|  |  |
| --- | --- |
| Approved by the Directorate of  CJSC MICEX Stock Exchange  on January 17, 2014  (Minutes No. 1)  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  A. Kuznetsova  General Director  CJSC “MICEX Stock Exchange” | Approved by  Executive Board of Moscow Exchange  on January 17, 2014  (Minutes No. 2)  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_   1. Afanasiev   Chief Executive Officer  Moscow Exchange |

**Methodology of the Moscow Exchange Indices Calculation**

Moscow Exchange, CJSC MICEX Stock Exchange, 2014

CONTENTS

[**1.** **General provisions** 3](#_Toc378676980)

[**2.** **General procedure for Index calculation** 3](#_Toc378676981)

[**3.** **Calculation of the i-th Stock price** 5](#_Toc378676982)

[**4.** **Calculation of the free-float coefficient value** 6](#_Toc378676983)

[**5.** **Calculation of the Divisor (D) value** 6](#_Toc378676984)

[**6.** **Calculation of the weighting coefficient values** 7](#_Toc378676985)

[**7.** **Procedure for reviewing the Constituent List** 9](#_Toc378676986)

[**8.** **Principles of drawing up the Constituent List** 10](#_Toc378676987)

[**9.** **Treatment of corporate events** 11](#_Toc378676988)

[**10.** **Procedure for Indices calculation control** 12](#_Toc378676989)

[**11.** **Publication** 12](#_Toc378676990)

1. **General provisions**
   1. The MICEX Index is the composite index of the Russian stock market calculated by CJSC MICEX Stock Exchange (hereinafter – the Exchange) based on prices of trades executed in most highly capitalized liquid securities of issuers admitted to trading on the Exchange’s in accordance with the Methodology (hereinafter the Methodology).
   2. According to the Methodology the Exchange calculates the main Index using the prices of trades in securities transactions denominated in Russian rubles (hereinafter the Index), and the prices of trades in securities in US dollars (hereinafter the Dollar Index). The Index and the Dollar Index shall be referred to as “the Indices”.
   3. The name of the Index in Russian shall be «Индекс ММВБ», the name of the Index in English shall be «MICEX Index».
   4. The name of the Dollar index in Russian shall be «Индекс РТС», the name of the Dollar index in English shall be «RTS Index».
   5. The verbal mark «Индекс ММВБ» is a trade mark of Moscow Exchange registered in the State register of trade and service marks of the Russian Federation on June 16, 2004 (certificate for the trade mark № 270214).
   6. The verbal mark «MICEX Index» is a trade mark of Moscow Exchange registered in the State register of trade and service marks of the Russian Federation on June 16, 2004 (certificate for the trade mark № 270212).
   7. The verbal mark «Индекс РТС» is a trade mark of Moscow Exchange registered in the State register of trade and service marks of the Russian Federation on March 15, 2007 (certificate for the trade mark № 322604).
   8. The verbal mark «RTS Index» is a trade mark of Moscow Exchange registered in the State register of trade and service marks of the Russian Federation on May 17, 2007 (certificate for the trade mark № 326584).
   9. The Index is a securities index which shall be used to suspend trading in securities at the Exchange in the cases provided for regulatory acts for the securities market.
   10. The present Methodology together with all amendments, supplements and modifications made to the Methodology are developed in compliance with recommendations of Moscow Exchange Index Committee (hereinafter the Index Committee).
   11. Moscow Exchange is entitled to read over and approve the present Methodology and the amendments, modifications and supplements to the present Methodology from time to time. The Methodology and the amendments, modifications and supplements to the Methodology shall take effect starting from the date set forth by the Exchange. The amendments, modifications and supplements ought to be made to the Methodology not more frequently than once per quarter.
   12. The text of the Methodology and all its supplements shall be disclosed on the Moscow Exchange’s website at least two weeks prior to the day when the Methodology, amendments and supplements come into force.
   13. Terms and definitions used in these Rules shall be construed as defined in internal documents of Moscow Exchange, laws of the Russian Federation and regulatory acts for financial markets.
2. **General procedure for Index calculation**
   1. The Index is calculated based on information on trades in stocks and Russian depository receipts representing stocks, as well as other securities that may be used to calculate the equity index in accordance with requirements stated in the regulatory acts for financial markets. The Index is calculated during the main trading session of the Exchange and during additional trading sessions (if any) unless the Exchange has established a different term for calculation of the Index.
   2. The Index is updated every trading day on a real-time basis (every minute or more frequently) when a transaction with securities included into the List of constituent securities for calculation of the Index is executed. The Dollar Index is updated every second. Such frequency of the Index calculation may be changed by the Exchange subject to restrictions set forth by the regulatory acts for financial markets. The Values of the Indices are published on the Moscow Exchange’s website every second. The frequency of Index publication can be changed by the decision of the Exchange; however, it must not be less than one time a day.
   3. The first values of the Indices calculated during the main (additional) trading session is calculated when the session is being closed and is considered their opening values.
   4. The last values of the Indices calculated during the main (additional) trading session is calculated when the session is being closed and is considered their closing values.
   5. The Exchange is entitled to change the time of start and (or) end of the Index calculation. The Exchange market participants shall be informed of the resolutions made by the Exchange by notifications published on the Moscow Exchange’s website no later than five business days before these changes come into force, unless the Exchange sets a different timeline.
   6. The list of securities used to calculate the Index (hereinafter “the List of constituents”) comprises stocks of Russian and foreign issuers excluding stocks issued by joint-stock investment funds (hereinafter referred to as “Stocks”), Russian depositary receipts representing stocks (hereinafter referred to as “RDRs”) and other securities that may be included in any equity index in accordance with requirements stated in the regulatory acts for financial markets. For the purpose of this Methodology the securities stated in this clause are hereinafter together referred to as the “Stocks”.
   7. The Index is computed by dividing the aggregate value (total capitalization) of all Stocks as of the calculation moment by the value of divisor by the following formula:

