

APPROVED
by the Supervisory Board
of the Moscow Exchange
on June 02, 2016, Minutes No.3

**PROVISIONS
ON THE BUDGET COMMISSION OF
THE SUPERVISORY BOARD OF
THE MOSCOW EXCHANGE**

**Moscow
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1. General Provisions

- 1.1. Provisions on the Budget Commission under the Supervisory Board of Public Joint-Stock Company “Moscow Exchange MICEX-RTS” (hereinafter referred to as the “Provisions”) have been developed in accordance with the laws of the Russian Federation, the Charter of Public Joint-Stock Company “Moscow Exchange MICEX-RTS” (hereinafter referred to as the “Moscow Exchange” or the “Exchange”), the Corporate Governance Code recommended for application by the Bank of Russia and rules for securities admission to organised trading of the trade organiser responsible for the listing of Exchange securities.
- 1.2. These Provisions shall establish a procedure for setting up and the status of the Budget Commission of the Supervisory Board of the Moscow Exchange (hereinafter referred to as the “Budget Commission” or the “Commission”), determine its purpose, objectives and powers, as well as functioning and decision-making procedures.
- 1.3. The Budget Commission is a standing consultative and advisory body of the Supervisory Board of the Exchange set up with the purpose to prepare recommendations to the Supervisory Board on matters falling within the competence of the Commission.
- 1.4. The members of the Budget Commission shall be guided in their activity by the current legislation of the Russian Federation, the Charter of the Moscow Exchange, the Provisions of the Supervisory Board of the Moscow Exchange, strategy of the Moscow Exchange, resolutions of the Supervisory Board, these Provisions and other documents adopted by the General Meeting of shareholders and the Supervisory Board of the Moscow Exchange.
- 1.5. Unless the present Provisions provide otherwise, the terms used but not defined herein shall have the same meaning as defined in the Charter and the Provisions of the Supervisory Board of the Moscow Exchange.
- 1.6. The Budget Commission shall function within the scope of authorities granted by the Supervisory Board of the Moscow Exchange and shall on all matters report to the Supervisory Board of the Moscow Exchange.
- 1.7. The Budget Commission shall not act on behalf of the Moscow Exchange, executive bodies or the Supervisory Board of the Exchange, or bind the executive bodies or the Supervisory Board in any way.
- 1.8. These Provisions with supplements and amendments hereto shall be subject to approval by the Supervisory Board of the Exchange.
- 1.9. These Provisions shall apply as long as they do not contradict the Charter of the Moscow Exchange.

2. Purposes and Objectives of the Commission

- 2.1. The primary purpose of the Budget Commission is to ensure control of the Supervisory Board over accumulation and spending of funds intended for financial support of operations of the Moscow Exchange and companies of the Moscow Exchange Group (hereinafter referred to as the “Group”) operations.
- 2.2. The key objectives of the Commission shall be:
 - 2.2.1. Defining the key budgeting and budget spending principles of the Moscow Exchange and the Group companies;
 - 2.2.2. Setting up the targeted budget of the Moscow Exchange and its business units and Group companies timely and accurately;
 - 2.2.3. Securing prompt budget management at the Exchange and the Group companies;

2.2.4. Assessing budgeting efficiency at the Exchange and Moscow Exchange Group companies.

3. Functions of the Budget Commission

3.1. To achieve the set objectives the Commission shall perform the following functions:

3.1.1. Draft recommendations to the Supervisory Board of the Moscow Exchange and Moscow Exchange Group's supervisory boards regarding Company's funding:

- concentration of financial resources on priority business development areas;
- budgeting, including Exchange structural subdivisions/projects, for a targeted period of one year/quarter etc.;
- approval of the Group's consolidated budget and making necessary adjustments thereto;
- control over budget performance;
- approval of budget overruns;
- reallocation of limits between cost items, budgetary periods, and business divisions/projects within approved budgets;
- approval of fees for organized trading services and other fees (commission fees, tariffs and charges);
- approval of the Company's annual reports, balance sheets, profit and loss statements, and profit and loss distribution;
- procedures of forming and using reserve funds and other funds of the Exchange;
- providing loans to the third parties;
- determining the dividend amount and dividend payment procedure based on the performance results for a reporting period;
- conclusion of real estate purchase and sale transactions;
- conclusion of large-scale transactions in accordance with the Federal Law on Joint Stock Companies and the Charter of the Moscow Exchange;
- determining the market value of the property in compliance with the legislation;
- cost effectiveness control and monitoring.

