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**Methodology of the Moscow Exchange Sector Indices calculation**

Moscow Exchange, MICEX Stock Exchange, 2015CONTENTS

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**General provisions**

* 1. The Moscow Exchange Sector Indices are the indices of the Russian stock market calculated by CJSC MICEX Stock Exchange (hereinafter – the Exchange) based on prices of trades executed in securities admitted to trading on the Exchange in accordance with this Methodology (hereinafter the Methodology).
	2. The Indices are calculated based on stocks of issuers with the economic activity related to relevant sectors of the economy. The list of Sector Indices computed by the Exchange is given in Appendix 1 hereto.
	3. According to the Methodology the Exchange calculates the Indices using the prices of trades in securities transactions denominated in Russian rubles (hereinafter the Ruble Indices), and the prices of trades in securities denominated in US dollars (hereinafter the Dollar Indices). The Indices and the Dollar Indices shall together be referred to as “the Indices”.
	4. 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).
	5. Moscow Exchange is entitled to read over and approve the present Methodology from time to time. The Methodology as well as all amendments and supplements therein shall be subject to approval by Moscow Exchange and the Exchange. The Methodology as well as all amendments and supplements therein take effect starting from the date set forth by the exchanges. The amendments and supplements ought to be made to the Methodology not more frequently than once per quarter.
	6. The text of the Methodology and shall be disclosed on the official website of Moscow Exchange at least two weeks prior to the day when the Methodology, amendments and supplements come into force.
	7. Terms and definitions used in this Methodology shall be construed as defined in internal documents of the Exchange, laws of the Russian Federation, regulatory acts of the Bank of Russia.
1. **General procedure for the Index calculation**
	1. The Indices are calculated based on information about on-exchange trades in stocks and depositary receipts representing stocks. The Indices are calculated throughout the main trading session and additional trading sessions (if any).
	2. The Ruble Indices shall be updated each trading day on a real time basis (at least once a minute) once a trade in the securities included in the Indices is executed. Securities eligible for inclusion in the Indices (the “List of constituents”) are:
* stocks admitted to trading on the Exchange (the “stocks”). This includes foreign stocks admitted to trading, and excludes stocks of equity funds; and
* DRs representing stocks.

The above-mentioned securities are hereinafter together referred to as the “Stocks”. The Dollar Indices are updated every 15 seconds. This periodicity of the Index calculation may be changed by the Exchange subject to limits set forth in the regulatory acts for financial markets. The Indices values are published on the Moscow Exchange’s official website every 15 seconds. This periodicity of the Indices publication may be changed by the Exchange; however, it must be at least once a day.

* 1. The first values of the Indices published during the main (additional) trading session shall be considered their opening values for relevant trading session.
	2. The last values of the Indices published during the main (additional) trading session shall be considered their closing values for relevant trading session.
	3. Unless otherwise prescribed by the Bank of Russia’s regulatory acts, the Exchange is entitled to change the time of start and (or) end of the Indices’ calculation. The Exchange shall inform trading members on resolutions made by the Exchange as per this clause by publishing relevant information on the Moscow Exchange’s official website no later than five business days before these changes come into force, unless the Exchange sets a different deadline.
	4. The Ruble 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 Ruble 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 2.8 hereof;

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

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

,

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

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

* 1. Values I1, MC1 and D1 used to calculate the Ruble Indices are given per each Index in Appendix 2 hereto.
	2. The aggregate value of all Stocks as of the n-th moment of the Ruble Index calculation is calculated as follows:

,

where:

N – the total number of Stocks;

Pi – price of i-th Stock in rubles;

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

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

Wi – coefficient restricting the share of 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, excluding the stocks purchased by the issuer as well as redeemed (cancelled) stocks if not otherwise specified. As for DRs representing stocks included in the Index in accordance with clause 2.2, the total number of i-th represented stocks (Qi) shall be determined by dividing the total number of stocks represented by these RDRs 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 constituent Stocks was published on the Moscow Exchange’s official 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 hereof;

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. Values Ic1, MCc1 and Dc1 used to calculate the dollar Indices are given per each Index in Appendix 2 hereto
	2. 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;

Pci – price of i-th Stock in dollars;

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

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

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

Pi – price of i-th Stock in rubles;

