

APPROVED
by the resolution of the Supervisory Board
of the Moscow Exchange
on April 29, 2020, Minutes No 1

**REGULATION
ON THE RISK MANAGEMENT COMMITTEE
OF THE MOSCOW EXCHANGE SUPERVISORY BOARD**

**Moscow
2020**

1. General Provisions

1.1. The Regulation on the Risk Management Committee of the Supervisory Board of Public Joint-Stock Company Moscow Exchange MICEX-RTS (hereinafter referred to as the “Regulation”) has been prepared in accordance with the laws of the Russian Federation and the Charter of Public Joint-Stock Company Moscow Exchange MICEX-RTS (hereinafter also referred to as the “Exchange”).

1.2. The Regulation determines the establishment procedure and the status of the Risk Management Committee of the Supervisory Board of the Moscow Exchange (hereinafter referred to as the “Risk Management Committee” or the “Committee”), defines its tasks and functions, as well as its powers, proceedings and decision-making procedures.

1.3. The Risk Management Committee is a standing consultative and advisory body of the Supervisory Board of the Exchange set up with the purpose to prepare recommendations to the Supervisory Board on matters falling within the competence of the Committee.

1.4. The members of the Risk Management Committee shall be guided in their activity by the current legislation of the Russian Federation, the Charter of the Moscow Exchange, the Provisions on the Supervisory Board of the Moscow Exchange, strategy of the Moscow Exchange, resolutions of the Supervisory Board, this Regulation and other documents adopted by the General Meeting of Shareholders and the Supervisory Board of the Moscow Exchange.

1.5. Unless the present Regulation provides otherwise, the terms used but not defined herein shall have the same meaning as defined in the Charter and the Provisions on the Supervisory Board of the Moscow Exchange.

1.6. The Risk Management Committee shall function within the scope of authorities granted by the Supervisory Board of the Moscow Exchange and shall on all matters report to the Supervisory Board of the Moscow Exchange.

1.7. The Risk Management Committee shall not act on behalf of the Moscow Exchange, executive bodies or the Supervisory Board of the Exchange, or bind the executive bodies or the Supervisory Board in any way.

1.8. This Regulation with supplements and amendments hereto shall be subject to approval by the Supervisory Board of the Exchange.

1.9. This Regulation shall apply as long as it does not contradict to the Charter of the Moscow Exchange.

2. Objectives and Functions of the Risk Management Committee

2.1. The primary objective of the Risk Management Committee is participation in the improvement of the existing risk management system of the Moscow Exchange and the Moscow Exchange Group with the view to enhance stability and operating efficiency of the Moscow Exchange.

2.2. In order to achieve this objective, the Committee shall perform the following duties:

- 2.2.1. draft recommendations for the Exchange Supervisory Board on the priority development areas related to risk management of the Moscow Exchange;
- 2.2.2. review internal procedures of the Exchange and the Moscow Exchange Group companies' risk management and prepare improvement recommendations, as instructed by the Exchange Supervisory Board;
- 2.2.3. if necessary, review particular elements and/or parameters of the risk management system, and make opinions on their adequacy and efficiency;
- 2.2.4. review reports of the Exchange and the Moscow Exchange Group companies' management on the risk management system performance;
- 2.2.5. draft opinions on the issues that the Exchange Executive Board refers to its review;
- 2.2.6. preliminary review of the following documents prepared for the consideration of the Supervisory Board:
 - documents defining the principles of risk management (concepts, strategies, policies);
 - criteria for assessing effectiveness of the Moscow Exchange risk management system;
 - documents setting key risk indicators, including risk appetite and risk tolerance indicators;
 - reports on the risk management system performance.
- 2.2.7. resolve other issues as instructed by the Supervisory Board.

3. Committee's Composition and Formation Procedure

3.1. The number of members and personal composition of the Committee shall be determined by the Supervisory Board of the Moscow Exchange. The number of its members may not be less than 3 (three).

The Committee member may not be elected to more than 3 (three) committees of the Exchange's Supervisory Board.

3.2. Members of the Committee shall be elected from Supervisory Board members by a simple majority of votes of all elected members of the Supervisory Board of the Moscow Exchange, at one of the first meetings after the election of the new Supervisory Board of the Exchange.

3.3. The members of the Committee shall serve during the term of the Supervisory Board of the Moscow Exchange office until their successors are duly elected by the Annual General Shareholders Meeting or Extraordinary Meeting in the event of early termination of the Supervisory Board's office.

3.4. Persons other than members of the Committee not reporting or participating in the discussion on agenda items or being not regular invitees based on the Committee's resolutions or the Supervisory Board's assignments may attend the meetings of the Committee only if they are invited to do so by the Chair of the Committee. If necessary, the Chair of the Committee may invite to its meetings members of management bodies and employees of the Moscow Exchange and Moscow Exchange Group, and, if agreed on by the Chair of the Exchange's Executive Board, other persons with professional skills and competence required to make decisions on issues reviewed by the Committee.

