

**To agenda item 3
for the Annual General Meeting of Shareholders
of the Moscow Exchange
25 April 2019**

**Distribution of the net profit of the Moscow Exchange, including payment (announcement)
of dividends based on the results of Y2018 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 the 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 2018 and ending 31 December 2018, the Moscow Exchange generated net profit totaling RUB 8,348,125,299.31.

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 2018 amounts to RUB 19,720,301 thousand. Pursuant to the Dividend Policy provisions, the minimum estimated dividend size for 2018 will be RUB 10,846,166 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 the amount RUB 17,528,291,226.60, or 88.88% of net IFRS profit.

To pay Y2018 dividends in the amount of RUB 17,528,291,226.60 it is necessary:

1. To distribute total Moscow Exchange's net profit for 2018 fiscal year in amount of RUB 8,348,125,299.31 for dividend payment.
2. To allocate the retained profit of Moscow Exchange of the previous years of RUB 9,180,165,927.29 for payment of dividend.

The total number of registered ordinary shares of the Moscow Exchange is 2,276,401,458. The Supervisory Board recommended the AGM to pay dividend in the amount of RUB 7.70 per 1 share before the dividend tax 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 17,528,291,226.60.

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 14 May 2019.

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 2019, and dividends to other persons registered in the List of Shareholders shall be paid no later than 19 June 2019.

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 distribute total Moscow Exchange's net profit for 2018 fiscal year in amount of RUB 8,348,125,299.31 for dividend payment.
- 1.2. To allocate the retained profit of Moscow Exchange of the previous years of RUB 9,180,165,927.29 for dividend payment.

1.3. To pay dividend for 2018 fiscal year on placed shares of the Moscow Exchange totaling RUB 17,528,291,226.60.

1.4. To determine the following size of dividend on Moscow Exchange shares:

RUB 7.70 per 1 registered ordinary share of the Moscow Exchange (before taxes on dividend income).

1.5. To determine the date to form the list of persons eligible for dividend to be 14 May 2019.

1.6. Dividend on Moscow Exchange shares shall be paid in monetary form through bank transfer.