

**To agenda item 11
for the Annual General Meeting of Shareholders
of the Moscow Exchange
27 April 2017**

Reduction of the share capital through cancellation of treasury shares

At the moment, the Moscow Exchange owns 2,235,035 own shares repurchased from shareholders who requested such repurchase due to the company reorganisation in the form of merger with CJSC MICEX Stock Exchange and MB Technologies Limited Liability Company completed on December 19, 2016.

In accordance with the Federal Law on Joint-Stock Companies, any shares repurchased by the company must be sold at a price, which is not lower than their market value no later than within one year since the day of the transfer of title to the repurchased shares to the company. Otherwise, the general meeting of shareholders must resolve to reduce the company's share capital by cancelling such shares. At the same time, the law allows making the decision on the reduction of the share capital before the expiration of one year since the transfer of title.

On December 1, 2016, the Budget Commission of the Supervisory Board reviewed potential options for the sale of treasury shares and resolved that it would be expedient to reduce the share capital before the expiration of one year, because this option would not entail any tax, reputational or financial impact (no impact on the capital, ROE and EPS, since these shares do not count for the purpose of these indicators).

In accordance with the Federal Law on Joint Stock Companies, making decisions on the reduction of the share capital is within the terms of reference of the company's general meeting of shareholders. The resolution of the general meeting defines the number of shares to be cancelled and the amount by which the share capital is reduced.

On March 02, 2017 the Supervisory Board recommended the AGM to approve the reduction of the share capital by RUB 2,235,035 by way of cancelling 2,235,035 registered ordinary shares (as a result, the authorised share capital of Moscow Exchange will amount to RUB 2,276,401,458 (two billion two hundred seventy-six million four hundred and one thousand four hundred and fifty-eight roubles)).

The proposed reduction of the charter capital does not limit the shareholders' rights and does not have any negative consequences for the Moscow Exchange and its shareholders.

Draft resolution:

1. To reduce the authorised share capital of Moscow Exchange by way of cancelling repurchased ordinary registered uncertified shares in Moscow Exchange on the following terms:

Category (type) and form of shares: registered ordinary uncertified shares

Share issue state registration number: 1-05-08443-H;

Number of shares to be cancelled: 2,235,035;

Par value of one share: RUB 1;

Par value of all shares to be cancelled: RUB 2,235,035;

Authorised share capital before the cancellation of shares: RUB 2,278,636,493;

Authorised share capital after the cancellation of shares: RUB 2,276,401,458;

Number of shares before the authorised share capital reduction: 2,278,636,493;

Number of shares after the authorised share capital reduction: 2,276,401,458.

2. To make (to approve) amendments to the Charter of the Moscow Exchange related to the reduction of the authorised share capital by the way of cancellation of treasury shares, stating the first paragraph of item 6.1 of Article 6. Authorized capital as follows:

“6.1. The amount of the Company’s Authorized Capital shall be 2,276,401,458 (two billion two hundred and seventy six million four hundred and one thousand four hundred and fifty-eight) rubles and is divided into 2,276,401,458 (two billion two hundred and seventy six million four hundred and one thousand four hundred and fifty-eight) ordinary registered shares with a par value of 1 (one) ruble per share (outstanding shares)”.

2.1. To determine, that these amendments shall enter into force from the date of their state registration.