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|  | Approved by the Directorate of MICEX Stock Exchange On December 12, 2014 (Minutes No. 43)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_A. KuznetsovaGeneral DirectorMICEX Stock Exchange |

**MICEX 10 Index Methodology**

MICEX Stock Exchange

 2014

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1. **General provisions**
	1. The MICEX 10 Index is a composite index of the Russian stock market calculated by MICEX SE (hereinafter the Exchange) based on the prices of trades executed in the 10 most liquid and highly capitalised securities trading on the exchange in accordance with the Methodology.
	2. According to the Methodology, the Exchange calculates the MICEX 10 Index using the prices, denominated in Russian roubles, of trades in securities (hereinafter the Index).
	3. The name of the Index in Russian is Индекс ММВБ 10, the name of the index in English is the MICEX 10 Index.
	4. The present methodology as amended and supplemented is subject to approval by the Exchange. The present Methodology as amended and supplemented enters into force on a date determined by the Exchange. Any amendments and supplements may be made no more than once per quarter.
	5. The text of the Methodology as amended and supplemented is published on the Exchange’s website three days prior entering into force unless otherwise determined by financial market regulations.
	6. The terms and definitions used in this Methodology are used as defined in the Exchange’s internal documents, Russian laws, and financial market regulatory acts.
2. **General Index calculation procedure**
	1. The Index is calculated based on information on trades in stocks and Russian depository receipts representing stocks. 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 period for Index calculation.
	2. The Index is updated every trading day on a real-time basis (and at least every minute) when a transaction with securities included in the List of constituent securities for calculation of the Index is executed. Index calculation frequency may be changed by the Exchange subject to restrictions set forth by financial market regulatory acts. The Indices’ Values are published on Moscow Exchange’s website every second. The frequency of Index publication can be changed at the Exchange’s discretion, though no less than once per day.
	3. The first Index values published during the main (additional) trading session are considered the Index’s opening values for the relevant session.
	4. The last Index values published during the main (additional) trading session are considered the Index’s closing values for the relevant session.
	5. The Exchange is entitled to change the start and (or) end time of the Index calculation. Decisions made by the Exchange as per this clause are posted on the Exchange’s website at least five business days prior entering into force unless another time is established by the Exchange.
	6. The list of securities used to calculate the Index (hereinafter the List of Constituents) comprises stocks of Russian and foreign issuers (hereinafter referred to as Stocks), excluding stocks issued by joint-stock investment funds and Russian depositary receipts representing stocks. For the purpose of this Methodology, the securities stated in this clause are hereinafter collectively referred to as the Stocks.
	7. The Index is calculated in accordance with the following formula:

$$I\_{n}=\frac{k}{10}∙\sum\_{i=1}^{10}\frac{P\_{i}}{P\_{i}^{0}} ,$$

where:

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| In – | Index's value as of n-th moment; |
| Pi – | Price of last trade in i-th constituent Stock; |
| Pi0 – | Price of last trade in i-th constituent Stock made on the last trading day of the month of the preceding quarter (when the Index is calculated on any trading day of the quarter except the first);orPrice of last trade in i-th constituent Stock made on the last trading day of the month preceding the beginning of the preceding quarter (if the Index is calculated on the first trading day of the quarter); |
| *k* – | Adjusting coefficient. |

* 1. The following values were fixed at 06:00 pm MSK on 30 December 1997 (the day on which the Index was calculated for the first time) and are used to calculate the Index:
1. Index value (I1) = 100;
2. Adjusting coefficient k0 = 100.
	1. In this Methodology, total number of stocks with regard to every Stock is not determined.
	2. The values of the Indices are expressed in basis points and calculated to 2 decimal places.
3. **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 in the T+ Central Order Book;
		2. Stocks’ closing prices.
	2. Market sectors, markets, trading modes, and the periods used in calculating the price of the i-th Stock in accordance with the procedure described in Clause 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 cases indicated in clauses 3.4 and 3.5 herein.
	4. For the purpose of removing nonmarket fluctuations in Stocks’ prices, a fluctuation value from the weighted average price of the preceding 10 trades shall be calculated for each trade. If the value for the last trade of the fluctuation from the weighted average price of the preceding 10 trades exceeds the set value, the preceding price value that meets the following requirement shall be used instead of the last trade’s price:

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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 is 0.02 unless otherwise specified by the Exchange;

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

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where:

Pijdeal – price of the j-th trade;

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

If fewer than 10 trades in the i-th Stock have been executed in the relevant trading mode since the start of the main trading session of the current Trading day, then the price of the i-th Stock (Pi) shall be determined as being equal to the price of the last trade in that Stock(Pitdeal).

* 1. If the closing price is used to calculate the i-th Stock price (Pi) as per clause 3.1 hereof, the i-th Stock price (Pi) equals the closing price at the end of the trading day.
	2. If two or more securities issues from the same issuer and of the same category (type), but with different state registration numbers, are admitted to trading on the Exchange, then the sale/purchase transactions executed with the securities of the main issue shall be used to calculate the price of the i-th Stock, though it is possible to use the price of the additional issue at the Exchange’s discretion.
	3. The price of the i-th Stock (Pi) shall be determined to RUB0.01. If the tick specified in the Exchange’s internal documents regulating trading differs from the value of RUB0.01, then the price of the i-th Stock shall be calculated accurate to the tick specified for that Stock.
	4. The procedure for calculating the price of the i-th Stock (Pi) specified in clauses 3.1 – 3.6 herein shall not be applied in cases described in clause 8.3 hereto.
1. **Calculating adjusting coefficient k**
	1. Adjusting coefficient k is to be calculated if the constituent list has been changed and/or a corporate event stated in clause 8 hereof has occurred.
	2. Adjusting coefficient k is determined in accordance with the following formula:

$$\left(2\right) k\_{new}=k\_{previous}∙\frac{\sum\_{i=1}^{10}\frac{P\_{i}}{P\_{i}^{0}}}{\sum\_{i=1}^{10}\frac{P\_{i}`}{P\_{i}^{0}`}} ,$$

where:

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| Pi – | Price of the last trade in the i-th Stock in the Constituent list prior to the index parameters changing; |
| Pi0 – | Price of the last trade in the i-th Stock (in the Constituent list prior to the index parameters changing as per clause 6.2 hereof) made on the last trading day of the month preceding the beginning of the preceding quarter, orPrice of the last trade in the i-th Stock (in the Constituent list prior to the index parameters changing as per clause 6.4 hereof) made on the last trading day of the month of the preceding quarter); |
| Pi` – | Price of the last trade in the i-th Stock in the Constituent list after the index parameters changed; |
| Pi0` – | Price of the last trade in the i-th Stock in the Constituent list after the index parameters changed, made on the last trading day of the preceding quarter. |

* 1. Adjusting coefficient k is calculated to four decimal places.
1. **Weighting coefficients calculation**
	1. Share of the i-th Stocks value in the total value of all constituent Stocks (the Weight) is calculated as follows:

$$Wght\_{i}=\frac{\frac{P\_{i}}{P\_{i}^{0}}}{\sum\_{i=1}^{10}\frac{P\_{i}}{P\_{i}^{0}}}∙100\%$$

where:

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| Wghti | The weight of the i-th Stocks; |
| Pi – | The price of the last trade in the i-th constituent Stock; |
| Pi0 – | price of the last trade in the i-th constituent Stock made on the last trading day of the month of the preceding quarter (to be applied when the Index is calculated in any trading day except the first trading day of the quarter),Orprice of the last trade in the i-th constituent Stock made on the last trading day of the month preceding the beginning of the preceding quarter (to be applied when the Index is calculated on the first trading day of the quarter). |

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

* 1. Stocks are added to and removed from the Constituent Stocks List when the Constituent Stocks List is reviewed.
	2. The Exchange reviews the Constituent Stocks List a maximum of once a quarter, except for cases provided for in this Methodology. After being reviewed, the updated Constituent Stocks List comes into force at the main trading session of the business day following 1 January, 1 April, 1 July, or 1 October, as applicable. The Exchange may set other dates for the reviewed Constituent Stocks List to come into force.
	3. At extraordinary reviews, the Constituent Stocks List is formed in accordance with the principles stated in section 7 hereof.
	4. Any extraordinary review of the Constituent Stocks List is carried out if any corporate events, including those stipulated in section 8 hereof, occur for a Stock issuer.
1. **Principles for drawing up the Constituent Stocks List**

* 1. The Constituent Stocks List include the 10 stocks which have the largest value of the aggregated selection criteria Ki, calculated as follows:

$$K\_{i}=\left(\frac{F\_{i1}}{F\_{1}^{max}}\right)\*\left(\frac{F\_{i2}}{F\_{2}^{max}}\right)\*\left(\frac{F\_{i3}}{F\_{3}^{max}}\right)\*\left(\frac{F\_{i4}}{F\_{4}^{max}}\right)$$

*i* = 1, 2,… N, where

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| N | Number of Stocks; |
| Fi1 | Number of trading days on which trades in the i-th Stock were made during the quarter; |
| Fi2 | Number of trades in the i-th Stock for the quarter; |
| Fi3 | Trading volume in the i-th Stock for the quarter; |
| Fi4 | Number of trading members trading the i-th Stock during the quarter; |
| F1max, F2max, F3max, F4max | Maximum values of criteria Fi1, Fi2, Fi3, Fi4, respectively. |

1. **Treatment of corporate events**
	1. If represented stocks have been split or consolidated, or the 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 pass a resolution regarding such events subject to an expert opinion.
	2. Suspension of trading in Stocks on the Exchange.

If trading in the i-th Stock on the Exchange is suspended for a period exceeding one trading day, then the price used in the Indices shall be the last price calculated before the suspension.

* 1. Stock splits and consolidation.

In case of the i-th stock being split or consolidated, then on the day the resultant stock is admitted to trading, the price of the i-th stock (Pi0) calculated on day before is to be changed by dividing by the split ratio or multiplying by the consolidation ratio as applicable.

* 1. Reorganisation of a joint stock company.

When a joint stock company is reorganised, the price of its i-th stock (Pi) is fixed at the level of the end of the trading day preceding the fixation day. The date of the fixation day for the price (Pi) of the i-th stock and the conditions for the cancellation of the price fixation are established by the Exchange subject to an expert opinion.

1. **Procedure for Indices calculation control**
	1. In case of technical disruption to the process of Index calculation or during securities trading at the Exchange that leads to corruption of data used to calculate the Index, the Index’s values are recalculated, but for a period no earlier than the previous trading day. If the Index’s values are recalculated, the Exchange shall perform such recalculation as soon as possible after the technical error was detected. If the Index’s values are recalculated, relevant notice is published on Moscow Exchange’s website.
	2. If circumstances occur that may adversely impact how accurately the Index reflects the actual condition of the Russian stock market, the Exchange has the right to undertake any action necessary to ensure the accuracy of the Index, including removing Stocks from the Constituent Stock List, setting values of the parameters used for calculating the indicators specified in this Methodology, etc.
2. **Publication**
	1. Information on the Indices is published on Moscow Exchange’s website.
	2. The information that is subject to disclosure on the Moscow Exchange’s website due to this Methodology may be disclosed in various ways, including via information agencies which distribute Exchange market data.