

**APPROVED**

by the Board of Directors  
MICEX Stock Exchange  
31 July 2015, Minutes No.25

## **PROVISIONS ON THE COLLECTIVE INVESTMENT MARKET COMMITTEE OF CLOSED JOINT STOCK COMPANY MICEX STOCK EXCHANGE**

### **1. GENERAL PROVISIONS**

- 1.1. These Provisions on the Collective Investment Market Committee of Closed Joint Stock Company MICEX Stock Exchange (hereinafter "the Provisions") are developed in accordance with the laws and regulations of the Russian Federation, the Charter of Closed Joint Stock Company "MICEX Stock Exchange" (hereinafter "the Exchange"), and other internal documents of the Exchange. These Provisions establish the tasks, functions, formation, working and decision making procedures for the Collective Investment Market Committee of Closed Joint Stock Company "MICEX Stock Exchange".
- 1.2. The Collective Investment Market Committee of Closed Joint Stock Company "MICEX Stock Exchange" (hereinafter "the Committee") shall act in compliance with these Provisions, the Charter of the Exchange, resolutions of the Board of Directors and executive bodies of the Exchange, internal documents of the Exchange and Russian Federation laws and regulations.
- 1.3. The Committee shall be the permanent negotiating body of the Exchange.
- 1.4. The Committee shall not act on behalf of the Exchange or their executive bodies, or impose legally valid obligations on their executive bodies.
- 1.5. These Provisions and amendments hereto shall be approved by the Board of Directors of the Exchange and take effect from the date of approval thereof unless the other date is determined by the Board of Directors of the Exchange or by the General Director of the Exchange as instructed by the Board of Directors.
- 1.6. These Provisions as amended and supplemented shall be published on the Exchange's website.

### **2. TASKS AND FUNCTIONS OF THE COMMITTEE**

- 2.1. The Committee's general task is to represent professional securities market participants at the Exchange in order to ensure full and comprehensive consideration of their interests in matters related to the collective investment market development.

2.2. The Committee functions to:

- 2.2.1. Develop proposals and recommendations to improve trading in mutual funds on the Exchange's Equity Market;
- 2.2.2. Produce an expert opinion on adaptation of global practices in developing an on-exchange collective investment market to Russia and provide relevant proposals with respect to the Exchange's Equity Market to the Exchange's Directorate;
- 2.2.3. Provide solutions for communicating with Russia's legislative and regulatory bodies with respect to improvements to the legal framework of the on-exchange collective investment market;
- 2.2.4. Develop proposals and recommendations on communications with professional securities market participants regarding initiating new and changing existing instruments of the on-exchange collective investment market;
- 2.2.5. Produce and get approvals for methodologies for calculating financial indicators of the collective investment market and other indicators as well as any amendments to such methodologies;
- 2.2.6. Deal with claims and suggestions from users of financial indicators specified in Clause 2.2.5 hereof, as well as produce and implement changes jointly with the Exchange following any reasonable and material claim.

2.3. In exercising the functions specified in Clauses 2.1 and 2.2, the Committee shall be entitled to:

- 2.3.1. Discuss the issues placed for considerations at the meetings of the Committee.
- 2.3.2. Hear from Exchange's representatives if necessary, as well as from attendees at the meetings of the Committee.
- 2.3.3. Develop proposals and recommendations on the issues placed for consideration.
- 2.3.4. Perform other actions towards performance of tasks in accordance with these Provisions and internal documents of the Exchange.

2.4. The Committee may engage the representatives of state authorities, scientific and other organisations in the capacity of experts or consultants.

2.5. The Committee's resolutions shall be of advisory and informational nature for executive bodies and/or the Board of Directors of the Exchange in adopting relevant resolutions.

### **3. PROCEDURE FOR THE COMMITTEE FORMATION**

3.1. The Committee is set up by a decision of the Board of Directors of the Exchange. It is created for an indefinite period of time and may be abolished at any moment by the Board.

