

**To agenda item 3
for the Annual General Meeting of Shareholders
of the Moscow Exchange
26 April 2018**

**Distribution of the net profit of the Moscow Exchange, including payment (announcement)
of dividends based on the results of Y2017 reporting year**

Pursuant to the Federal Law “On Joint Stock Companies”, it is within competence of the General Shareholder Meeting (GSM) to resolve on the amount of dividend payable on Moscow Exchange shares and on a procedure for dividend payment. The Supervisory Board makes recommendations to the GSM on the size of dividend and payment procedures.

Rationale for the proposed dividend and assessment of dividend size compliance with the Dividend Policy.

The dividend is paid out of net profit according to company’s accounting statements.

Based on Moscow Exchange’s profit and loss statement for the fiscal year starting 1 January 2017 and ending 31 December 2017, the Moscow Exchange generated net profit totaling RUB 21,852,630,632.48.

Pursuant to the Moscow Exchange’s Dividend Policy approved by the Supervisory Board of the Moscow Exchange on 16 December 2015, the Moscow Exchange pays out dividends based on company’s net profit for the reporting fiscal year, but the size of dividends is calculated as a percentage of net profit of the Moscow Exchange Group according to IFRS according to consolidated financial statements of the Moscow Exchange according to IFRS for the same reporting fiscal year.

In determining the size of dividends as proposed to the AGM for decision making the Exchange shall proceed from the following principles.

1. Determining the capital adequacy for the current year on yearly basis and projecting capital requirements for the next following four years.
2. Ensuring Exchange’s attraction as investment for the shareholders and investors due to high, stable and foreseeable return on investments in Moscow Exchange’s capital.
3. Compliance of Exchange’s dividend with the size of dividend paid by peer companies.

Based on the aforesaid principles, the dividend policy provides that the size dividend proposed to the Moscow Exchange GSM for approval to be 55% of net profit according to IFRS financial statements of the Group.

According to IFRS consolidated financial statements, Moscow Exchange’s net profit in 2017 amounts to RUB 20,255,206 thousand. Pursuant to the Dividend Policy provisions, the minimum estimated dividend size for 2017 will be RUB 11,140,363 thousand (55% of net profit according to IFRS).

Given the principle areas for net profit allocation, it is proposed that the dividend payout should be higher than the minimum target set in the dividend policy, and to recommend the AGM to approve the amount of dividend to be paid in 2017 totaling RUB 12,451,915,975.26, not including interim dividends in the amount of RUB 5,212,959,338.82 paid out upon 1H 2017 results out of Y2017 profit. Overall dividend amount for Y2017 to be paid out of Y2017 profit will be RUB 17,664,875,314.08 or 87.21% of IFRS net profit. The remaining part of the net profit is proposed not to be distributed, considering, among others, requirement to keep the required level

of capital adequacy of the Moscow Exchange subsidiaries and to make the Moscow Exchange more attractive for investors.

The total number of registered ordinary shares of the Moscow Exchange is 2,276,401,458. The estimated dividend is to be RUB 5.47 per 1 share (not including interim dividends paid out upon 1H 2017 results).

In view of the foregoing, the Supervisory Board recommended the AGM to approve that the size of dividend on the Moscow Exchange shares should be RUB 5.47 per 1 registered ordinary share before the dividend tax (not including interim dividends paid out upon 1H 2017 results) in accordance with subitem 1 of item 3 of Clause 284 of the Tax Code of the Russian Federation. Total dividend payable shall amount RUB 12,451,915,975.26.

The term for dividend payment depends on the date the shareholders eligible to dividend is drawn up. The General Shareholder Meeting resolves on this date based on recommendations of the Supervisory Board. The date of the list of shareholders may not be earlier than 10 days from the date the General Shareholder Meeting resolves on dividend payment and not later than 20 days from the date of such decision. Given that, it is proposed to determine that the record date should be 15 May 2018.

Dividend to the nominee holder and asset manager registered in the Register of Shareholders shall be paid within 10 business days as from the date of the list of shareholders eligible for dividend is drawn up.

Dividend to shareholders eligible for dividend and registered in the Register of Shareholders shall be paid within 25 business days as from the date of the list of shareholders entitled to dividend is drawn up.

Given that, it is proposed to determine that dividends to the nominee holder and the asset manager, a professional market participant, registered in the Moscow Exchange's Register of Shareholders, shall be paid no later than 28 May 2018, and dividends to other persons registered in the List of Shareholders shall be paid no later than 19 June 2018.

In accordance with the Dividend Policy of the Moscow Exchange, the main criteria for dividend payout shall be:

- no restrictions for dividend payout in the legislation of the Russian Federation;
- availability of net profit (under Russian Accounting Standards) in the period for which dividend is announced;
- dividend distribution and payout procedure compliance with the effective legislation of the Russian Federation;
- availability of the Moscow Exchange Supervisory Board recommendations to pay (declare) dividend, and on the size of dividend;
- availability of the Resolution of the Moscow Exchange General Shareholders Meeting to pay (declare) dividend.

Net profit distribution recommended by the Supervisory Board complies with the Moscow Exchange Dividend Policy, including the above-mentioned criteria for dividend payout.

Draft resolution:

1. To approve the following distribution of Y2017 net profit in the amount of RUB 21,852,630,632.48:

to allocate RUB 17,664,875,314.08 for dividends, including:

- RUB 5,212,959,338.82 – interim dividends earlier paid out upon 1H 2017 results out of Y2017 profit;
- RUB 12,451,915,975.26 – dividends to be paid out upon the results of Y2017 reporting year.

2. Not to distribute the remaining part of net profit of the Moscow Exchange.

3. To pay out Y2017 dividend on the Moscow Exchange shares in the amount of RUB 12,451,915,975.26 (not including interim dividends paid out upon 1H 2017 results).

4. To define the following dividend size on the Moscow Exchange shares:

RUB 5.47 per one registered ordinary share (before dividend tax), not including interim dividends paid out upon 1H 2017 results out of Y2017 profit and dividends paid out of non-distributed profit of previous years in the amount of RUB 2.49 per 1 share paid out in 2H of Y2017.

Considering earlier paid out interim dividends and dividends paid out of non-distributed profit of previous years, total dividend amount shall be RUB 7.96 per one registered ordinary share.

5. To set 15 May 2018 as the date of identifying persons eligible for dividend.