Kn – the US dollar exchange rate against the Russian ruble at the time of the trade that equals the indicative USD/RUB exchange rate computed 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 i-th Stock price**
	1. To calculate the price of i-th Stocks (Pi) the following information is used:
		1. Prices of trades executed in such Stocks during the trading period within the Main trading mode T+ of the Main market;
		2. Stocks’ closing prices.
	2. Markets, markets’ sectors, trading regimes and periods involved in determining the price of i-th Stock in accordance with clause 3.1 hereof, are to be approved by the Exchange subject to requirements set forth in clause 2.1 hereof.
	3. Price of i-th Stock (Pi) is set equal to the price of the last trade executed in such stock (Pitdeal) on the exchange except for cases provided for in clauses 3.4 and 3.5 hereof.
	4. To avoid non-market price fluctuations the deviation of each trade price from the average weighted price of last ten trades is determined. If the price of the last trade deviates from the average weighted price of last 10 trades by a value exceeding the prescribed cap, the previous price value that meets the following condition is to be used instead of the last trade price:

,

where:

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

Pitdeal – last trade price;

Ki – the maximum deviation value which equals 0.02, unless otherwise prescribed by the Exchange.

Pitavg – the average weighted price of last 10 trades determined as per the formula:

,

Where:

Pijdeal – price of j-th trade;

qij – size of j-th trade in Stock units.

If less than 10 trades in i-th Stock were executed in relevant trading mode since the beginning of the main trading session of a given trading day, the price of i-th Stock (Pi) is set equal to the price of last trade executed in that Stock (Pitdeal).

* 1. The price of i-th Stock (Pi) equals the closing price as at the end of the trading day.
	2. If two or more issues of securities of the same issuer and of the same category (class), but with different state registration numbers are admitted to trading in the Exchange, the sale and purchase transactions executed in the securities of the primary issue shall be taken to calculate the price of 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 i-th Stock (Pi) shall be determined accurate to two decimal places. If the price tick specified in the internal documents of the Exchange regulating securities trading differs from the value of RUB0.01, then the price of i-th Stock shall be calculated accurate to the price tick specified for such Stock.
	4. The price of i-th Stock (Pci) in US dollars shall be calculated accurate to five decimal places.
	5. The procedure for calculation of the price of i-th Stock (Pi) specified in Clauses 3.1-3.6 hereof shall not be applied in the case described in Clause 9.4 hereof.
1. **Calculation of the free-float coefficient value**
	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 securities represented by depositary receipts including nominee (beneficiary) owners.
	2. The value of the free-float coefficient is determined as a ratio of securities (of the same category, type) of the issuer (issuer’s represented securities) readily available on the regulated market to the total number of the issuer’s securities (of the same category, type) and/or securities represented by depositary receipts, placed as stated in the last quarterly report of the issuer published (for Russian issuers) or other information about owners 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 stocks (of one category and type) of one issuer (or its represented stocks) that are readily available on the market are counted 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 Indices’ Lists of constituents, FFi coefficient (free-float), Wi coefficient (weighted coefficient) have been changed, and (or) if any corporate event specified in Clause 9 hereof has taken 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 before the occurrence of a condition which serves as a ground to calculate a new value of the Divisor D as per clause 5.1 hereof;

MCn' – the aggregate value of all the Stocks denominated in rubles after the occurrence of a condition which serves as a ground to calculate a new value of the Divisor D as per clause 5.1 hereof.

* 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 before the occurrence of a condition which serves as a ground to calculate a new value of the Divisor D as per clause 5.1 hereof;

MCсn' – the aggregate value of all the Stocks denominated in US dollars after the occurrence of a condition which serves as a ground to calculate a new value of the Divisor D as per clause 5.1 hereof.

* 1. The values of Divisors Dn and Dсn shall be calculated accurate to four decimal places.
1. **Calculation of the weighting coefficient values**
	1. The share of 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 i-th Stock;

Pi – price of i-th Stock;

Qi– total number of i-th Stock;