3.2. Participation in the Committee shall be voluntary, personal and uncompensated unless otherwise is determined by the Board of Directors of the Exchange.

- 3.3. The following persons may be among members of the Committee:
- Representatives of professional securities market participants, asset management companies and Exchange's other clients trading on the securities market;
  - representatives of issuers;
  - representatives of self-regulated organisations;
  - representatives of other organisations and independent experts those activity related to securities market.
- 3.4. The Committee members shall have the qualification, knowledge and experience necessary for performance of the tasks and functions of the Committee in accordance herewith.
- 3.5. The quantitative membership of the Committee shall be determined by the Board of Directors of the Exchange and shall not be less than seven (7) and more than twenty-five (25) persons.  
Members of the Committee are elected by the Board of Directors of the Exchange out of candidates on an annual basis.  
A list of candidates for appointment to the Committee is produced by the Directorate of the Exchange on the basis of applications submitted to the Exchange by persons that meet requirements specified in Clauses 3.3 and 3.4 hereof. Such application must be produced in accordance with the form given in Appendix 1 hereto. The candidate's written consent for personal data processing is enclosed to the application.  
If the number of Applications for membership in the Committee exceeds the established number of members in the Committee, the Directorate of the Exchange may advise the Board of Directors on the Committee composition.
- 3.6. The elected group of the Committee members shall remain in force until the Board of Directors of the Exchange elects the new group of the Committee members.
- 3.7. As proposed by the Chairperson of the Committee and/or the Directorate, a member of the Committee may be excluded from the Committee by the Board of Directors of the Exchange in case he/she has not participated (and has not submitted written opinions or filled-in voting bulletins on the issues under consideration) in three (3) and more meetings of the Committee. Such a person may not also be proposed (nominated) for election to the new Committee.
- 3.8. A member of the Committee may early withdraw from the Committee having notified the Exchange to that effect by sending a written application.  
A member of the Committee may be as well excluded from the Committee by the Board of Directors of the Exchange if so proposed by the organisation that had nominated the Committee member as the representative thereof. In that case such organisation shall be entitled at the same time to propose a new candidate being the representative thereof to the Committee.  
The powers of the Committee member are considered to be terminated after the Board of Directors of the Exchange adopts a relevant resolution on exclusion of such a member.

- 3.9. To ensure more efficient work, the Committee may create working groups the activity of which shall be focused at consideration of certain issues to the extent of the tasks performed by the Committee.
- 3.10. The Committee Chairperson and his/her deputies shall be elected by the Board of Directors of the Exchange upon the proposal of the Exchange.
- 3.11. The documental and technical support for the Committee shall be provided by the Committee Secretary appointed by the General Director of the Exchange among the Exchange employees. In case of absence of the Secretary, the General Director shall appoint a person to function as a Secretary among the Exchange employees.

#### **4. COMMITTEE CHAIRPERSON AND DEPUTIES**

4.1. The Committee Chairperson shall organise the Committee work and perform the following functions:

- manage the Committee activity;
- approve the agenda as well as determine the date, time, place and the form of the meetings holding;
- determine the list of persons invited for participation in the Committee meeting;
- convene the Committee meetings and organise discussion of issues at the Committee meetings;
- take chair at the Committee meetings;
- organise taking of Minutes of the Committee meetings and sign the Minutes of the same;
- fix the time limits of the Committee working and control the observation thereof;
- allocate duties among the Committee's members;
- participate in the Committee meetings and have the casting vote in case of equality of votes;
- represent the Committee when interacting with the Board of Directors, executive bodies of the Exchange, other bodies and persons;
- perform other functions related to the Committee activity in accordance with Provisions and internal documents of the Exchange.

4.2. In the absence of the Committee Chairperson, the functions thereof shall be performed by the Deputy Committee Chairperson, and in case of election of several deputies — one of Deputies upon the resolution of the Committee. In the absence of the Chairperson or the deputies thereof at the Committee meeting, the members of the Committee shall elect a person to take the chair of those attending the meeting.