The invitees mentioned in this paragraph shall be entitled to attend the meeting, speak at the meeting of the Committee and provide recommendations on the agenda issues.

3.5. A member of the Committee may resign earlier by submitting a written notice of resignation to the Chair of the Exchange Supervisory Board and the Chair of the Committee at least one month prior to the expected resignation date.

3.6. The Supervisory Board of the Exchange may at its sole discretion decide on early termination of powers of all the Committee or any Committee member.

In this case, the Supervisory Board of the Exchange shall elect a new membership or a new member of the Committee at the meeting that decides on such early termination of powers, or shall decide on reduction of the Committee's size.

3.7. In case the number of Committee members does not meet the required quorum for holding Committee's meetings, the Chair of the Exchange Supervisory Board, as advised by the Chair of the Committee, shall convene an extraordinary meeting of the Supervisory Board to hold new elections or shall include the election issue into the agenda of the next scheduled meeting of the Supervisory Board of the Exchange.

3.8. The work of the Committee shall be governed and organised by the Chair of the Committee elected by a majority vote of the attending members of the Supervisory Board of the Exchange.

It is recommended to elect the Chairman of the Committee out of independent directors of the Supervisory Board of the Moscow Exchange.

3.9. If necessary, in the absence of the Chair of the Committee the members of the Committee shall have the right to elect a Deputy Chair by a majority vote of the attending members.

4. Committee's Proceedings

4.1. In organising the work of the Committee, the Chair shall:

- ensure the unbiased character of recommendations developed by the Committee for the Supervisory Board of the Moscow Exchange;
- convene and chair the meeting;
- decide on the form of the meeting and approve its agenda;
- decide on a possibility of using information and communication technologies;
- decide on the list of invitees to the Committee meeting in praesentia;
- organise the discussion of agenda items at Committee meetings and listen to the opinions of invitees;
- organise minutes keeping and sign the minutes;
- draft, where necessary, a forward schedule of Committee meetings taking into account the schedule of the Supervisory Board meetings;
- allocate responsibilities among Committee members;
- represent the Committee in interaction with executive bodies of the Moscow Exchange and Moscow Exchange Group, other bodies and persons;
- maintain official correspondence of the Committee, sign enquires, letters and other documents on behalf of the Committee;
- ensure compliance of the Committee activities with current legislation of the Russian Federation, the Charter of the Moscow Exchange, other bylaws of the Moscow Exchange and this Regulation;

- on a regular basis advise the Supervisory Board and its Chair on activities of the Committee;
- perform other functions as assigned by the current legislation, the Charter of the Moscow Exchange, other bylaws of the Exchange and this Regulation.

4.2. An employee of the Exchange, appointed by the Exchange's CEO or in his/her absence at the meeting – any employee elected by a majority vote of the total attending Committee members shall perform the functions of the Committee Secretary and shall ensure the preparation for and holding of Committee meetings, collection and filing of pre-reads, timely notification of the members of the Committee and invitees on the meeting date and agenda, taking meeting minutes, keeping all relevant materials and other functions upon assignment of the Chair of the Committee.

4.3. Normally, the Committee shall hold meetings in praesentia (joint attendance). At the meetings held in praesentia the Committee members, with consent of all attending Committee members, may review issues not included into the agenda.

Information and communication technologies may be deployed to hold meetings in praesentia. Such technologies enable remote participation in the meeting, discussion of agenda items and adoption of resolutions on the issues put to vote without physical presence at the place of holding the meeting. A conference call is also considered such means. Remote participation of the Committee's members may be regarded as their personal attendance provided they are duly identified and/or authenticated. The Chair of the Committee shall decide on a possibility of using information and communication technologies when convening a meeting of the Committee.

4.4. The members of the Committee who cannot attend the meeting may submit their written opinions on the agenda items in exceptional events and not more than twice in a corporate year¹. Such written opinions must be read out at the Committee meeting by the Committee Chair. The Committee shall take account of such written opinions at decision-making and they shall be attached to the meeting minutes. The written opinion of a non-attending Committee member shall be taken into account when determining the presence of quorum and voting results on the agenda item if the following conditions are met:

- a written opinion has been received prior to the beginning of the meeting;
- a Committee member has expressed his/her viewpoint on the issue in unmistakable terms, having indicated in the written opinion one of the voting options for the proposed draft resolution – “for”, “against” or “abstained”.

A written opinion containing adjustments or reservations as to the proposed draft resolution shall not be taken into account when determining the presence of quorum and voting results. Neither the written opinion shall be taken into account when determining the presence of quorum and voting results, if the draft resolution is adjusted at the Committee meeting. Written opinions shall be taken into account when determining the presence of the quorum and voting results separately for each agenda item and reflected in the Committee minutes.