,

where:

In – the Index value as of the n-th moment of the Index calculation;

MCn – aggregate value (total capitalization) of all Stocks as of the n-th moment of the Index calculation determined in accordance with Clause 2.9 hereto;

Dn – the value of divisor of the n-th moment of the Index calculation;

Divisor means the aggregate value (total capitalization) of all Stocks as of the Index inception date, corrected with regard to the changes of the List of constituents and the initial Index value. On Index inception date the following formula shall be used to calculate the Index:

,

MC1 – aggregate value (total capitalization) of all Stocks as of the Index inception date;

I1 – the Index value as of the Index inception date;

* 1. The following values as of September 22, 1997 (the Index inception date) are used as the initial values:

1) Index value (I1) = 100;

2) Aggregate value of all Stocks (MC1) = RUB 240,287,712,872.71;

3) Divisor value (D1) = 2,402,877,128.73;

* 1. The aggregate value of all Stocks as of the n-th moment of the Index calculation is calculated as follows:

,

where:

N – the total number of Stocks of one category (type) issued by one issuer;

Pi – price of the i-th Stock in rubles;

Qi – the total number of i-th Stocks of one category (type) issued by one issuer;

FFi– adjusting coefficient, determined in accordance with the rules of the present Methodology, based on the number of stocks and outstanding stocks represented by DRs (free-float coefficient);

Wi – coefficient restricting the share of the i-th Stock's capitalization (weighting coefficient).

* 1. For the purpose of this Methodology the total number of stocks (Qi) shall be determined as a total number of i-th stocks of the main issue (additional issues), excluding the stocks purchased by the issuer as well as redeemed (cancelled) stocks if not otherwise specified. As for RDRs and other DRs included in the Index in accordance with clause 2.6 hereof, the total number of i-th stocks (Qi) shall be determined by dividing the total number of stocks represented by these DRs by the number of stocks represented by one DR of a relevant issue.
  2. Except as provided for in Clause 9.4 hereof, the total number of i–th Stocks (Qi) is calculated based on the results of the trading day preceding the day when the notice on changing the List of constituents was published on the Exchange’s website.
  3. The Dollar Index shall be calculated according to the following formula:

,

where:

Iсn – the Dollar Index value as of the n-th moment of its calculation;

MCcn – aggregate value (total capitalization) of all Stocks as of the n-th moment of the Dollar Index calculation determined in accordance with Clause 2.13 hereto;

Dcn – the value of divisor of the n-th moment of the Dollar Index calculation. On Dollar Index inception date the following formula shall be used to calculate the Index:

,

MCc1 – aggregate value (total capitalization) of all Stocks as of the Dollar Index inception date;

Ic1 – the Dollar Index value as of the Index inception date;

* 1. The following values as of September 01, 1995 (the Dollar Index inception date) are used as the initial values:

1. Dollar Index value (Ic1) = 100;
2. Aggregate value of all Stocks (MCc1) = 12 666 080 264 U.S. dollar;
3. Divisor value (Dc1) = 126 660 802,64;
   1. The aggregate value of all Stocks as of the n-th moment of the Dollar Index calculation is calculated as follows:

,

where:

,

N – the total number of Stocks of one category (type) issued by one issuer;

Pci – price of the i-th Stock in dollars;

Qi – the total number of i-th Stocks of one category (type) issued by one issuer;

FFi– adjusting coefficient, determined in accordance with the rules of the present Methodology, based on the number of stocks and outstanding stocks represented by DRs (free-float coefficient);

Wi – coefficient restricting the share of the i-th Stock's capitalization (weighting coefficient),

Pi – price of the i-th Stock in rubles;

Kn – US dollar exchange rate against the Russian ruble as of the n-th moment of calculation determined in accordance with the Methodology for calculation of the indicative USD/RUB exchange rate approved by Moscow Exchange, if not otherwise specified by the Exchange.

* 1. The values of the Indices are expressed in basis points and calculated accurate to 2 decimal places.

1. **Calculation of the i-th Stock price**
   1. To calculate the price of the i-th Stocks Pi) the following information can be used:
      1. Prices of trades executed during the trading period within the Main trading mode on the Main market;
      2. Prices of trades executed through off-order book orders on the Standard market sector during the evening trading session;
      3. Stocks closing prices.
   2. Market sectors, markets, trading modes and periods used in calculating the price of the i-th Stock in accordance with the procedure described in Clause [3.1](#п_3_1) herein, are approved by the Exchange with regard to the requirements set forth in Clause 2.1 of the present Methodology.
   3. The price of the i-th Stock (Pi) shall be deemed equal to the price of the last trade executed in this Stock (Pideal) on the Exchange, except for as indicated in clauses 3.4 and 3.5 herein.
   4. For the purpose of removing nonmarket fluctuation in Stocks’ prices shall be calculated fluctuation value for each trade to the weighted average price of preceding 10 trades. If the price fluctuation value of the last trade to the weighted average price of preceding 10 trades exceeds the set value, instead of the last trade’s price shall be applied the preceding price value that meets the following requirement:

,

where:

Pit – price of the i-the Stock at the moment of the last trade execution (t);

Pit-1 – price of the i-th Stock at the moment of execution of the preceding trade (t-1);

Pitdeal – price of the last trade;

Ki – maximum fluctuation value which equals 0.01, if not otherwise specified by the Exchange;

Pitavg – weighted average price of the last 10 trades, calculated using the formula:

,

where:

Pijdeal – price of the j-th trade;

qij – size if the j-th trade in Stocks.

If less than 10 trades in the i-th Stock has been executed in the relevant trading mode as from the start of the main trading session of the current Trading, the price of the i-th Stock (Pi) shall be determined as equal to the price of the last trade in such Stock(Pitdeal).

* 1. If it is possible to calculate the price of the i-th Stock (Pi) using the closing price, the price of the i-th Stock (Pi) is equal to the closing price as at the close of trading.
  2. If two or more issues of securities of the same issuer and of the same type, but with different state registration numbers are admitted to trading in the Exchange, the sale and purchase transactions executed with the securities of the main issue shall be taken to calculate the price of the i-th Stock, however, it is possible to use the price of the additional issue under the directives of the Exchange.
  3. The price of the i-th Stock (Pi) shall be determined accurate to the tick of RUB0.01. If the tick specified in the internal documents of the Exchange regulating the trades differs from the value of RUB0.01, then the price of the i-th Stock shall be calculated accurate to the tick specified for such a Stock.
  4. The price of the i-th Stock (Pci) calculated in USD dollars shall be calculated accurate to the 5-th decimal place.
  5. The procedure for calculation of the price of the i-th Stock (Pi) specified in clauses 3.1 – 3.6 herein shall not be applied in the cases described in clause [9.4](#п_9_4) hereto.

