

Opinion of the Internal Audit Service of the Moscow Exchange

Moscow

20 March 2020

In 2019, the Internal Audit Service of the Moscow Exchange carried out audits covering the corporate governance effectiveness and efficiency, business processes and internal controls across the Moscow Exchange, risk management system (inclusive of information security and business continuity activities in the Moscow Exchange, operational safety and continuity, protection against unauthorised access to information systems of the trades organiser), methods used to ensure safety and security of the trades organiser's property.

The priorities of the Internal Audit Service for 2019 were the following:

- Control over fulfilment of the Moscow Exchange Supervisory Board's assignments.
- Audit of performance of the internal control system.
- Audit of availability of risk identification procedures, compliance with them and risk prevention.
- Audit of information security and business continuity planning.
- Audit of the Moscow Exchange Group's compliance with the laws on money laundering and terrorism financing prevention.
- Audit of the Moscow Exchange's compliance with the requirements of current legislation and internal documents on admission of securities to trades.
- Audit of the Moscow Exchange's compliance with the Corporate Governance Code.
- Monitoring of organisation of procurement activities at the Moscow Exchange.
- Control over the use of premises by the Moscow Exchange Group.
- Audit of interaction between the Group companies during financial and administrative activities.
- Audit of business lines and business results of the Group subsidiaries.
- Audit of business lines and business results of foreign subsidiaries of the Group.
- Unscheduled audits conducted at the request of the Exchange's authorised management bodies:
 - a) Unauthorised payments at the Moscow Exchange (reasons and circumstances).
 - b) Grain storage incidents arisen during trades and prospects of getting insurance payment.
 - c) Audit of interaction between the units of CCP NCC, MOEX and NAMEX when a decision was taken on the launch and business model of the commodity market and relevant risks were assessed.
 - d) Audit of performance of the Moscow Exchange's branches.
 - e) Audit of the Marketplace project implementation and work under the contract with EPAM.

Audit findings were included in the relevant audit certificates and delivered to the Audit Committee and the Supervisory Board of the Moscow Exchange for consideration. The shortcomings and violations revealed by the Internal Audit Service received close attention. If necessary, measures were promptly taken to eliminate the revealed shortcomings.

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