Wi *–* the coefficient restricting the share of 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 – total 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. Specific weight of the Stocks of a given issuer as of the Lists of constituents date shall not exceed caps defined in Appendix 2 hereto unless otherwise decided by the Exchange.
		2. If the cap specified as per Clause 6.3.1 hereof does not exceed 25%, the specific weight of the Stocks of a given issuer as of the date following the Lists effective date shall not exceed 30% (S=30%).
		3. If the cap specified as per Clause 6.3.1 hereof does not exceed 25%, the specific weight of the Stocks of a given issuer on each moment of Indices calculation shall not exceed 50% (S=50%).
	3. In order to ensure that the restriction requirements set forth in Clauses 6.3.1– 6.3.3 hereof are met, coefficients that restrict the share of i-th Stock capitalization (Wi) (weighting coefficients) are calculated as follows:
		1. The share of j-th issuer’s stocks value is calculated without regard to restricting coefficients W*i*:

, 

where:

*Sj* – the share of j-th issuer’s stock value;

*N* – the number of the Stocks issuers;

*MCapj* – the value of the j-issuer’s Stocks determined in accordance with the following formula:



where:

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

*Qpj* – the total number of stocks of the *p*-th category (type) of the *j*-th issuer;

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

*p* – the category of stocks of one issuer that are taken into account while calculating the Indices.

* + 1. Number of issuers that subject to restriction (M) due to exceeding the admissible cap (S) as per clause 6.3.1 hereof is calculated.
		2. If there are no pent-up issuers (M=0), then for all i-th Stock the weighting coefficient shall equal to 1. In this case clauses 6.4.4-6.4.7 hereof are to be ignored.
		3. If there are issuers for whom the share of their Stocks’ value exceeds the maximum allowed S set forth by clause 6.3.1 hereof (M>0), then auxiliary value (X) is determined that defines admissible amount of capitalization for pent-up issuers (M) as follows:



where the value is calculated only for Stocks of those issuers whose value share does not exceed the prescribed S.

* + 1. New shares of Stocks value of each issuer () are calculated as per the formula for calculating the share specified in Clause 6.4.1 hereof. Furthermore, value of Stocks of j-th pent-up issuer, (MCapj) is set equal to the auxiliary value (X), whereas for all other issuers (MCapj) is calculated as per the formula specified in clause 6.4.1 hereof.
		2. If there are still issuers with Stocks value exceeding allowed S from Clause 6.3.1 hereof, new amount of such issuers (M‘) shall be calculated. Then (M‘) is set equal to (M) and procedures specified in Clauses 6.4.4-6.4.6 hereof shall be performed once again.
		3. If following the procedures performed in accordance with clauses 6.4.4-6.4.6hereof there are no issuers with Stocks value exceeding allowed S from Clause 6.3.1 hereof, then for all categories of Stocks of issuers that were restricted at the last iteration the weighting coefficient (Wi) shall be calculated as follows:



For all other Stocks the weighting coefficient (Wi) is set equal 1.

* 1. The coefficients restricting the share of i-th Stocks in total market capitalization (weighting coefficients Wi) are calculated based on the results of the trading day preceding the day when the notice on updating the Lists of constituent Stocks is published on Moscow Exchange’s official website.
	2. If by the end of the day on which the new List of constituent Stocks comes into effect the Specific weight of the Stocks of j-th issuer exceeds 25%, the Exchange is entitled to take a decision to carry out an unscheduled calculation of the coefficients, restricting the share of 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 hereof.
	3. If by the end of any day the Specific weight of the Stocks of the issuer exceeds 40%, the Exchange is entitled to take a decision to carry out an unscheduled calculation of the coefficients, restricting the share of i-th Stocks in total market capitalization (weighting coefficients Wi), with the purpose of meeting the restricting requirements set forth in Clause 6.3 hereof.
1. **Procedure for reviewing the Lists of constituents**
	1. The Lists of constituent Stocks contain issuers’ names, securities’ category (type) (for stocks) and names of issuers of represented securities (for DRs).
	2. Stocks are added to and removed from the Lists of constituent Stocks when the Lists of constituent Stocks are reviewed.
	3. The Exchange reviews the Lists of constituent Stocks once a quarter at most, except for the cases provided for in this Methodology. After a scheduled review, the updated List of constituent Stocks comes into effect during the main trading session on the next day after March 15th, June 15th, September 15th or December 15th. If March 15th, June 15th, September 15th, or December 15th falls on a non-trading day, the updated List of constituent Stocks comes into effect during the main trading session on the second trading 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 Lists of constituents shall be reviewed according to principles provided for in Article 8 hereof.
	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 or from the Exchange’s quotation lists;
* restrictions have been 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;
* a corporate restructuring or dissolution of the issuer has taken place, a further issue has been placed, a security has been cancelled (redeemed) including as a result of the its conversion or buyback (purchase);
* in other cases in which the index may be materially affected.
	1. Information on a regular review of the Lists of constituents shall be published on the Moscow Exchange’s official website not later than 2 weeks before the effective day of new lists according to the Exchange’s resolution.
	2. The notices on the unscheduled review of the Lists of constituents shall be disclosed on the Moscow Exchange’s official website not later than one day before the day when such reviewed Lists come into force in accordance with the decision of the Exchange.
1. **Principles of drawing up the Lists of constituents**