#### **5. RIGHTS AND OBLIGATIONS OF THE COMMITTEE MEMBERS**

5.1. The Committee members shall be entitled to:

- 5.1.1. Propose issues on the agenda with regard to the tasks and functions of

the Committee specified in Section 2 hereof;

- 5.1.2. Participate in meeting of the Committee and vote on the agenda items;
- 5.1.3. Submit written opinion on the issues of the agenda with regard to the requirements provided for in clauses 8.3 and 8.4 hereof if their attendance at the meeting is impossible for the good reason;
- 5.1.4. Receive information on the Committee activity;
- 5.1.5. Early resign from the Committee.

5.2. The Committee members shall:

- 5.2.1. Not use the powers granted thereto for the purposes contradictory to the Exchange interests and damaging the Exchange's business reputation;
- 5.2.2. Exercise their rights and obligations in respect of the Exchange in good faith and in a reasonable manner;
- 5.2.3. For the purpose of preventing the conflict of interests in the course of carrying out activity by the Exchange, avoid actions which may cause property loss to the Exchanges and/or their customers;
- 5.2.4. Participate in meetings of the Committee, and also vote in absentia when resolutions at the meetings are adopted by absentee vote;
- 5.2.5. Observe the requirements of the Exchange's internal documents regulating Exchange's activity to the extent related to the Committee activity;
- 5.2.6. Not disclose and use in their own interests or in the interests of the third parties the information became known thereto and comprising the confidential information (including the commercial secret of the Exchange) as determined by the internal documents of the Exchange, as well as insider and other information the access to which is limited by internal documents of the Exchange.
- 5.2.7. Fulfil other obligations provided for hereby and other internal documents of the Exchange.

## **6. PROCEDURE FOR PREPARATION OF THE COMMITTEE MEETING**

- 6.1. The Committee meetings shall be held as and when necessary. The Committee meets usually in the form of joint presence. The decision on holding the meeting in the form of joint attendance or in the form of absentee voting shall be taken by the Committee Chairperson or a person functioning for him/her and announced to the Committee members by sending of the meeting agenda by the Committee Secretary.

- 6.2. The meeting agenda sent to the Committee members shall contain:
- the form of the meeting holding (joint attendance or absentee voting);
  - the date, place and time of the meeting, or, in case of holding the meeting in the form of absentee voting;
  - the closing date for receipt of voting ballots, an email (for sending copies of voting ballots) and a postal address for sending completed voting ballots;
  - wording of the meeting agenda issues put to vote;
  - other information necessary for the meeting holding;
  - signature of the Committee Chairperson or the person functioning for him/her.
- 6.3. The Committee meetings shall be held, as a rule, at the Exchange location.
- 6.4. The Committee meetings shall be convened by the Committee Chairperson or a person exercising his/her functions, at his/her own initiative, upon request of the General Director of the Exchange, a member of the Directorate, a member the Board of Directors or as proposed by a member of the Committee.
- 6.5. The Committee Chairman or a person exercising his/her functions shall be entitled to refuse the convocation of the Committee meeting if the issue does not refer to the tasks and functions of the Committee specified in Section 2 hereof.
- 6.6. When preparing the Committee meeting, the Committee Secretary on behalf of the Committee Chairperson shall address the General Director (or the authorised person) with proposals on the date, agenda and the list of activities necessary to prepare for the meeting.
- The General Director (or the other person authorised by the General Director) shall instruct the directors of the interested business divisions of the Exchange on preparations of materials for the agenda issues (draft resolution, and/or other required materials, including draft internal documents).
- The General Director (or the authorised person) decides on the content and the scope of materials to be prepared, as well as necessity to prepare such documents.
- 6.7. The issues for consideration of the Committee may be brought by the General Director, Directorate of the Exchange (or a member of the Directorate) or representatives of the Exchange's clients with trading turnover of more than 1% of the total annual turnover of the Exchange by day of including the issue on the agenda. All necessary materials shall be sent to the Committee Secretary along with the proposals on the agenda issues.
- On the basis of the submitted issues the Committee Secretary shall prepare and submit for approval the agenda to the Committee Chairperson.
- The Committee Secretary shall mail out to the Committee members the agenda approved by the Committee Chairperson and the necessary materials (if any) at least 3 business days prior to the date of the Committee meeting or the end date for voting ballots return. Pre-reads and documents shall be sent to Committee members by e-mail or handed over against signature. In the event