1. **Calculation of the free float**
   1. The free float coefficient (FFi) is determined based on the information that is disclosed by securities issuers and other publicly available information that contains information about owners of securities and/ or owners of securities represented by depositary receipts including nominee (beneficiary) owners.
   2. The value of the free float is determined by dividing the number of securities (of the same category, type) of the issuer (issuer’s represented securities) freely available on the regulated market by the total number of issuer’s placed securities (of the same category, type) and/or issuer’s securities represented by depositary receipts determined as at the date of the latest quarterly report published by the issuer (as for Russian issuers) or other information containing data on holders of the Stocks.
   3. The Exchange adopts a free float methodology which stipulates how the free float is determined, reviewed and published as well as how number of stocks (of one category and type) of one issuer (or represented stocks) that are readily available on the market is determined for the purpose of the free float calculation.
2. **Calculation of the Divisor (D) value**
   1. The values of Divisors Dn and Dсn are calculated if the procedures for Constituent list calculation, FFi (free-float) coefficient calculation, Wi coefficient (weighted coefficient) calculation are changed, and (or) if any corporate restricting event specified in Clause 9 herein takes place.
   2. The value of Divisor Dn shall be calculated as per the formula:

,

where:

Dn+1 – the new value of Divisor D;

Dn – the current value of Divisor D;

MCn – the aggregate value of all the Stocks denominated in rubles which is effective till the day when the restricting event that shall be the reason to change the calculation of Divisor D occurs, as it is specified in Clause 5.1 herein;

MCn' – the aggregate value of all the Stocks denominated in rubles which is calculated after the day when the restricting event specified in Clause 5.1 herein occurs.

* 1. The value of Divisor Dcn shall be calculated as per the formula:

,

where:

Dcn+1 – the new value of Divisor D;

Dcn – the current value of Divisor D;

MCcn – the aggregate value of all the Stocks denominated in US dollars which is calculated before the day when the restricting event specified in Clause 5.1 herein occurs;

MCсn' – the aggregate value of all the Stocks denominated in US dollars which is calculated before the day when the restricting event specified in Clause 5.1 herein occurs.

* 1. The values of Divisors Dn and Dсn shall be calculated accurate to the forth decimal place.

1. **Calculation of the weighting coefficient values**
   1. The share of the i-th Stocks’ value (hereinafter referred to as “Specific weight”) in the aggregate value of all Stocks is calculated by the formula:



where:

Wghti – Specific weight of the i-th Stock;

Pi – price of the i-th Stock;

Qi– total number of the i-th Stock;

Wi *–* the coefficient restricting the share of the i-th Stock in total capitalization (weighting coefficient);

FFi– adjusting coefficient reflecting the number of outstanding stocks and outstanding stocks represented by depositary receipts (free-float coefficient);

N – number of Stocks.

* 1. Specific weight of the Stocks of one issuer is calculated as a sum of specific weights of the Stocks of all categories of this issuer.
  2. In order to limit the impact of Stocks of certain issuers on the Index value:
     1. On the day when the List of constituent Stocks is compiled Specific weight of Stocks of each issuer shall not exceed 15% (S=15%).
     2. On the day following the day when the new List of constituent Stocks comes into force Specific weight of Stocks of each issuer, shall not exceed 30% (S=30%).
     3. At each moment of the Index calculation Specific weight of Stocks of each issuer shall not exceed 50% (S=50%).
     4. On the day when the List of constituent Stocks is compiled the sum of five largest Specific weights of Stocks shall not exceed 55% (S=55%).
  3. In order to ensure that the restriction requirements set forth in Clauses 6.3.1 – 6.3.4 herein are met, coefficients that restrict the share of the i-th Stock capitalization (weighting coefficients) Wi are calculated as follows:
     1. The share of value of Stocks of j-th issuer is calculated without weighting coefficients W*i*:

, ,

where:

*S0j* – share of value of stocks of j-th issuer without weighting coefficients W*i*;

*N* – number of issuers of the Stocks;

*Ppj* – price of Stocks of p-th category of j-th issuer;

*Qpj* – the total number of Stocks of p-th category of j-th issuer;

*FFpj* – the free-float coefficient of the stocks of the p-th category (type) of the j-th issuer or the represented stocks of the *p*-th category (type) of the *j*-th issuer;

*p* – the category (type) of stocks or represented stocks of the same issuer that are taken into account while calculating Indices.