¹ A corporate year shall mean a period from the date Supervisory Board members are elected by the annual General Meeting of Shareholders until the date of holding the Supervisory Board meeting at which a recommendation is given on the size of remuneration payable to Supervisory Board members to the annual General Meeting of Shareholders. In case one or more extraordinary General Meetings of Shareholders were held during the corporate year to resolve on early termination of Supervisory Board members' powers and election of new Supervisory Board members, the number of written opinions submitted during this corporate year shall also not exceed two.

Written opinions sent by persons unable to attend the Committee meeting in praesentia must be signed by them, indicating their surnames and initials and submitted prior to the beginning of the Committee meeting in the original copy or by fax with further submission of the original copy.

4.5. Upon decision of the Chair of the Committee the members may adopt resolutions by voting in absentia.

4.6. The Chair of the Committee shall develop its work plan (if needed) in consideration of the approved work plan of the Exchange Supervisory Board and proposals made by the Supervisory Board Chair, members of the Supervisory Board and the Committee, Chair and members of the Executive Board, the Corporate Secretary and structural units of the Exchange.

4.7. When convening a Committee meeting the Chair of the Committee shall decide on the date, time, agenda, venue, form of the meeting and voting mode as well as the list of invitees.

Committee Chair shall take a decision to convene an extraordinary meeting of the Committee basing on the relevant requests and proposals from persons specified in Clause 4.6 hereof.

Committee Chair shall decide to convene an extraordinary meeting or to include an item into the agenda within 5 (five) business days following the relevant request or proposal taking into account the importance and urgency of the proposed item.

4.8. The Chair of the Committee may dismiss the request for Committee convocation, if the issues proposed to the agenda are beyond its competence according to this Regulation. Substantiated dismissal shall be communicated to the initiator within five (5) business days after the receipt of the request, or the proposal.

4.9. If there are circumstances impeding the holding of a Committee meeting or even making it impossible and the Committee members have been notified about such a meeting, the Chair may decide to adjourn the meeting to a different date with the same agenda. The Committee Secretary instructed so by the Chair shall notify all Committee members on the change of the meeting date and (or) time.

4.10. Any meeting of the Committee shall be attended by its Chair or his/her Deputy. If they are absent, members of the Committee shall elect the chair of the meeting from the members present, by a simple majority of votes.

4.11. The meeting of the Committee shall be deemed quorate if at least half of the total number of members enjoying a right to vote are participating in the meeting. When opening the meeting the Chair of the Committee shall decide whether the meeting is quorate. In the absence of quorum, the meeting shall be adjourned by the Chair and postponed to another date with the same agenda, or the issues to be discussed at such adjourned meeting shall be included into the agenda of the next scheduled meeting.

4.12. Each member of the Committee, inclusive of its Chair, shall have one vote. The members of the Committee may not delegate their votes to any other member of the Committee.

4.13. In the course of the meeting any information about members having interest in any agenda item must be disclosed and advised to the members of the Committee.

4.14. When making decisions, members of the Committee present at the meeting shall express their opinion (vote on agenda items) by open voting or by voting using information and communication technologies in any way that allows them to clearly express their position, or using special e-voting software.

The Committee shall take decisions by a simple majority vote. The Chair of the meeting shall be entitled to a casting vote when votes are equally divided.

4.15. If the meeting of the Committee is held in absentia the members of the Committee shall receive voting ballots along with the pre-reads.

4.16. Voting by ballots can be carried out both in hard copy and using e-voting software, if sufficient reliability and data security as well as identification and/or authentication of the Committee members participating in the voting are provided.

Those members of the Committee whose voting ballots were received in hard copy (on postal address of the Exchange or received by the Exchange via e-mail followed by submission of the original ballot to the Committee Secretary) or those who voted using special e-voting software prior to or at the closing date of the voting ballots acceptance shall be deemed taken part in the Committee meeting held in the form of absentee voting.

4.17. When filling in a voting ballot for an absentee vote (or sending a written opinion by those members who cannot attend the meeting) all voting options, except one (“for”, “against” or “abstained”) in each item put to vote must be crossed out. The filled in voting ballot must be signed with indication of the surname and initials of such Committee member and delivered to the specified address in the original copy or by fax with the original copy to be delivered later.

4.18. The resolutions of the Committee shall be reflected in the minutes, drafted by the Secretary of the Committee no later than 10 (ten) business days after the meeting. The minutes drafted upon the results of the meeting shall be submitted to the person having presided at the Committee meeting to get his/her comments. The time frame for providing such comments shall not exceed 5 (five) business days. As soon as this time elapses, the Committee Secretary shall hand over the draft minutes of the Committee meeting to the person having presided at the meeting for signing and disclose it in the electronic systems used to share pre-reads with Committee members and organise voting. The Committee members shall be informed of such disclosure. The Exchange’s employees that may be interested in the meeting results shall be informed of the Committee’s resolutions by the Committee Secretary via corporate e-mail and (or) the electronic document management system.