* 1. Stocks listed in the Exchange are eligible to be added to the Lists of constituent Stocks.
	2. The Lists 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 hereof, being at least 5%.
	3. The List of constituents shall comprise at least three Stocks unless otherwise decided by the Exchange. However, specific Indices marked in Appendix 1 hereto, shall comprise at least ten issuers.
	4. Subject to an expert opinion delivered by the Index committee, the List of constituents shall comprise Stocks included in the List of constituents of the Moscow Exchange Broad Market Index.
	5. The List of constituents shall comprise stocks of issuers conducting economic activities stipulated herein with a code assigned by Russian State Statistical Committee according to the All-Russian classifier of economic activities (OKVED) (hereinafter the Classifier) unless otherwise prescribed by the Exchange in accordance with recommendations of the Index Committee. The Classifier’s codes of issuers with stocks included in the List of constituents are given in Appendix 3 hereto. DRs representing foreign issuer’s securities and foreign issuer’s stocks are included in the Lists subject to recommendations of the Index committee. The industry profile of such foreign issuers shall be also determined based on resolutions of the Index Committee.
	6. The Index Committee is entitled to give the Exchange a recommendation whether it shall decide upon the inclusion of the Stocks into (or exclusion the Stock from) the Lists of constituents if such Stocks are not included on (or excluded from) the Lists as it is specified in Clauses 8.3-8.5 hereof. Such decision shall be taken as required by this methodology and the Bank of Russia’s regulatory acts regarding constituents of the List.
1. **Treatment of corporate events**
	1. In case of a split or consolidation of represented stocks or changes to the scope of rights and/or procedure for exercising the rights carried by the stocks that are represented by these RDRs, 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 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 (cancellation) of Stocks by an issuer.

Admission of i-th Stocks of additional issue to trading on the Exchange and redemption (cancellation) of i-th Stocks do not serve as grounds for recalculation of the total number of i-th Stocks (Qi). The given recalculation is performed in accordance with the established procedure and in due time specified in Clause 2.10 hereof.

* 1. Split and reverse split of stocks.

In case of a split or reverse split of 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 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 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 on 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 published on the Moscow Exchange’s official website.

A model action plan 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 i-th Stock (Pi), are set by the Exchange with regard to the recommendation of the Index Committee. On the day of unlocking the price of i-th Stock (Pi) the Exchange recalculates the total number of 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 on 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 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 i-th Stock (Pi) the recalculation of the total number of i-th Stocks (Qi) and Divisor D shall take place.

In case of acquisition of a joint stock company with Stocks included on 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 with Stocks included on 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 on the List of constituent Stocks with a simultaneous acquisition of the latter by a stock company whose Stocks are included on the List of constituent Stocks, the rules specified in Clause 9.5.3 hereof are applied to the spin off and the rules specified in Clause 9.5.4 hereof, 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 on the List of constituent Stocks with a simultaneous acquisition of the latter by a joint stock company whose Stocks are included on the List of constituent Stocks, the rules specified in Clause 9.5.3 hereof are applied.

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

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

In case of spin-off of a joint stock company from a joint stock company whose Stocks are included on the List of constituent Stocks with a simultaneous acquisition of the latter with a joint stock company whose Stocks are included on the List of constituent Stocks, the rules specified in Clause 9.5.2 hereof are applied to the spin off and the rules specified in the Clause 9.5.4 hereof 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 on the List of constituent Stocks with a simultaneous acquisition of the latter by a joint stock company whose Stocks are not included on the List of constituent Stocks, the rules specified in Clause 9.5.2 hereof are applied.