* + 1. If there are issuers for whom the share of their Stocks’ value exceeds the maximum allowed *S*, then auxiliary values *SFj, SAj* are fixed for them at the *S* level. The number of pent-up issuers *M* is calculated.

The value *SFj* defines a fixed share of the value of all Stocks of p-th category of j-th issuer, and the value *SAj* defines a redistributed share of the value of all Stocks of p-th category of j-th issuer.

Whereby the fixed share of the value of Stocks of p-th category of j-th pent-up issuer shall be calculated as follows:



* + 1. For each category of Stocks of the remaining issuers (other than pent-up issuers) SFpj= S0pj, and SApj shall be calculated as follows:

.

* + 1. If there are no pent-up issuers (M=0), then for Stocks of all categories from all issues the following condition is true *S0j= SFj= SAj*.
    2. The aggregate share of values of 5 Stocks with the largest Specific weight is determined per the formula:

F=.

If the aggregate share of their values calculated as indicated above does not exceed 0.55 then it shall be deemed that  for all categories of Stocks of all issuers.

Whereby the *SRj* parameter describes the resulting share of value of the stocks of the j-th issuer.

If the above condition is met, proceed as provided for in Clause 6.4.11 herein.

* + 1. If the aggregate share of values of 5 Stocks with the largest Specific weights (F) exceeds 0.55, then for the Stocks with the share that exceeds 15% when having been calculated without regard to restricting coefficient *S0j*  , the following shall be true: .

The share of values of 5 Stocks with the largest Specific weights except the Stocks with the share that exceeds 15% when having been calculated without regard to restricting coefficient *S0j*  is determined as per the formula: R= and the aggregate share of values of the remaining Stocks (other than the first 5 Stocks with the largest Specific weights) is calculated as follows: G=.

* + 1. For the 5 Stocks with the largest Specific weights except the Stocks with the Specific weight initially exceeding the maximum allowed S value, the following shall be true:

.

For the remaining Stocks (other than the first 5 Stocks with the largest Specific weights) the following shall be true:

.

* + 1. If the smallest share of the value of a Stock (*SRj)* that belongs to the 5 Stocks with the largest Specific weights is larger compared to the largest share of the value of a Stock not belonging to the 5 Stocks with the largest Specific weights, proceed as provided for in Clause 6.4.10 herein.
    2. If the condition provided for in Clause 6.4.8 herein is not met, then the shares of values of the 5 Stocks with the largest Specific weights are fixed. For the Stock with the largest share of value that does not belong to the above-mentioned 5 Stocks it shall be deemed that the share of value of this Stock equals the smallest share of the value of a Stock belonging to the 5 Stocks with the largest Specific weights. For the other Stocks a new *SR* coefficient shall be calculated as follows:

,

X – the difference between the weights of the smallest pent-up Stock and the largest out of the Stocks that do not belong to pent-up Stocks;

K – number of such Stocks.

Then it is checked whether the condition stipulated in Clause 6.4.8 herein in respect of the Stock following the Stock whose share of value was set equal to the smallest share of value of the Stock belonging to the 5 Stocks with the largest Specific weights is true.

* + 1. The maximum resulting share of value for the Stocks of the j-th issuer (*SRj)* is determined.

If this value does not exceed S, proceed as provided for in Clause 6.4.11 herein.

If the maximum resulting share of value of the Stocks of the j-th issuer exceeds S, then it shall be deemed that the share of value of Stocks of this issuer equals *SFj= SAj*. *= SRj* = S. The steps provided for in Clauses 6.4.2-6.4.10 herein shall be repeated with the newly set conditions.

* + 1. Auxiliary restricting coefficients shall be determined as follows:



.

