

**Approved by**  
the resolution of the Moscow Exchange  
Supervisory Board  
dated December 28, 2016, Minutes No. 12

Chairman of the Supervisory Board

A.L. Kudrin

**POLICY**  
**on Remuneration and Compensations**  
**to the Members of the Supervisory Board**  
**of Public Joint-Stock Company**  
**«Moscow Exchange MICEX-RTS»**

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## **1. Policy Goals and Objectives**

- 1.1. This Policy on Remuneration and Compensations to the Members of the Supervisory Board of Public Joint-Stock Company «Moscow Exchange MICEX-RTS» (hereinafter, "the Policy") has been developed in accordance with the Federal Law on Joint-Stock Companies, other regulations of the Russian Federation, the Charter of Public Joint-Stock Company «Moscow Exchange MICEX-RTS» (hereinafter, "Moscow Exchange" or "the Company") and the Corporate Governance Code recommended by the Bank of Russia, for the purpose of attracting professionals with adequate competency and qualification level to the Moscow Exchange Supervisory Board, retaining and properly motivating them to efficiently perform their duties as Supervisory Board members.
- 1.2. The Policy describes the basic principles of the Moscow Exchange Supervisory Board members remuneration system and the approaches used to define their remuneration amounts; it also specifies the list of reimbursable expenses and the level of service provided to the Supervisory Board members.
- 1.3. The Policy shall be drawn up by the Nomination and Remuneration Commission of the Moscow Exchange Supervisory Board and approved (amended) by a resolution of the Moscow Exchange Supervisory Board subject to a recommendation of the Nomination and Remuneration Commission of the Moscow Exchange Supervisory Board.

## **2. Principles of the Moscow Exchange Supervisory Board Members Remuneration System**

- 2.1. The Moscow Exchange Supervisory Board members remuneration system shall be underpinned by the interrelated principles of accessibility, transparency and completeness, adequacy, practicability and soundness as well as the principle of individual remuneration depending on the contribution of each Supervisory Board member.
- 2.2. The accessibility principle implies that the Company uses clear mechanisms to determine the amount of remuneration and compensation due to the members of the Moscow Exchange Supervisory Board, and the information on the remuneration and compensation system is readily accessible to all concerned.
- 2.3. The transparency and completeness principle means that Moscow Exchange ensures timely and complete disclosure of information regarding the Moscow Exchange Supervisory Board members remuneration system and the size of each individual remuneration amount related to the Supervisory Board functions, as well as any compensations, associated with the participation in the activities of the Supervisory Board, in accordance with the laws of the Russian Federation and Moscow Exchange internal regulations. The Policy and other applicable internal regulations of Moscow Exchange regulate all types of payments, benefits, and privileges enjoyed by the Supervisory Board members.
- 2.4. The adequacy, practicability and soundness principle means that the amount of remuneration due to the Supervisory Board members should be sufficient to motivate them to work efficiently; the level of remuneration should be benchmarked against the remuneration levels adopted by other companies of similar size and capitalization.
- 2.5. To make sure that the remuneration of each individual Supervisory Board member depends on his/her contribution, the following shall be taken into account: firstly, the distribution of duties among the members of the Supervisory Board and their corresponding levels of responsibility and workload; and secondly, the commitment of each member to the Supervisory Board activities which allows to judge his/her performance as diligent and meaningful.

### **3. Approaches to Determining the Amount of Remuneration to the Moscow Exchange Supervisory Board Members**

- 3.1. All Moscow Exchange Supervisory Board members, with the exception of those who are employed by Moscow Exchange or any of its subsidiaries as officers or and government officials and officers of the Bank of Russia, shall be paid a basic fee and additional remuneration for their performance as the Moscow Exchange Supervisory Board members in the amount defined in the Regulations on Remuneration and Reimbursements to the Members of the Supervisory Board of Public Joint-Stock Company «Moscow Exchange MICEX-RTS» (hereinafter, “the Regulations”).

Remuneration related to the performance of the Supervisory Board member functions shall not be paid to government officials and employees of the Bank of Russia who serve as members of the Supervisory Board, as it is forbidden by law for them to receive remuneration from legal entities for the performance of the Supervisor Board member role.

Remuneration related to the performance of the Supervisory Board member functions shall not be paid to employees and managers of the Exchange and its subsidiaries as the said persons receive remuneration for the performance of their employment functions.

- 3.2. The level of remuneration paid by Moscow Exchange to the Supervisory Board members should be sufficient to enable it to attract, motivate and retain persons having required skills and qualifications. The Nomination and Remuneration Commission of the Moscow Exchange Supervisory Board shall provide recommendations on the level of remuneration to be paid to the Supervisory Board members based on the expert assessment of the levels of remuneration adopted by other Russian companies with similar capitalization and Moscow Exchange competitors, including the results of external benchmarking initiated by the Nomination and Remuneration Commission of the Moscow Exchange Supervisory Board. When preparing its recommendations, the Nomination and Remuneration Commission shall adhere to the target remuneration levels in similar companies. Any deviations in either direction shall be justified and in line with the actual performance corresponding to the overall growth demonstrated by Moscow Exchange and the finance industry in general.
- 3.3. The basic fee of a Supervisory Board member shall depend on whether such member is independent or not. The basic fee of independent Supervisory Board members shall be higher than that of members who are not independent, because independent Supervisory Board members are subject to certain restrictions necessary to conform to the criteria of independence.
- 3.4. Differentiated additional remuneration in the amount defined in the Regulations shall be paid to Supervisory Board members for the performance of additional duties of the Chairman of the Supervisory Board, the Deputy Chairman of the Supervisory Board, the Chairman of a Supervisory Board Commission or a member of a Supervisory Board Commission which require additional time and efforts.
- The duties of the Chairman of the Supervisory Board and the Chairman of a Supervisory Board Commission are associated with a higher workload and level of responsibility and therefore the amount of remuneration due for the performance of these functions shall be two times higher than the additional remuneration due to the Deputy Chairman of the Supervisory Board and members of Supervisory Board Commissions.
- 3.5. The amount of basic fee and additional remuneration due to the Supervisory Board members shall be fixed and shall reflect the expected time input related to the performance of the Supervisory Board members’ duties; it shall not depend on the actual attendance of Supervisory Board/Supervisory Board Commission meetings (including the unscheduled ones).

