

APPROVED

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INDEX CALCULATION METHODOLOGY

**THE MOEX STATE-OWNED COMPANIES INDEX
AND THE MOEX REGULATED COMPANIES INDEX**

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1. General provisions

1.1. The MOEX State-Owned Companies Index is a composite index of the stock market. It is calculated by the MICEX Stock Exchange (hereinafter the Exchange) based on the prices of on-exchange trades in shares of joint stock companies for which the Russian government (Russian Prime Minister or Deputy Prime Minister) acts as shareholder on behalf of the Russian Federation, as well as other shares recommended by the Federal Agency for State Property Management (Rosimuschestvo) (hereinafter "State-Owned Shares").

The MOEX Regulated Companies Index is a composite index of the stock market. It is calculated by the Exchange based on the prices of on-exchange trades in shares of natural monopolies included on the corresponding list of the Federal Tariff Service, and other shares recommended by the Federal Agency for State Property Management (Rosimuschestvo) (hereinafter "Regulated Companies Shares").

The MOEX State-Owned Companies Index and the MOEX Regulated Companies Index are hereinafter also referred to as the "Indices" or the "Index".

State-Owned Shares and Regulated Companies Shares are hereinafter also referred to as Shares.

A list of Shares used to calculate the Indices are hereinafter referred to as the "Lists of Constituents" or the "List of constituents".

1.2. The full name of the MOEX State-Owned Companies Index in Russian is "Индекс Московской Биржи акций компаний с государственным участием", the full names of the index in English are "MOEX State-Owned Companies Index" and "MICEX State-Owned Companies Index". The short names of the index in Russian are "Индекс MOEX госкомпаний" and "Индекс ММВБ госкомпаний", the short names in English are "MOEX StateCo Index" and "MICEX StateCo Index".

The full name of the MOEX Regulated Companies Index in Russian is "Индекс Московской Биржи акций компаний с регулируемой деятельностью", the full names in English are "MOEX Regulated Companies Index" and "MICEX Regulated Companies Index". The short names of the MOEX Regulated Companies Index in Russian are "Индекс MOEX регкомпаний" and "Индекс ММВБ регкомпаний", the short names in English are "MOEX RegCo Index" and "MICEX RegCo Index".

1.3. This methodology has been written with contributions from the Ministry of Economic Development and Rosimuschestvo.

1.4. Any amendments and supplements hereto may be made no more than once per quarter.

1.5. The text of the Methodology as amended and supplemented is published on the Exchange's website two weeks prior entering into force unless otherwise determined by the Exchange.

1.6. The terms and definitions used in this Methodology are used as defined in internal documents of the Exchange and Moscow Exchange, Russian laws, executive orders of the Government of the Russian Federation, regulatory acts

of the Bank of Russia, the Ministry of Economic Development, Rosimuschestvo and Federal Tariff Service.

2. General Index calculation procedure

2.1. The Index is calculated based on information about on-exchange trades in Shares included on the List of Constituents.

2.2. Dividends considering in calculating the Indices are determined as follows:

$$TD_n = \sum_{i=1}^N D_{in} \cdot Q_{in} ,$$

where:

N – number of Shares in the List of Constituents of the Index;

D_{in} – the size of dividends paid out for the i-th Share, in RUB;

Q_{in} – the total number of i-th Shares of the same category (type) issuing by one issuer.

2.3. Dividends expressed in points of the Indices:

$$ID_n = \frac{TD_n}{D_n} ,$$

where:

D_n – the Divisor at the n-th moment of the Index calculation.

The Divisor is the total value (capitalization) of all Shares as of the first day of the Index calculation adjusted for changes in the List of Constituents and the Index base value. On the first day of the Index Calculation, the Divisor is calculated as follows:

$$D_1 = \frac{MC_1}{I_1} ,$$

where:

MC_1 – the total value (capitalisation) of all Shares as of the first day of the Index calculation;

I_1 – the value of the Index as of the first day of the Index calculation.

2.4. The Divisor D_n is calculated as follows if the List of Constituents has been changed:

$$D_{n+1} = D_n \cdot \frac{MC'_n}{MC_n} ,$$

where:

D_{n+1} – the new value of the Divisor D;

D_n – the current value of the Divisor D;

MC_n – the total value of all Shares before the List of Constituents is changed;

MC'_n – the total value of all Shares after the List of Constituents is changed.

2.5. The total value of all Shares at the n-th moment of the Index calculation is calculated as follows:

$$MC_n = \sum_{i=1}^N P_i \cdot Q_i ,$$

where:

N – the total number of Shares;

P_i – the closing price of the i-th Share as of the n-th day;

Q_i – the total number of i-th Shares of one issuer.