* + 1. Resulting coefficients restricting the share of the i-th Stock in total capitalization are calculated as for the formula: , where k-th Stock is means the Stock with the smallest share of value *SRpj*.
  1. The coefficients restricting the share of the i-th Stocks in total market capitalization (weighting coefficients Wi) are calculated by results of the trading day preceding the day when the notice on updating the List of constituent Stocks was published on the Moscow Exchange’s website.
  2. If by results of the day on which the new List of constituent Stocks comes into effect the Specific weight of the Stocks of the j-issuer exceeds 25%, the Exchange is entitled to take a decision to carry out an unscheduled calculation of the coefficients, restricting the share of the i-th Stocks in total market capitalization (weighting coefficients Wi), with the purpose of meeting the restricting requirements set forth in Clauses 6.3.1 – 6.3.3 herein.
  3. If by results of any day the Specific weight of the Stocks of the issuer exceeds 40%, or the aggregate value of the Specific weight of Stocks of issuers exceeds 59%, the Exchange is entitled to take a decision to carry out an unscheduled calculation of the coefficients, restricting the share of the i-th Stocks in total market capitalization (weighting coefficients Wi), with the purpose of meeting the restricting requirements set forth in Clauses 6.3 herein.

1. **Procedure for reviewing the Constituent List**

* 1. The List of constituent Stocks contains the name of the issuer and indicates the Stocks’ categories (types).
  2. Stocks and DRs representing stocks are added to and removed from the List of constituent Stocks when the List of constituent Stocks is reviewed.
  3. The Exchange reviews the List of constituent Stocks four times a year on a regular basis, except for the cases provided for in this Methodology. After a scheduled review the updated List of constituent Stocks comes into effect after the end of the evening clearing session on March 15th, June 15th, September 15th or December 15th. If March 15th, June 15th, September 15th, or December 15th falls on a day that is not a trading day, then the updated List of constituent Stocks comes into effect after the end of the main trading session on the day following the 15th day of the relevant month. The Exchange is entitled to determine other dates for the reviewed List of Constituents to come into force.
  4. The size of trades in the Stocks included into the list of constituents shall meet the requirements for inclusion into Quotation list “B”. Drawing up the reviewed List of Constituents shall be in compliance with procedures described in the present Methodology.
  5. The Exchange reviews the List of constituent Stocks out of schedule if:
  + the Stocks are excluded from the list of securities admitted to trading on the Exchange including in the result of delisting, or if restrictions are imposed on trading in the Stocks in the securities market sector, or in the trading mode implemented in the securities market sector chosen for calculation of the Index in accordance with Clauses 3.2 herein;
  + issuer’s corporate events take place including the corporate events provided for in Clause 9 herein.
  1. When the List of constituent Stocks is reviewed out of the schedule, the Stocks can only be excluded from the List of constituent Stocks.
  2. The Exchange shall disclose the reviewed Constituent Lists by publishing a relevant notice on the Moscow Exchange’s website not later than 2 weeks before the day when such reviewed constituents come into force in accordance with the decision of the Exchange.
  3. The notices on the Constituent Lists reviewed out of the schedule shall be posted on the Moscow Exchange’s website not later than one day before the day when such reviewed constituents come into force in accordance with the decision of the Exchange.

1. **Principles of drawing up the Constituent List**

* 1. The liquid Stocks admitted into quotation lists of the Exchange, including Quotation list “I”, or admitted to trading without having gone through listing procedure can be added to the List of constituent Stocks
  2. The List shall include only the Stocks with the value of the adjusting coefficient (free-float coefficient which is calculated based on the number of Stocks placed or the outstanding Stocks in compliance with Clause 4 herein) that is 5% or more.
  3. The List shall include Stocks for which a percentage of trading days on which at least one trade in the Stock was executed in the total number of trading days for three months preceding the day on which the new List is made up, is at least 70%.
  4. Subject to recommendations of the Index committee, the List shall include Stocks placed above or on the 120th position in the daily median trading volume ranking over three months preceding the day on which the new List is made up unless otherwise required by the Exchange
  5. The number of Stocks on the List shall be 50, if not otherwise specified by the Exchange, but may not include less than 10 Issuers of securities.
  6. In order to provide the stability of the Constituent List, the quarterly review of the List shall be performed as follows:
     1. The list of constituents corresponding to the requirements of Clauses 8.1 – 8.4. hereof, is arranged based on their capitalization with the free-float taken into account.
     2. If the Constituent List includes the 56-th Stock and further, this Stock shall be excluded from the List and replaced by the Stock with the smallest number, i.e. descending from number 55.
     3. If the List does not include the 45-th Stock or the Stock with the smaller number, then this Stock shall be included into the List; whereas the Stock with the biggest number shall be excluded, i.e. ascending from number 46.
  7. The Index Committee is entitled to give the Exchange a recommendation whether it shall decide upon the inclusion of the Stock into (or exclusion the Stock from) the Constituent List if such Stocks are not included into (or excluded from) the List as it is specified in Clauses 8.4-8.6 hereof.