3.1.2. Control the execution of resolutions adopted by the Supervisory Board on the matters falling within competence of the Commission.

3.1.3. Tentatively review and assess documents on the matters related to Exchange budgeting process within competence of the Supervisory Board, in particular, prepare opinions and recommendations regarding these documents for the Supervisory Board to take optimal and efficient management decisions.

3.1.4. Preliminary consider and prepare recommendations for the Supervisory Board on the drafts of Moscow Exchange internal documents regarding budgeting issues.

3.1.5. Consider reports delivered by the Moscow Exchange management for compliance with the approved budgets and estimated costs.

3.1.6. Regularly assess budgeting process efficiency and deliver such assessment results to the Supervisory Board of the Moscow Exchange.

3.1.7. Study analytical documents and recommendations on budgeting, prepared by the executive bodies of the Moscow Exchange, as well as by outside consultants, and submit them for the consideration of the Supervisory Board.

3.1.8. Consult shareholders of the Group companies, members of the Supervisory Board of the Moscow Exchange and members of the boards of directors (supervisory boards) of the Group companies, members of collegial and sole executive bodies of Group companies, other management bodies of the Moscow Exchange and the Group companies, as well as with government bodies and organizations aiming to thoroughly explore the subject issues.

3.2. As instructed by the Supervisory Board, the Commission shall perform any other actions necessary for the Commission to perform its functions to the extent required by the Russian or other applicable law, Charter of the Moscow Exchange and other binding documents.

3.3. If necessary, the Commission shall be entitled to receive professional services on Commission-related issues from the third parties.

4. Commission's Composition and Formation Procedure

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

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

4.3. The Supervisory Board of the Moscow Exchange shall decide on the size and personal composition of the Commission. The number of Commission members may not be less than 3 (three) persons.

The Commission may comprise the members of the Supervisory Board of the Moscow Exchange, NCC Clearing Bank, National Settlement Depository, as well as representatives of the shareholders of the Moscow Exchange.

4.4. The members of the Executive Board of the Moscow Exchange supervising the issues being considered at a meeting may attend the Budget Commission meetings.

If so suggested by the Chairman of the Budget Commission or by the Chairman of the Supervisory Board of the Moscow Exchange, competent experts and specialists may be invited, inter alia on a regular basis, to participate in the Budget Commission activity. If necessary the members of the Commission may invite to their meetings leaders of the structural units and employees of the Moscow Exchange and Moscow Exchange Group, and other persons with professional skills and competence required to make decisions on issues reviewed by the Commission.

The persons mentioned herein shall have a consultative vote at the meetings of the Commission, have the right to speak at the meetings and give recommendations on the agenda items of the Budget Commission meetings.

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

4.6. The Supervisory Board of the Exchange may at its sole discretion release all or any Commission member from their responsibilities.

In this case the members of the Supervisory Board of the Exchange shall elect a new member (members) of the Commission at the meeting that decides on the early release, or shall adopt a decision to reduce the size of the Commission.

4.7. In case the number of Commission members does not meet the required quorum for holding Commission's meetings, the Chair of the Exchange Supervisory

Board, as advised by the Chair of the Commission, shall convene an extraordinary meeting of the Supervisory Board to hold new elections or shall include the election issue into the agenda of the next scheduled meeting of the Supervisory Board of the Exchange.

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

It is recommended to elect the Chair of the Commission out of independent directors of the Supervisory Board of the Moscow Exchange.

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

5. Commission's Proceedings

5.1. In organising the work of the Commission, the Chair shall:

- ensure the unbiased character of recommendations developed by the Commission for the Supervisory Board of the Moscow Exchange;
- convene and chair the meeting;
- decide on the form of the meeting and approve its agenda;
- decide on the list of invitees to the Commission meeting in praesentia;
- organise the discussion of agenda items at Commission meetings and listen to the opinions of invitees;
- organise minutes keeping and sign the minutes;
- draft, where necessary, a forward schedule of Commission meetings taking into account the schedule of the Supervisory Board meetings;
- allocate responsibilities among Commission members;
- represent the Commission in interaction with executive bodies of the Moscow Exchange and Moscow Exchange Group, other bodies and persons;
- maintain official correspondence of the Commission, sign enquires, letters and other documents on behalf of the Commission;
- ensure compliance of the Commission activities with current legislation of the Russian Federation, the Charter of the Moscow Exchange, other bylaws of the Moscow Exchange and these Provisions;
- on a regular basis advise the Supervisory Board and its Chair on activities of the Commission;
- perform other functions as assigned by the current legislation, the Charter of the Moscow Exchange, other bylaws of the Exchange and these Provisions.

