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|  | **APPROVED**  by the Executive Board of Moscow Exchange  \_\_\_ August 2023, Minutes No.\_\_\_\_  Chairman of the Executive Board  Moscow Exchange  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Yu.O. Denisov |

**MOEX RSPP-RSHB Russian corporate Eurobonds ESG Index Methodology**

Moscow Exchange, 2023

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1. **General Provisions**
   1. For the purposes of this RSPP-RSHB Russian corporate Eurobonds ESG Index (hereinafter, the “Index”) Methodology of Moscow Exchange (hereinafter, the “Methodology”), the following terms and definitions apply:

* Index Constituents means a list of Russian corporate Eurobonds used to calculate the Index as approved by the Exchange in the manner outlined in this Methodology;
* Exchange, Moscow Exchange means Public Joint-Stock Company Moscow Exchange MICEX-RTS;
* Vector of Sustainable Development means a list of Eurobond issuers selected by RSPP to the group of leaders according to the annual assessment of reporting forms of Russian ESG leaders by analysis of the dynamics of effectiveness and focus;
* Index Constituents Date means a day on which statistics for the Index Constituents is computed. These days are 1 February, 1 May, 1 August and 1 November. If any of those days is not a business day, the Index Constituents Date is set to be the trading day following the 1st day of the given month;
* Eurobonds means the bonds denominated in currencies other that the Russian rouble, issued by Russian issuers and/or on behalf of Special Purpose Vehicles, including the issues of replacement bonds, and specifically Eurobonds issued by government enterprises, except for irredeemable bonds admitted to organised trading (listed) on the Exchange;
* Accumulated Coupon Income means the amount of Eurobond earnings that has accumulated, in USD;
* Put Option, Offer means the right of a holder of Eurobonds call the bonds for early redemption on a specific date;
* RSPP means The Russian Union of Industrialists and Entrepreneurs;
* RSHB means RSHB Asset Management Limited Liability Company;
* Term to Maturity means the term to maturity or to the near put-option
  1. The terms not specifically defined herein are used in the meanings ascribed to them in the internal documents of the Exchange, the law and regulatory acts of the Bank of Russia.
  2. The Index calculated under this Methodology has the names and codes below:
* The Index’s name in Russian: «Индекс МосБиржи российских корпоративных еврооблигаций РСХБ – РСПП – Вектор устойчивого развития»;
* The Index's name in English: «MOEX RSPP - RSHB Russian corporate Eurobonds ESG Index»;
* The Index Code: RUEUESG.
  1. The wording “Индекс МосБиржи” in the Index name is a trademark of Moscow Exchange registered by the Federal Service for Intellectual Property in the Russian Public Register of Trademarks and Service Marks on 18 September 2017 (trademark certificate No. 630519). The wording “MOEX” in the Index name is a trademark of Moscow Exchange registered by the Federal Service for Intellectual Property in the Russian Public Register of Trademarks and Service Marks on 29 September 2014 (trademark certificate No. 521450).
  2. The Exchange shall approve this Methodology and any amendments and supplements thereto and they shall come into effect on the date determined by the Exchange.

1. **General Calculation Method**
   1. The Index is calculated based on the value of Eurobonds received by summing up the price and Accumulated Coupon Income of the Eurobond, with coupon payments reinvestment factored in. The Index is calculated according to the following formula:

where:

CIn – Index value at time n;

Pi,n – the average weighted price of the i-th Eurobond issue calculated at time n, in per cent of the par value;

FVi,n – par value of the i-th Eurobond issue at time n, in USD;

Ai,n – the Accrued Coupon Income on the i-th Eurobond issue calculated at time n, in USD;

Gi,n – the Coupon Income paid on the i-th Eurobond issue at time n, in USD;

Ni,n – the volume of i-th Eurobond issue at time n, in securities units.

* 1. The Index is calculated to two decimal places.
  2. The Index is calculated once a day. This only value of the Indices for the day is both the current value and the closing value before the next calculation of the Indices on the next trading day.
  3. The Exchange may change Index calculation frequency.
  4. Index inception date is 29 December 2018. Starting Index value is 100.