1. **Treatment of corporate events**
   1. If represented stocks have been split or consolidated or scope of rights and/or procedure for exercising rights carried by the represented stocks pursuant to the foreign law have been changed, the Exchange shall make a resolution on treating such events based on recommendations of the Index Committee.
   2. Suspension of trading in Stocks on the Exchange.

If trading in the i-th Stock suspended at the Exchange for the period that is more than one trading day, then the price measured in Indices shall remain equal to the last price that had been calculated before the suspension.

* 1. Placement of additional Stocks, redemption of Stocks.

Admission of the i-th Stocks of additional issue to trading on the Exchange and redemption (cancellation) of the i-th Stocks do not serve as grounds for recalculation of the total number of the i-th Stocks (Qi). The given recalculation is performed in accordance with the established procedure and in due time specified in paragraph 2.11 herein.

* 1. Split and reverse split of stocks.

In case of a split or reverse split of the i-th Stocks on the day the resulting stocks issue, which the mentioned Stock was converted into due to their consolidation or split, is admitted to trading the Exchange recalculates the total number of i-th Stocks (Qi) and the price of the i-th Stock (Pi), that was computed by the results of trading on the day preceding the day specified. During the recalculation the total number of i-th Stocks (Qi) is multiplied by the split ratio or divided by the reverse split ratio, and the i-th Stock’s price (Pi) is divided by the split ratio or multiplied by the reverse split ratio.

* 1. Reorganization of a joint stock company, whose shares are included into the List of constituent Stocks.

When a joint stock company is reorganized, certain actions are taken to reflect the fact of reorganization in the process of calculating the Index. Depending on the form of reorganization various actions can be undertaken. It is the Exchange who takes the decision on the kind of action to undertake with regard to recommendation of the Index Committee. Information on the adopted resolutions is posted on the Moscow Exchange’s website.

A model plan of actions in case of reorganization of a company whose stocks are on the constituent list:

* + 1. Merger of joint stock companies.

In case of merger Stocks of reorganized companies are excluded from the List of constituent Stocks within the timeframe determined by the Exchange on recommendation of the Index Committee.

* + 1. Reorganization of a joint stock company in the form of split-off.

In case of split-off Stocks of the reorganized company are removed from the List of constituent Stocks within the timeframe determined by the Exchange on recommendation of the Index Committee.

* + 1. Reorganization of a joint stock company in the form of spin-off.

In case of spin-off, the price for the reorganized company’s Stocks (i-th Stocks’ price) (Pi) is locked in at the level determined based on the trading results on the day preceding the lock-in day. The lock-in day and the terms of unlocking the price of the i-th Stock (Pi), are by the Exchange with regard to the recommendation of the Index Committee. On the day of unlocking the price of the i-th Stock (Pi) the Exchange recalculates the total number of the i-th Stocks (Qi) and Divisor D.

* + 1. Reorganization of a joint stock company in the form of acquisition.

In case of acquisition of a joint stock company by another joint stock company, whose Stocks are included into the List of constituent Stocks, the price of the Stocks (i-th Stocks) (Pi) is locked in at the level determined based on the trading results on the day preceding the lock-in day. The lock-in day and the terms of unlocking the price for the i-th Stock (Pi) are determined by the Exchange with regard to the recommendation of the Index Committee. On the day of unlocking the price of the i-th Stock (Pi) the recalculation of the total number of the i-th Stocks (Qi) and Divisor D shall take place.

In case of acquisition of a joint stock company whose Stocks are included into the List of constituent Stocks by another joint stock company the Stocks are removed from the List of constituent Stocks within the timeframe determined by the Exchange with on recommendation of the Index Committee.

* + 1. Reorganization of a joint stock company whose Stocks are included into the List of constituent Stocks in the form of split-off or spin-off with simultaneous merger or acquisition.

