

**To agenda item 3
for the Annual General Meeting of Shareholders
of the Moscow Exchange
28 April 2020**

**Distribution of the net profit of the Moscow Exchange, including payment (announcement)
of dividends based on the results of the 2019 reporting year**

Pursuant to the Federal Law *On Joint-Stock Companies*, the annual general meeting of shareholders (AGM) shall consider the issue of profit distribution (including dividend payout) based on the results of a reporting year.

Rationale for the proposed profit distribution and assessment of its compliance with the Dividend Policy approved by the Moscow Exchange Supervisory Board.

The dividend is paid out of the company's net profit according to the company's accounting (financial) statements.

Based on the Moscow Exchange's Profit and Loss Statement for the fiscal year starting 1 January 2019 and ending 31 December 2019, the Moscow Exchange generated net profit totaling RUB 15,703,175,385.53.

According to the Moscow Exchange's Dividend Policy, the total dividend size is calculated as percentage of the net profit of the Moscow Exchange Group (further referred to as the Group) for the reporting period defined according to the Moscow Exchange's IFRS statements. The target level of profit to be paid out as dividend shall be at least 60% of the Group's net profit under IFRS.

Based on the IFRS consolidated financial statements, the Group's Y2019 net profit has comprised RUB 20,200,634 thousand. Thus, the minimum estimated dividend size for 2019 (60% of the IFRS net profit) is RUB 12,120,380.4 thousand.

Considering major ways of allocating the net profit, the Supervisory Board recommended payout of dividend in the size larger than the minimal one determined in the Dividend Policy, i.e. in the amount of RUB 18,051,863,561.94 (89% of the IFRS net profit).

The dividend size calculation was based on the following principles:

- 1) capital adequacy (taking into account the NCC capital adequacy target level as the central counterparty – 120%) for the current year and projecting of capital requirements for the Group;
- 2) ensuring capitalization of key companies in the Group corresponding to the Group's business scope, their obligations as the qualified CCP, clearing house, central depository and trading organiser, respectively, regulatory requirements and changing market situation; ensuring financial stability considering the applicable stress testing;
- 3) financing the Moscow Exchange Group CAPEX program;
- 4) financing the investment program to enable non-organic growth;
- 5) operational reserve creation to provide for the Group's day-to-day operation taking into account regulatory limitations on attraction and use of borrowed funds.

The total number of the Moscow Exchange's placed registered ordinary shares is 2,276,401,458.

Based on the above, the Supervisory Board recommended the AGM to determine the dividend size on the Moscow Exchange's shares as RUB 7.93 per 1 registered ordinary share, before the dividend tax. The amount of dividend to be paid out to the Moscow Exchange's shareholders shall be RUB 18,051,863,561.94.

According to the Federal Law *On Joint-Stock Companies*, dividend shall be paid out of the company's profit after tax (net profit) calculated according to the IAS accounting (financial)

statements. According to the Profit and Loss Statement, the Moscow Exchange's Y2019 net profit has comprised RUB 15,703,175,385.53.

Thus, to pay out dividend in the size of RUB 18,051,863,561.94 it is necessary:

1. To distribute the total Y2019 net profit of the Moscow Exchange in the amount of RUB 15,703,175,385.53 for dividend payment.
2. To allocate the part of retained profit of the Moscow Exchange for the past years in the amount of RUB 2,348,688,176.41 for dividend payment.

If dividend is paid out in the specified amount, capital adequacy ratio will be complied with.

The term for dividend payment depends on the date the shareholders eligible to dividend is drawn up. The General Shareholders Meeting resolves on this date based on recommendations of the Supervisory Board. This date may not be earlier than 10 days from the date the General Shareholders Meeting resolves on dividend payment and later than 20 days from the date of such decision. Given that, the Supervisory Board proposed 15 May 2020 as the record date.*

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

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

The net profit distribution recommended by the Supervisory Board complies with the Dividend Policy adopted by the Moscow Exchange.

Draft resolution:

1. To distribute the total Moscow Exchange net profit for the 2019 fiscal year in the amount of RUB 15,703,175,385.53 for dividend payment.
2. To allocate the part of retained profit of the Moscow Exchange for the past years in the amount of RUB 2,348,688,176.41 for dividend payment.
3. To pay dividend for the 2019 fiscal year on placed shares of the Moscow Exchange totaling RUB 18,051,863,561.94.
4. To determine the following size of dividend on the Moscow Exchange shares:
RUB 7.93 per 1 registered ordinary share in the Moscow Exchange (before the dividend tax).
5. To determine May 15, 2020 as the dividend record date.
6. Dividend on the Moscow Exchange shares shall be paid out in monetary form through bank transfer.