1. **Eurobond Issue Price Discovery**
   1. The Eurobond pricing sources are the Russian Eurobond market (onshore) quotes published by information agencies, unless otherwise is stipulated in the Exchanges resolution.
   2. The price of the Eurobond of the i-th issue is set equal to the average of the bid price and ask price. The Eurobond price is set in USD based on the par value of the Eurobond.
   3. If bid price and ask price are not available, the last available price of the i-th Eurobond issue is used for the Index calculation.
   4. If the Eurobond pricing source indicated in paragraph 3.1 hereof suspends (terminates) delivering Eurobond issue prices, the Exchange may decide to change the pricing source.
2. **Index Construction and Review**
   1. Eurobonds which meet the following requirements shall be included in the Index:
      1. The Eurobond issue currency is USD.
      2. As of the effective date of reviewed Index Constituents the term to maturity is at least  
         3 months.
      3. As of the Index Constituents Date fixed rates of all coupon rates for the period to maturity are defined.
      4. The issuer-Russian company (the issuer's SPV) is listed in the Vector of Sustainable Development.
   2. If the number of issuers of Eurobonds compliant with criteria set in section 4.1 hereof totals less than 10, the Exchange may include Eurobonds of the Russian Federation compliant with the requirements outlined in 4.1.1.-4.1.3. hereof with a maximum term to maturity to the Index Constituents.
   3. Eurobonds shall be included in or removed from the Index Constituents when the Index Constituents are reviewed.
   4. Normally, the list of Index Constituents is reviewed at most on a quarterly basis. The reviewed Index Constituents come into effect from the start of trading in T+ trading mode on the trading day following the last trading day in February, May, August and November. The Exchange may decide on other dates for the reviewed Index Constituents to come into effect.
   5. The Exchange may decide to exclude constituent Eurobonds and replace them in the Index outside of normal schedule on the date decided by the Exchange if the following occurs:
      1. The Issuer of Eurobonds within the Index Constituents fails to meet coupon payment obligations, redeem the issue through the Offer, or redeem Eurobond and/or other bond issue(s) of the Issuer.
      2. If the Eurobond pricing data source indicated in paragraph 3.1 hereof stops (suspends) publishing prices for the Eurobond.
      3. If RSPP makes changes to the Vector of Sustainable Development.
      4. other events not covered by this Methodology, which may substantially impact the Index calculation, have occurred.
   6. The Exchange may decide to include the Eurobonds in the Settlement Base extraordinary provided that the Eurobonds meet the requirements outlined in paragraphs 1.1. to 4.1.4. hereof.
   7. The Exchange has the right to decide to include Eurobonds that do not comply with criteria in 4.1 hereof to the list of Index Constituents in a manner different from that outlined in paragraphs 4.1. to 4.5. hereof.
3. **Limitation on the Share of Eurobond Value in the Index**
   1. As of the Index Constituents Date, the weight of issuers’ Eurobonds for the Index Constituents is determined pro rata to their position in the Vector of Sustainable Development.
   2. The share of Eurobond value in the total value of Eurobonds included in the Index Constituents is capped at 10% (S=10%).
   3. If the number of Eurobond issuers meeting criteria in section 3.1 of this Methodology totals less than 11, the share of Eurobond value of an issuer in the total value of Constituent Eurobonds is capped at 10%, while the weight of Russian Federation Eurobonds included in the Index Constituents takes a value equal to the difference between 100% of the total value of Eurobonds included in Index Constituents and the total weight of Eurobonds of corporate issuers.
4. **Disclosure**
   1. This Methodology, Index values for the entire period of calculation, information on Index Constituents, and other information, inclusive of the information required to be disclosed in accordance with the requirements of financial markets regulations is disclosed on the Exchange official website.
   2. The Exchange discloses the Index value for the previous trading day no later than 12:00 MSK.
   3. The text of this Methodology is disclosed on the official website of the Exchange on the Internet no later than three working days before the Methodology's effective date, unless the Exchange's resolution stipulates otherwise.
   4. Announcements on the index periodic review are announced within three working days as from the date of Exchanges resolution on approval of a new List of Constituents, but no later than one week prior to the day on which such resolution becomes effective.
   5. Extraordinary changes to Index Constituents are announced not later than their effective date.
   6. Information to be disclosed according to this Methodology on the website of the Exchange may also be disseminated in other ways, e.g. through information agencies spreading information about on-Exchange trades in securities.