aspects of the service						

* RTD is averaged for the quarter vs. the total number of the Provider's clients.

** Round-Trip Delay is the latency in milliseconds for 256 bite ICMP packets.

*** Packet Loss Ratio is the packet loss rate in quantitative terms with the standard rate of 1 packet/100,000.

**** Jitter must not exceed 40 ms between any two PE routers of the Provider in the virtual private network IP VPN MX.