that pre-reads do not include a draft resolution on the agenda item, the members of the Committee should be notified that the resolution shall be formulated during the meeting in the form of joint presence of the members. If earlier sent pre-reads have been substantially amended, such materials should be sent again along with summary of corrections made thereto. At the meeting all Committee members should be provided with a complete set of materials on all agenda items taking account of corrections made thereto during preparation for the meeting.

6.8. The Committee meetings may be held without joint attendance of the Committee members (i.e. in the form of absentee voting). If the meeting is held in the form of absentee voting, materials should include voting ballots on agenda items.

6.9. A voting bulletin shall contain the following information:

- full company name of the Exchange;
- closing date for the voting bulletins return;
- postal address and an email where the filled-in voting bulletins shall be sent to;
- wording of resolution for each issue put for vote and the variants of voting thereon expressed by wordings "for", "against" and "abstain";
- note that the bulletin shall be signed by the Committee member.

6.10. If the Committee needs to give a prompt consideration to an issue, timeframes for sending notification with all necessary materials and documents as determined in Clause 6.7 of the Provisions may be reduced if so agreed with the Committee Chairperson. In that event the members of the Committee shall be notified on prompts decision making on the issue in accordance with procedures set forth in Clause 6.7 hereof.

6.11. In case of circumstances causing impossibility or difficulty for holding of the Committee meeting on which the Committee members are notified, a date of a meeting on the planned agenda may be postponed upon decision of the Committee Chairperson (or his/her deputy if the Chairman is absent).

6.12. All members of the Committee shall be notified on change of the date and (or) the time of the Committee meeting.

6.13. The Exchange should notify the Bank of Russia on Committee meeting in accordance with procedures set by the Bank of Russia not later than two working days before the date of the meeting or the end date for voting ballots return. If the issue needs a prompt attention of the Committee as described in clause 6.10 herein, the Bank of Russia should be notified not later than the date of the meeting. Notification should be accompanied with the agenda and materials on agenda items (if available). If earlier sent pre-reads have been substantially amended, such materials should be sent again along with summary of corrections made thereto.

## **7. HOLDING THE MEETINGS OF THE COMMITTEE**

7.1. The Committee Chairperson shall organize the Committee meetings in

accordance with the agenda of the meeting determined thereby.

- 7.2. As agreed by all Committee members attending the meeting, the issues not preliminary included in the meeting agenda may be considered at the Committee meeting held in the form of joint attendance.
- 7.3. The members of the Directorate, General Director Deputies, and heads of divisions of the Exchange, the persons who prepared the materials on the issues under consideration at the meeting, the Exchange's employees and other persons may be invited to attend the Committee meeting.
- 7.4. Upon completion of consideration of each issue of the Committee meeting agenda the person presiding at the Committee meeting shall announce the voting results and the resolution adopted on the issue.
- 7.5. Quorum for the Committee meeting holding shall amount to not less than a half of the total number of the elected members of the Committee. If there is no quorum for the Committee meeting holding, the Committee Chairperson (his/her deputy if the Chairperson is absent) shall take a decision on holding of one more meeting with the same agenda or inclusion of the issues to be considered at the failed meeting into the next Committee meeting agenda.
- 7.6. At a meeting of the Committee the audio, video records may be kept or other recording of the meeting proceedings or individual agenda issues considered at the meeting, with the use of technical means of the Exchange.
- 7.7. A member of the Committee present at the meeting may record the meeting's process in general/specific issues with the use of technical means ("recording the meeting") if only he has been authorised for that before the meeting in accordance with these Provisions.
- 7.8. A member of the Committee wishing to record the meeting must contact the Chairperson the secretary by email on this matter at least 2 (two) business days before the meeting. He should also indicate agenda items he wishes to record.  
  