2.6. The Index is calculated as follows by dividing the total value (capitalisation) of all Shares included on the List of Constituents at the time of calculating the Index by the Divisor:

$$I_n = \frac{MC_n}{D_n} ,$$

where:

I_n – the Index value at the n-th moment;

MC_n – the total value (capitalization) of all Shares as at the n-th moment. Determined in accordance with clause 2.2 hereof;

TD_n – the total dividends for Shares from the List of Constituents considered on day n, in RUB;

D_n – the Divisor at the n-th moment of the Index calculation.

2.7. The total return on the Indices with dividends reinvested is determined as follows:

$$TR_n = \frac{I_n + ID_n}{I_{n-1}}$$

where:

I_n – the value of the rouble-denominated price index on day n;

I_{n-1} – the value of the rouble-denominated price index on day n-1.

2.8. The Indices values are determined as follows:

$$ITR_n = ITR_{n-1} \cdot TR_n .$$

2.9. The Indices are calculated once a year by the end of the last trading day of the calendar year.

2.9.1. Additionally, the Exchange calculates the average values of the Indices for December of each calendar year.

2.10. The following base values determined on 30 December 2011 are used to calculate the MOEX State-Owned Companies Index:

The Index (I₁) = 1,000;

The total value of all Shares (MC₁) = RUB 11,911,072,984,256.50;

The Divisor (D₁) = RUB 11,911,072,984.26.

The following base values determined on 30 December 2011 are used to calculate the MOEX Regulated Companies Index:

The Index value (I_1) = 1,000;

The total value of all Shares (MC_1) = RUB 1,159,250,975,706.43;

The Divisor (D_1) = RUB 1,159,250,975.71.

2.11. The total value of all Shares at the n-th moment of the Index calculation is determined as follows:

$$MC_n = \sum_{i=1}^N P_i \cdot Q_i ,$$

where:

N – the total number of Shares;

P_i – the closing price of the i-th Share on the n-th day;

Q_i – the total number of the i-th Shares of one issuer.

2.12. The Indices are expressed in basis points and calculated to 2 decimal places.

2.13. The total number of Shares (Q_i) is determined as the total number of the i-th shares of the primary issue less shares acquired by the issuer and retired shares unless otherwise established by the Exchange.

2.14. The Exchange also calculates the weight of certain Shares in the total value of all shares included on the List of Constituents (hereinafter the Weight) as follows:

$$Wght_i = \frac{P_i \cdot Q_i}{\sum_{i=1}^N P_i \cdot Q_i} \cdot 100\%$$

where:

Wght_i – the Weight of the i-th Shares;

P_i – the price of the i-th Share;

Q_i – the total number of the i-th Shares;

N – the total number of Shares.

3. Composing the Lists of Constituents

3.1. Shares are added to and removed from the List of Constituents when the List is reviewed.

3.2. The Exchange reviews the Lists of Constituents a maximum of once a year, except for cases provided for in this Methodology. After being reviewed, the updated List of Constituents comes into force at the main trading session of the first trading day of the calendar year. The Exchange may set other dates for the reviewed Lists of Constituents to come into force.

3.3. The Exchange submits lists of Shares under consideration to be added to the Lists of Constituents to Rosimuschestvo at least one month prior to their coming

into force. Such lists are formed on the basis of an expert opinion on the Shares liquidity for the last 12 months.

3.4. Constituents of the Indices are finalized on the basis of a list of shares to be added send by Rosimuschestvo to the Exchange not later than three weeks before the List of Constituents comes into force.

3.5. Any extraordinary review of Lists of Constituents is carried out if one of the following takes place:

- Rosimuschestvo has send a pertinent notice to the Exchange;
- A Share has been removed from the list of securities admitted to trading on the Exchange;
- In any other cases that may have a substantial effect on the Index.

3.6. The Exchange publishes information on a regular review of the Index on its website at least two weeks before the new List of Constituents is to come into force.

3.7. The Exchange publishes information on an unscheduled review of the Index on its website at least one day before the new List of Constituents is to come into force.

4. Indices calculation control

4.1. If circumstances occur that may adversely impact how accurately the Indices reflect the actual condition of the market of state-owned shares and/or regulated companies shares, the Exchange has the right to undertake any action necessary to ensure the accuracy of the Indices, including removing Shares from the List of Constituents and/or suspending the Indices.

5. Publication

5.1. The Indices values (see clause 2.9 hereof) for the last trading day of the calendar year are published on the Exchange's website by 12:00 pm MSK on the third trading day of the new year. They may also be disclosed in various ways, including via information agencies which distribute Exchange market data.

5.2. Lists of Constituents, the total number of the i -th Shares (Q_i), the Weight of the i -th Shares and values of the Indices for their lifetime are publicly available on the Exchange's website.