In order to tie the individual remuneration amount of each Supervisory Board member to their actual contribution and to motivate the Supervisory Board members to work diligently and efficiently, the General Meeting of Shareholders may reduce the amount of the basic fee and additional remuneration (as and to the extent provided for in the Regulations) or resolve not to pay any remuneration to the Supervisory Board members.

- 3.6. The work of Supervisory Board members in various Supervisory Board Commissions shall be paid equally, because participation in Commissions' activities implies a similar level of responsibility and competence.
- 3.7. The General Meeting of Shareholders may resolve to pay additional remuneration to the Supervisory Board members for their participation in conferences or forums initiated or attended by the Company and aimed at improving the Company's relations with investors or financial market participants; additional remuneration may also be paid for participation in negotiations aimed at establishing and (or) reinforcing cooperation between the Company and investors or financial market participants, including those related to the Company development needs and reputation. Such additional payments shall be differentiated depending on the tax resident status. The exact amount of such additional remuneration shall depend on the nature and duration of the event and the distance from the event venue to the place of residence of the Supervisory Board member so to reflect the time input and efforts exercised by the Supervisory Board member to attend events which are not Supervisory Board/Supervisory Board Commission meetings.
- 3.8. No additional payments or compensations shall be paid in case of early termination of the Supervisory Board members' powers due to change of control or other circumstances.
- 3.9. To ensure independent decision-making by the Supervisory Board members, their remuneration shall not depend on the Company performance results or share price and shall not include any option plans. The Company shall not make any pension fund contributions for the benefit of the Supervisory Board members, nor shall it include them in any insurance plans (except Supervisory Board member's liability insurance and insurance related to travel as part of the Supervisory Board activities) or investment programmes or provide any other benefits or privileges which are not specified in this Policy and the Regulations.
- 3.10. Annual remuneration shall be paid in cash only. Remuneration may not be paid (fully or partially) in stock.
- 3.11. Remuneration to the Supervisory Board members for their work on the Supervisory Board during a certain corporate year, which is defined in accordance with the Regulations, shall be paid on the basis of the relevant resolution of the General Meeting of Shareholders held after the end of the corporate year for which the remuneration is to be paid.
- 3.12. In order to ensure fair utilization of Moscow Exchange resources and provide individual contribution-based remuneration to each member of the Supervisory Board, the Regulations should provide for partial payment of remuneration to those members whose powers are terminated early, in proportion to the time when such Supervisory Board members performed their duties on the Supervisory Board during the corporate year.

#### **4. Reimbursement of Expenses (Compensations) Policy**

- 4.1. Apart from the remuneration for their work on the Supervisory Board and in Supervisory Board Commissions, the Supervisory Board members shall be entitled to reimbursement (compensation) of travel expenses related to their participation in Supervisory Board and Supervisory Board Commission meetings and General Meetings of Shareholders held in praesentia, in accordance with the terms and conditions specified in the Regulations.
- 4.2. Supervisory Board members shall also be entitled to reimbursement (compensation) of travel expenses related to their participation in other events which they attend in their capacity of Supervisory Board members.

- 4.3. The exhaustive list of reimbursable expenses is defined in the Regulations. Supervisory Board members shall be entitled to the same level of service as the members of the Company's executive bodies in accordance with relevant internal documents on the reimbursement of expenses incurred during business trips.
- 4.4. Supervisory Board members who need to travel to meetings and other events held outside their place of residence shall be entitled to reimbursement (compensation) of entertainment expenses in the amount established by the Regulations. Money provided by the Company to Supervisory Board members to cover their entertainment expenses shall be used in good faith and in compliance with customary business ethics standards. Money provided for entertainment expenses may not be used for personal needs or for the procurement of any prohibited items or services, or services which may affect the reputation of the Supervisory Board member or Moscow Exchange.
- 4.5. In order to maintain the necessary level of skills of the Supervisory Board members, the Nomination and Remuneration Commission of the Moscow Exchange Supervisory Board may recommend paying for their professional training and refresher courses in the amount and according to the procedure provided for by the Regulations.
- 4.6. To create non-discriminating conditions for the Supervisory Board members who are not residents of the Russian Federation, the Regulations should provide for currency risk hedging to minimize impact of currency risks on the remuneration of such Supervisory Board members.

## **5. Disclosure of Information on the Supervisory Board Members' Remuneration**

- 5.1. Information on the amount of individual remuneration received by each Supervisory Board member in this capacity for the year and data on any compensations related to the Supervisory Board members' participation in the Supervisory Board activities shall be included in the materials of the General Meeting of Shareholders of Moscow Exchange, including the Company's annual report.

## **6. Final Provisions**

- 6.1. Whenever there are any discrepancies between this Policy and the applicable laws, including any discrepancies as a result of changes to the laws which are not reflected herein, the requirements of the laws of the Russian Federation and the Company Charter shall prevail; the remaining provisions of the Policy shall remain valid to the extent they do not contradict the applicable laws of the Russian Federation and the Company Charter.