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

In case of spin-off of a stock company from a stock company whose Stocks are included on the List of constituent Stocks with a simultaneous merger of the latter with a joint stock company whose Stocks are not included on the List of constituent Stocks, the rules specified in Clause 9.5.2 hereof 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 official 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 Indices, 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 disclosed on the Moscow Exchange’s official website. If parameters used to calculate the Index and determined by an expert judgement are changed, the Exchange publishes information on reasons for such changes not later than on the next day after the change date
	2. Not only the information that is disclosed on the Moscow Exchange’s official website as it is specified herein, but also the Indices’ constituent lists, the total number of i-th Stocks (Qi) per each i-th Stock, the absolute weight of i-th Stocks per each i-th Stock, the information on the conformity of the Indices with the requirements set forth in the Bank of Russia’s regulatory acts specifying the Indices for creating a mutual fund as well as the information on the values of the Indices including the closing 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. Values of the Indices shall be disclosed within two minutes from being calculated.
	3. The present Methodology, the information about the Indices values and the total number of i-th Stocks (Qi) per each i-th Stock, the absolute weight of i-th Stocks per each i-th Stock for the past two years shall be available through the Moscow Exchange’s official website for every person interested in this information.
	4. Information that is subject to disclosure through the Moscow Exchange’s official website as per the present Methodology may be disclosed in any different ways including via information agencies disseminating Exchange’s market data.

**Appendix 1**

**To the Methodology of the Moscow Exchange Sector Indices Calculation**

**List of the Moscow Exchange Sector Indices**

| **Industry title** | **Ruble Indices** | **Dollar Indices** |
| --- | --- | --- |
| **Full index’s name in Russia** | **Full index’s name in English** | **Brief index’s name** | **Index code** | **Full index’s name in Russia** | **Full index’s name in English** | **Index code** |
| Oil & Gas | 1. Индекс нефти и газа Московской Биржи
2. Индекс ММВБ – нефть и газ
 | 1. Moscow Exchange Oil & Gas Index
2. MICEX Oil and Gas Index
 | MICEX O&G | MICEXO&G | 1. Индекс нефти и газа Московской Биржи в долларах
2. Индекс РТС нефти и газа
 | 1. Moscow Exchange Oil & Gas Index in USD
2. RTS Oil & Gas Index
 | RTSog |
| Electric Utilities | 1. Индекс электроэнергетики Московской Биржи
2. Индекс ММВБ – электроэнергетика
 | 1. Moscow Exchange Electric Utilities Index
2. MICEX Power Index
 | MICEX PWR | MICEXPWR | 1. Индекс электроэнергетики Московской Биржи в долларах
2. Индекс РТС электроэнергетики
 | 1. Moscow Exchange Electric Utilities Index in USD\*
2. RTS Electric Utilities Index\*
 | RTSeu |
| Telecommunications | 1. Индекс телекоммуникаций Московской Биржи
2. Индекс ММВБ – телекоммуникации
 | 1. Moscow Exchange Telecoms Index
2. MICEX Telecommunication Index
 | MICEX TLC | MICEXTLC | 1. Индекс телекоммуникаций Московской Биржи в долларах
2. Индекс РТС телекоммуникаций
 | 1. Moscow Exchange Telecoms Index in USD
2. RTS Telecom Index
 | RTStl |
| Metals & Mining | 1. Индекс металлов и добычи Московской Биржи
2. Индекс ММВБ – металлургия и горнодобыча
 | 1. Moscow Exchange Metals & Mining Index
2. MICEX Metals and Mining Index
 | MICEX M&M | MICEXM&M | 1. Индекс металлов и добычи Московской Биржи в долларах
2. Индекс РТС металлов и добычи
 | 1. Moscow Exchange Metals & Mining Index in USD\*
2. RTS Metals & Mining Index\*
 | RTSmm |
| Industrials  | 1. Индекс машиностроения Московской Биржи
2. Индекс ММВБ – машиностроение
 | 1. Moscow Exchange Industrial Index
2. MICEX Manufacturing Index
 | MICEX MNF | MICEXMNF | 1. Индекс машиностроения Московской Биржи в долларах
2. Индекс РТС промышленности
 | 1. Moscow Exchange Industrial Index in USD
2. RTS Industrial Index
 | RTSin |
| Financials | 1. Индекс финансов Московской Биржи
2. Индекс ММВБ – финансы
 | 1. Moscow Exchange Financials Index
2. MICEX Financials Index
 | MICEX FNL | MICEXFNL | 1. Индекс финансов Московской Биржи в долларах
2. Индекс РТС финансов
 | 1. Moscow Exchange Financials Index in USD
2. RTS Finances Index
 | RTSfn |
| Consumer goods & services | 1. Индекс потребительских товаров и розничной торговли Московской Биржи
2. Индекс ММВБ – потребительские товары и услуги
 | 1. Moscow Exchange Consumer & Retail Index
2. MICEX Consumer Goods and Services Index
 | MICEX CGS | MICEXCGS | 1. Индекс потребительских товаров и розничной торговли Московской Биржи в долларах
2. Индекс РТС потребительских товаров и розничной торговли
 | 1. Moscow Exchange Consumer & Retail Index in USD
2. RTS Consumer & Retail Index
 | RTScr |
| Chemicals | 1. Индекс химии и нефтехимии Московской Биржи
2. Индекс ММВБ – химия и нефтехимия
 | 1. Moscow Exchange Chemicals Index
2. MICEX Chemicals Index
 | MICEX CHM | MICEXCHM | 1. Индекс химии и нефтехимии Московской Биржи в долларах
2. Индекс РТС химии и нефтехимии
 | 1. Moscow Exchange Chemicals Index in USD
2. RTS Chemicals Index
 | RTSch |
| Transport | 1. Индекс транспорта Московской Биржи
2. Индекс ММВБ – транспорт
 | 1. Moscow Exchange Transport Index
2. MICEX Transport Index
 | MICEX TRN | MICEXTRN | 1. Индекс транспорта Московской Биржи в долларах
2. Индекс РТС транспорта
 | 1. Moscow Exchange Transport Index in USD
2. RTS Transport Index
 | RTStn |