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

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

5.4. To facilitate the work of the Commission technical communication means (teleconferences and etc.) may be used. The invitees to the meeting in praesentia, inclusive of the members of the Commission who cannot attend the meeting may submit their written opinions on the agenda items. Such written opinions must be read out at the Commission meeting by the Commission Chair. The Commission shall take account of such written opinions at decision-making and they shall be attached to the meeting minutes.

The written opinion of a non-attending Commission member shall be taken into account when determining the presence of quorum and voting results on the agenda item if the following conditions are met:

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

A written opinion containing adjustments or reservations as to the proposed draft resolution shall not be taken into account when determining the presence of quorum and voting results. Neither the written opinion shall be taken into account when determining the presence of quorum and voting results, if the draft resolution is adjusted at the Commission meeting.

Written opinions shall be taken into account when determining the presence of the quorum and voting results separately for each agenda item and reflected in the Commission minutes.

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

5.5. In exceptional circumstances upon decision of the Chair of the Commission the members may adopt resolutions by voting in absentia.

5.6. The Chair of the Commission shall develop its forward schedule in consideration of the approved schedule of the Exchange Supervisory Board meetings and proposals by the Supervisory Board Chair, members of the Supervisory Board and the Commission, Chair and members of the Executive Board, the HR Director, the Corporate Secretary and structural units of the Exchange concerned.

5.7. When convening a Commission meeting the Chair of the Commission shall decide on the date, time, agenda, venue, and form of the meeting as well as the list of invitees.

Commission Chair shall take a decision to convene an extraordinary meeting of the Commission basing on the relevant requests and proposals from persons specified in clause 5.6 hereof.

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

5.8. The Chair may refuse to convene an extraordinary meeting if the items proposed for inclusion into the agenda are not within the competence of the Commission subject to these Provisions. The motivated refusal shall be provided to the initiator within 5 (five) business days following the relevant request or proposal.

5.9. If there are circumstances impeding the holding of a Commission meeting or even making it impossible and the Commission members have been notified about such

a meeting, the Chair may decide to adjoin the meeting to a different date with the same agenda.

The Commission Secretary instructed so by the Chair shall notify all Commission members on the change of the meeting date and (or) time.

5.10. The Chair of the Commission or in his/her absence the Deputy Chair shall preside at the meetings of the Commission. If neither of them is present, the members of the Commission shall choose the Chair from attending members by a simple majority vote.

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

5.12. Each member of the Commission, inclusive of its Chair, shall have one vote. The members of the Commission may not delegate their votes to any other member of the Commission. The invitees mentioned in sub-clause 4.4. shall be entitled to a consultative vote at the meeting. Opinions or recommendations of invitees on agenda issues may be recorded in the meeting minutes.

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

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

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

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

5.17. The resolutions of the Commission shall be reflected in the minutes, drafted by the Secretary of the Commission no later than 10 (ten) business days after the meeting. The Chair of the meeting and the Secretary of the Commission shall sign the minutes. The Chair shall be responsible for the accuracy of the minutes.

Draft minutes shall be distributed to the members of the Commission to receive their comments/objections. The timeframe for comments/objections submission shall not exceed 5 business days. After that deadline, the Secretary of the Commission shall submit the draft minutes of the Commission meeting to the Chair of the Commission for the sign-off.

5.18. The minutes of the meetings shall state: the form, venue, date and time of the meeting (deadline for the filled in voting ballots submission), names of attendees, agenda of the meeting, items put to vote, draft resolutions, voting results, adopted resolutions, opinions in writing of the absent members, key points of delivered reports (optional), opinions and recommendations of invitees.

Based on the results of the meeting the Secretary shall produce the Summary (theses) of speeches delivered on agenda items. The Summary shall be forwarded to Commission members by the next meeting in praesentia. All the members who attended previous meeting shall sign the Summary (theses) at the next meeting in praesentia.

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

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

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

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

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

6. Concluding Provisions

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

6.2. Should certain items of these Provisions come into conflict with the laws, the Charter of the Moscow Exchange, the Provisions on the Supervisory Board, or any bylaws of the Moscow Exchange approved by its General Shareholders Meeting due to any amendments introduced therein, such Provisions shall become ineffective, and the Commission shall be governed by the provisions of the abovementioned statutes and bylaws up to the time these Provisions are amended accordingly.