The secretary forwards the member's request to the General Director of the Exchange. The General Director consults with the legal counsel and the security service and then formulates the Exchange attitude to such recording.
- 7.9. Before discussing agenda items, the Chairperson or any other person chairing the meeting must specify the attitude of the Exchange to recording the meeting by a member of the Committee if the member requests such recording. If the Exchange permits recording, the Chairperson or any other person chairing the meeting asks all members of the Committee present at the meeting on their permission to record the meeting by such member.
- 7.10. Using technical facilities to record the meeting by a member of the Committee is allowed if:



- 1) Materials considered at the meeting do not include any confidential information;
  - 2) The Exchange has permitted recording (the relevant resolution is announced to a person chairing the meeting by an authorised employee of the Exchange present at the meeting);
  - 3) All members of the Committee present at the meeting have unanimously agreed with the meeting recording.
- 7.11. A member of the Committee who has been authorised to record the meeting is not allowed to:
- Transfer information received with any technical facilities applied to any third parties as well as publishes such information in the public domain (Internet, mass media, etc.);
  - Use information received with any technical facilities applied for purposes that do not meet interests of the Exchange.
- 7.12. A member of the Committee using any technical facilities to record the meeting without pertinent permission received in accordance with the procedure established in these Provisions may be removed from the meeting by the chair.
- 7.13. If any claim and/or suggestion regarding the creation of financial indicators specified in Clause 2.2.5 hereof has been received by the Committee from users, the relevant item is added to the agenda of the next meeting of the Committee in accordance with the procedure set out in Section 6 hereof.

The Committee decides on such claims and/or suggestions in accordance with the procedure set out in Section 8 hereof.

## **8. PROCEDURE FOR RESOLUTION ADOPTION BY THE COMMITTEE**

- 8.1. At the Committee meeting the resolutions shall be adopted by the majority of votes of the members attending the meeting.
- 8.2. When taking decisions on the issues at the Committee meeting, each member of the Committee shall have one vote. Transfer of the voting right by the Committee member to a third person, including to another member of the Committee shall not be allowed. In case of equality of votes of the Committee members, the vote of the person presiding at the meeting shall be casting.
- 8.3. The Committee member being absent at a meeting of the Committee shall be entitled to send his/her written opinion on the issues included on the Committee meeting agenda which shall be taken into account when determining quorum and voting provided that the conditions specified in clause 8.4 hereof are observed.
- 8.4. To determine the quorum and results of voting on an agenda item it is possible to take into account the written opinion of a Committee member

absent from the meeting provided that the following conditions are met:

- the written opinion is submitted prior to the start of the meeting in the form of the original document or by e-mail followed by sending the original document;
- the Committee member has expressly determined his/her position on the issue having specified in the written opinion one of the voting variants on the proposed resolution draft — "for", "against" or "abstain";
- the written opinion shall be signed specifying the surname and initials of the Committee member.

The written opinion containing corrections and remarks on the proposed resolution draft shall not be taken into account when determining the quorum and the voting results. In case the corrections in the resolution draft have been made at the Committee meeting, the written opinion shall not be as well accounted when determining quorum and the voting results.

When determining the quorum and the voting results, the written opinions shall be accounted for each issue of the meeting agenda separately, that shall be recorded in the Minutes of the Committee meeting.

8.5. Those members of the Committee shall be deemed attended the Committee meeting held in the form of absentee voting who returned the filled in bulletins to the Exchange in the form of original documents prior to or at the closing date of the voting bulletins acceptance or received by the Exchange e-mail (followed by submission of the original bulletin to the Committee Secretary).

8.6. The voting on matters put to vote shall take into account votes on such matters where only one of the voting options – "for", "against", or "abstain" – remains undeleted. The unnecessary voting options should be crossed out.

