

**To agenda item 7
for the Annual General Meeting of Shareholders
of the Moscow Exchange
27 April 2017**

**Approval of the new version of the Charter of
Public Joint-Stock Company «Moscow Exchange MICEX-RTS»**

It is hereby proposed that the 2017 Annual General Meeting of Shareholders should consider a new version of the Exchange Charter that takes into account amendments to the legislation and the corporate governance practices over the past year.

1. On 1 January 2017, amendments to Federal Law "On Joint-Stock Companies" regarding the procedure for agreeing major related party transactions came to force, it is therefore proposed that the following are added to the Exchange Charter:

- provisions taking into account new voting procedures for governance bodies to use when agreeing transactions;
- the authority for the Supervisory Board to approve opinions on major transactions and reports on related-party transactions;
- other amendments that take new terminology into account.

2. In view of the amendments to Federal Law "On Joint-Stock Companies" that came into force from 1 July 2016, in terms of electronic voting in annual general meetings of shareholders and the announced launch of an electronic voting (e-voting) platform by National Settlement Depository (hereinafter "NSD") in 2017, which will enable security holders to participate in shareholder meetings online via the website, it is hereby proposed that the Charter should provide for a remote meeting participation opportunity for shareholders. After the platform is officially launched, the Exchange will be able to offer electronic ballots filling to its shareholders for voting in the Internet.

3. During Y2016, the Moscow Exchange performed the activities aimed at improving the corporate governance and alignment the internal documents in compliance with the recommendations of the Corporate Governance Code of the Bank of Russia.

In December 2016, the Supervisory Board reviewed the Corporate Governance Practice Changes Report and considered it feasible to formalise the principles and recommendations specified in the Report in internal documents of the Exchange. It is hereby proposed including part of the recommendations in the new version of the Charter, among others:

- 1) add the following matters to the terms of reference of the Supervisory Board:
 - grant consent to taking material corporate actions determined in the Corporate Governance Code of the Exchange that may result in material changes to the rights and interest of the shareholders (this includes material transactions, reorganisation, changes to the authorised capital, delisting, takeover of the Exchange);
 - make recommendations regarding voluntary or mandatory offer received;
 - take a decision on a subsequent disposal of the Exchange's placed securities that it acquired;
 - nominate and agree candidates to positions with executive bodies of NSD and NCC Clearing Bank;
 - agree development strategies of NSD and NCC Clearing Bank.

- 2) define items with decisions to be made by the majority of votes of the total number of elected directors rather than the majority of votes of the attendees. The suggested list of such items is as follows:

- approval of the dividend policy and recommendations on the dividend amount;
- appointment and termination of the sole executive body;
- determination of the price of assets contributed as payment for shares;
- consent to taking material corporate transactions as defined in the Corporate Governance Code of the Exchange.

4. As a new version of the Listing Rules of the Moscow Exchange that amends certain corporate governance requirements has become effective, the following adjustments to the Charter are hereby proposed:

- adjustments assigning the corporate secretary functions to a dedicated structural unit rather than a position;
- adjustments specifying the procedures for appointing the head of the structural unit that performs the functions of the corporate secretary, and him/her remuneration procedure.

5. A number of amendments associated with adjustments to current operating activities in view of the past organisational and other changes are proposed:

- confirm legal succession of rights and obligations of MICEX SE and MB Technologies LLC that were consolidated by means of reorganisation;
- move matters related to branch and representative office activities from the terms of reference of the Supervisory Board to the terms of reference of the Executive Board;
- move matters related to the approval of standard and model forms of contracts, forms and templates from the terms of reference of the Executive Board to the terms of reference of the Executive Board Chairman;
- add matters on approving documents that determine the procedures for Supervisory Board activities support to the terms of reference of the Supervisory Board;
- add the matter of approving a trade agreement setting model terms and conditions for the parties when effecting OTC securities transactions to the terms of reference of the Executive Board Chairman;
- replace the long-term management incentive program with a new long-term incentive program.

The proposed amendments to the Charter do not limit the shareholders' rights and do not have any negative consequences for the Moscow Exchange and its shareholders.

Draft amended Charter was considered by the Supervisory Board of the Moscow Exchange on March 2, 2017 and was recommended for approval at the 2017 AGM.

Draft resolution:

To approve the new version of the Charter of Public Joint-Stock Company «Moscow Exchange MICEX-RTS» proposed by the resolution of the Supervisory Board of the Moscow Exchange dated 02 March 2017.