In case of spin-off of a joint stock company from a joint stock company whose Stocks are included into the List of constituent Stocks with a simultaneous acquisition of the latter by a stock company whose Stocks are included into the List of constituent Stocks, the rules specified in paragraph 9.5.3 herein are applied to the spin off and the rules specified in paragraph 9.5.4 herein, are applied to the acquisition except for the requirement to recalculate Divisor D.

In case of spin-off of a joint stock company from a joint stock company whose Stocks are included into the List of constituent Stocks with a simultaneous acquisition of the latter by a joint stock company whose Stocks are included into the List of constituent Stocks, the rules specified in paragraph 9.5.3 herein are applied.

In case of spin-off of a joint stock company from a joint stock company whose Stocks are included into the List of constituent Stocks with a simultaneous merger of the latter by a joint stock company whose Stocks are included into the List of constituent Stocks, the rules specified in paragraph 9.5.3 herein are applied to the spin off and the rules specified in paragraph 9.5.1. herein are applied to the merger.

In case of spin-off of a stock company from a stock company whose Stocks are included into the List of constituent Stocks with a simultaneous merger of the latter with a joint stock company whose Stocks are not included into the List of constituent Stocks, the rules specified in paragraph 9.5.3 herein are applied.

In case of spin-off of a joint stock company from a joint stock company whose Stocks are included into the List of constituent Stocks with a simultaneous acquisition of the latter with a joint stock company whose Stocks are included into the List of constituent Stocks, the rules specified in paragraph 9.5.2 herein are applied to the spin off and the rules specified in the paragraph 9.5.4 herein are applied to the acquisition, except for the requirement to recalculate Divisor D.

In case of spin-off of a joint stock company from a joint stock company whose Stocks are included into the List of constituent Stocks with a simultaneous acquisition of the latter by a joint stock company whose Stocks are not included into the List of constituent Stocks, the rules specified in paragraph 9.5.2 herein are applied.

In case of spin-off of a joint stock company from a joint stock company whose Stocks are included into the List of constituent Stocks with a simultaneous merger of the latter with a joint stock company whose Stocks are included into the List of constituent Stocks, the rules specified in paragraph 9.5.2 herein are applied to the spin off and the rules specified in paragraph 9.5.1 herein are applied to the merger.

In case of spin-off of a stock company from a stock company whose Stocks are included into the List of constituent Stocks with a simultaneous merger of the latter with a joint stock company whose Stocks are not included into the List of constituent Stocks, the rules specified in paragraph 9.5.2 herein are applied.

1. **Procedure for Indices calculation control**
   1. In case of a technical disruption in the process of the Index calculation or during trading in securities in the Exchange that led to distortion of the data used for calculating the Indices recalculation of the previously calculated Indices, but not earlier than for the previous trading day. In case the Indices values recalculation takes place, the Exchange shall perform such recalculation as soon as possible after the technical disruption was revealed. In case of recalculation of the Index values a relevant notice is published on the Moscow Exchange’s website.
   2. If circumstances or events occur that can have an adverse impact on how accurate the Index reflects the actual state of the Russian stock market, the Exchange is entitled to undertake any actions necessary to ensure accuracy of the Index, including removal of Stocks from the List of constituent Stocks, setting values of parameters used for calculation of the indicators specified in this Methodology, etc.
2. **Publication**
   1. Information on the Indices shall be published on the Moscow Exchange’s website.
   2. Not only the information that is published on the Moscow Exchange’s website, but also the Index constituent list, the total number of the i-th Stocks (Qi) per each i-th Stock, the absolute weight of the i-th Stocks per each i-th Stock, the information on the conformity of the Indices with the requirements set forth in the regulatory acts for the financial markets which stipulate requirements for indices used for creating mutual funds, as well as information on the values of the Indices including the last calculated value of each Index, the values of the RUB/USD exchange rate used for the Index calculation shall be disclosed regularly on a daily basis. The information about the current value of the Index shall be disclosed during the two minutes from the moment of its calculation.
   3. The present Methodology, the information about the Index values and the total number of the i-th Stocks (Qi) per each i-th Stock, the absolute weight of the i-th Stocks per each i-th Stock are available for every person interested in this information and shall be published on the Moscow Exchange’s website with the above-mentioned data provided for the latest two years.
   4. The information that shall be published on the Moscow Exchange’s website in accordance with this Methodology, may be disclosed in different ways including via information agencies distributing the Exchange’s market data.