\*the index must include at least ten issuers. For details, see clause 8.3 of the Methodology.

**Appendix 2**

**To the Methodology of the Moscow Exchange Sector Indices Calculation**

**The Moscow Exchange Sector Indices initial values**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Industry** | **Index code** | **Initial Indexvalue, I1 (Ic1)** | **Indexinceptiondate** | **Initial MC1 (MCc1)value**  | **Initial D1 (Dc1) value** | **Maximum weight of the issuer in the Index as of the List of constituents date (S)** |
| Oil & Gas  | MICEXO&G | 1,000 | 30.12.2004 | RUB53,793,633,597.22 | 53,793,633.5972 | 15% |
| RTSog | 100 | 11.01.2005 | $9,590,765,088.91 | 95,907,650.8891 |
| Electric Utilities | MICEXPWR | 1,000 | 30.12.2004 | RUB6,732,754,947.68 | 6,732,754.9477 | 15% |
| RTSeu | 100 | 11.01.2005 | $1,441,517,330.27 | 14,415,173.3027 |
| Telecommunications | MICEXTLC | 1,000 | 30.12.2004 | RUB11,455,529,806.37  | 11,455,529.8064 | 100% |
| RTStl | 100 | 11.01.2005 | $2,422,838,888.30 | 24,228,388.8830 |
| Metals & Mining | MICEXM&M | 1,000 | 30.12.2004 | RUB349,854,916.02 | 349,854.9160 | 15% |
| RTSmm | 100 | 11.01.2005 | $848,833,618.13 | 8,488,336.1813 |
| Industrials | MICEXMNF | 1,000 | 30.12.2004 | RUB4,131,800,584.42  | 4,131,800.5844 | 100% |
| RTSin | 100 | 11.01.2005 | $640,750,223.28 | 6,407,502.2328 |
| Banks & Finance | MICEXFNL | 1,000 | 30.12.2004 | RUB74,334,296,834.00  | 74,334,296.8340 | 25% |
| RTSfn | 100 | 11.01.2005 | $4,189,660,578.42 | 41,896,605.7842 |
| Consumer goods & services | MICEXCGS | 1,000 | 30.12.2004 | RUB9,977,568,980.59  | 9,977,568.9806 | 15% |
| RTScr | 100 | 11.01.2005 | $257,127,656.10 | 2,571,276.5610 |
| Chemicals | MICEXCHM | 3,500 | 29.12.2006 | RUB5,012,127,842.40  | 1,432,036.5264 | 25% |
| RTSch | 100 | 29.12.2006 | $190,005,187.57 | 1,900,051.8757 |
| Transport | MICEXTRN | 2,500 | 28.12.2007 | RUB38,893,555,834.62  | 15,557,422.3338 | 100% |
| RTStn | 250 | 28.12.2007 | $1,578,555, 517.73 | 6,314,222.0709 |