Ballots shall be recognised invalid if more than one of the possible ballot options remains undeleted on all matters put to vote specified therein.

If more than one voting option remains undeleted on one or several matters specified in the ballot, votes on such matters put to vote shall not be counted.

If during the vote count there are two or more completed ballots with different voting options left on one and the same matter, such ballots shall be recognised invalid with respect to the voting on this matter.

If the voting ballot carries notes or amendments to one or several matters put to vote, the votes on such matters shall not be counted.

The voting ballot recognised invalid with respect to voting on one, several or all matters voted on within this ballot, shall not be the reason for excluding votes on the said ballot when the quorum of the Committee meeting held in absentia is decided.

The voting ballot shall be signed by the Committee member.

## **9. MINUTES OF THE COMMITTEE MEETING**

9.1. The Minutes of the Committee meeting shall be executed by the Committee Secretary not later than in ten (10) business days from the date of holding

thereof in two original copies and signed by the person having taken the chair at the Committee meeting.

- 9.2. In the Minutes of the Committee meeting there shall be specified:
- the form, place and time of the Committee meeting;
  - persons attending the meeting;
  - agenda of the meeting;
  - issues put to vote, proposed wording of resolutions and voting results thereon;
  - resolutions adopted;
  - written opinions of the members absent at the Committee meeting subject to Clauses 8.3-8.4 hereof, as well as opinions and recommendations of the persons invited to attend the Committee meeting.
- 9.3. The original Minutes of the Committee meetings shall be kept by the Committee Secretary and in the archive of the Exchange. The minutes of the Committee meetings shall be enumerated by continuous consecutive numbering in a chronological order. The Minutes and materials to the Committee meeting shall be filed separately and stored in accordance with the procedure established for restricted data.
- 9.4. Copies of the minutes of the Committee meetings or extracts therefrom shall be signed by the Committee Secretary and may be transferred by the Committee Secretary to the Committee members and interested business units of the Exchange at their written request, as well as to other interested persons upon the General Director's instruction in accordance with the procedure established in the Exchange.
- 9.5. Copies of the Minutes of the Committee meetings shall be sent to the Committee members in electronic format by the Committee Secretary not later than in 3 (three) days from the signing thereof.

## **10. LIABILITY OF THE COMMITTEE MEMBERS**

- 10.1. The Committee members shall be liable for failure to fulfil or improper fulfilment of the obligations imposed thereupon having caused losses the Exchange in accordance with the laws of the Russian Federation and other internal documents of the Exchange.

**Appendix 1**  
**Provisions on**  
**the Collective Investment Market Committee**  
**Closed Joint Stock Company**  
**MICEX Stock Exchange**

to the General Director  
MICEX Stock Exchange

**APPLICATION**  
**for inclusion in the list of candidates for election to the Collective Investment**  
**Market Committee of MICEX Stock Exchange**

You are requested to include me,

\_\_\_\_\_

*(full name)*

in the list of candidates for election to the Committee.

**Brief data:**

Date of birth:

\_\_\_\_\_

Educational background (please specify the educational institutions):

\_\_\_\_\_

Employment history (please specify the companies and positions held in the last three years):

\_\_\_\_\_

\_\_\_\_\_

Membership in the management bodies of other legal entities:

\_\_\_\_\_

\_\_\_\_\_

Miscellaneous (at discretion of the applicant):

\_\_\_\_\_

\_\_\_\_\_

Contact telephone number, e-mail address:

\_\_\_\_\_

Herewith I undertake:

to comply with requirements of Provisions on the Committee;

- not to disclose and not to use in my own interests or in the interests of the third parties the information having become available to me.

I acknowledge the right of MICEX Stock Exchange to authorise or restrict the access to the information in connection with Committee meetings, inclusive of the right to permit or restrict records keeping of meeting proceedings using technical means.

"\_\_"\_\_\_\_20\_\_.

\_\_\_\_/\_\_\_\_\_

*(name.)*