The Chair of the meeting and the Secretary of the Committee shall sign the minutes. The Chair shall be responsible for the accuracy of the minutes.

4.19. The minutes of the meetings shall state: the form, venue, date and time of the meeting (deadline for the filled in voting ballots submission), quorum, names of attendees, agenda of the meeting, items put to vote, draft resolutions, voting results, adopted resolutions, opinions

in writing of the absent members, key points of delivered reports (optional), opinions and recommendations of invitees, use of information and communication technologies and (or) special software for holding the meeting as well as a voting mode and the date of drafting the minutes.

An individual opinion of the Committee member having voted against the proposed resolution or of the member abstained from voting may be recorded in the minutes of the meeting if so requested.

4.20. Where the Committee provides recommendations on the agenda items to be further decided on at the meeting of the Supervisory Board of the Moscow Exchange, the reference to such recommendations must be made in the pre-reads for this item, submitted for the review by the Exchange Supervisory Board.

4.21. The Corporate Secretary of the Exchange shall ensure that minutes of meetings are duly kept. The minutes of the meetings of the Committee shall have a continuous numbering starting from the date of approval of the effective composition of the Committee till the date of election of a new composition of the Committee by the Supervisory Board of the Moscow Exchange.

4.22. The copies of the meetings' minutes or abstracts thereof shall be forwarded by the Committee Secretary to persons, responsible for the implementation of the relevant Committee resolutions, members of the Committee, as well as to the members of the Exchange Supervisory Board Moscow Exchange Group supervisory boards upon their written request under the procedure established at the Exchange, and to the Exchange structural units only if so sanctioned by the Chair of the Executive Board of the Exchange or the person authorised by him/her.

4.23. Committee members must refrain from actions which will or may result in a conflict of interest between them and the Moscow Exchange. They must not disclose or otherwise use any confidential or insider information of the Moscow Exchange in their personal interests or in the interests of any third parties. To that end the Committee members must undertake a written confidentiality obligation.

4.24. By the decision of the Chair, the Committee may hold joint meetings with the Moscow Exchange Group companies' committees performing similar functions (hereinafter referred to as the "joint meetings"). The joint meetings shall be held in praesentia after the Committees' Chairs agree on the issues to be discussed at the meeting, date, time and venue of the meeting.

The procedure for preparing and holding joint meetings will be similar to the procedures set by this Regulation.

4.25. The chairs of committees concerned shall co-chair the joint meetings or take the chair by rotation.

The Secretary of the Supervisory Board of the Moscow Exchange shall act as the Secretary of the joint meeting.

4.26. The joint meeting shall be deemed duly held if it meets the quorum required by each committee's bylaw. If case a committee is not quorate, the meeting shall only be deemed duly held for the quorate committee. Members of the no quorum committee shall be entitled to a consultative vote, their opinion is not taken into account during voting and may be included into the minutes if the members of the quorate committee decide so.

4.27. Voting on the agenda items at a joint meeting shall be separate for each committee. Resolutions on the issues put to vote at each committee shall be deemed passed in accordance with the bylaws of each committee. Resolution of the joint meeting shall be deemed passed if adopted by each committee. If committees adopt different decisions on the same issue, both proposed wordings will be recorded in the minutes of the joint meeting.

4.28. Following the results of joint meetings joint minutes must be taken subject to requirements of this Regulation.

Joint minutes shall be signed by the committees' chairs and the Secretary of the joint meeting in 2 (two) copies for each committee. Joint minutes shall be numbered. Their numbers shall include sequence numbers of the committees' minutes.

5. Assessment and Reporting

5.1. The Chair of the Committee shall submit summaries on the Committee's activities to the Supervisory Board at the request of the Chair of the Exchange's Supervisory Board.

5.2. The Exchange's Supervisory Board shall regularly, at least once a year, assess the Committee's work.

5.3. The Committee shall consider results of its activities and perform self-assessment annually, including from the viewpoint of compliance with this Regulation. The results of such self-assessment shall be submitted to the Supervisory Board.

6. Concluding Provisions

6.1. Any issues that are not covered by this Regulation shall be regulated by the Charter of the Moscow Exchange, the Provisions on the Supervisory Board of the Moscow Exchange, other bylaws of the Moscow Exchange and the applicable laws.

6.2. Should individual articles of this Regulation contradict to the amendments made to the laws and regulations, the Exchange's Charter, the Provisions on the Exchange's Supervisory Board or other internal documents of the Exchange approved by the Exchange's General Meeting of Shareholders, they shall be deemed invalid and until this Regulation is amended, the Committee shall be guided by the requirements of the laws, regulations and internal documents mentioned above.