**Appendix 3**

**To the Methodology of the Moscow Exchange Sector Indices Calculation**

**Codes of the All-Russian Classifier of Economic Activities (OKVED) assigned to issuers**

**with stocks included in the Sector Indices**

| **Index** | **Description of economic activity** | **Code** |
| --- | --- | --- |
| MICEX O&G | Production of crude oil and associated petroleum gas; stripping of associated petroleum gas | 11.10.1 |
| Sale of natural gas, oil, oil products and other crude hydrocarbon products | 51 |
| Oil and oil products pipelining | 60.30.1 |
| Gas and gas products pipelining | 60.30.2 |
| MICEX PWR | Electric power generation | 40.11 |
| Electric power transmission  | 40.12 |
| Electric power distribution and trade | 40.13 |
| MICEX TLC | Activities in the area of electric communications | 64.20 |
| MICEX M&M | Coal mining, benefication and agglomeration  | 10.1 |
| Metal mining | 13 |
| Manufacture of Coke | 23.1 |
| Manufacture of basic metals | 27 |
| Manufacture of fabricated metal products | 28 |
| Activities of holding companies in the area of financial intermediation (pipe industry businesses management) | 65.23.5 |
| MICEX MNF | Manufacture of machinery and equipment | 29 |
| Manufacture of motor vehicles, trailers and semi-trailers | 34 |
| Manufacture of vessels, aircrafts and spacecrafts and other vehicles | 35 |
| MICEX FNL | Other types of remittance intermediation | 65.12 |
| Insurance | 66 |
| Real estate operations | 70 |
| MICEX CGS | Agriculture, hunting and provision of associated services  | 01 |
| Forestry and provision of associated services  | 02 |
| Fishing, aquaculture and provision of associated services  | 05 |
| Manufacture of food products including beverages | 15 |
| Manufacture of tobacco goods | 16 |
| Manufacture of textiles | 17 |
| Manufacture of wearing apparel, manufacture and dyeing of furs | 18 |
| Manufacture of leather, leather goods and footwear | 19 |
| Publishing and printing, replication of information mediums with recordings | 22 |
| Manufacture of pharmaceutical products | 24.4 |
| Manufacture of soap, detergents, cleaning and polishing preparations, perfumes and cosmetics  | 24.5 |
| Manufacture of household appliances that are not included in other groups | 29.7 |
| Manufacture of medical items, measuring tools, optical devices and equipment, timers  | 33 |
| Manufacture of furniture and other products that are not included in other groups | 36 |
| Trade in autos and motorcycles, maintenance and repair | 50 |
| Wholesale trade including agent trade except for trade in autos and motorcycles | 51 |
| Retail trade except for trade in autos and motorcycles, household goods and articles of personal use | 52 |
| Hotels and restaurants | 55 |
| Industrial lending  | 65.22.2 |
| Financial intermediation that is not included in other groups | 65.23 |
| Rental of autos and equipment (no operator), rental of household goods and articles of personal use | 71 |
| Activities in the area of legal affairs, accounting and audit, business and enterprise management consulting  | 74.1 |
| Provision of various services | 74.8 |
| Health care and provision of social services  | 85 |
| Arrangement of leisure and entertainments, culture and sport  | 92 |
| Provision of personal services | 93 |
| MICEX CHM | Salt extraction and production | 14.4 |
| Manufacture of basic chemicals | 24.1 |
| Manufacture of chemical crop protection agents (pesticides) and other agrochemical products  | 24.2 |
| Manufacture of paints and lacquers | 24.3 |
| Manufacture of other chemical products | 24.6 |
| Manufacture of man made and synthetic fiber | 24.7 |
| Manufacture of rubber and plastic products | 25 |
| MICEX TRN | Railway transportation activities  | 60.1 |
| Other land transportation activities | 60.2 |
| Maritime transportation activities | 61.1 |
| Domestic water transportation activities  | 61.2 |
| Air transportation, scheduled | 62.1 |
| Air transportation, nonscheduled | 62.2 |
| Cargo handling and custody | 63.1 |
| Other auxiliary transportation activities | 63.2 |
| Arrangement of transportation of freight  | 63.4 |