

## Remuneration Payable to Members of the Executive Board

The remuneration system for members of Moscow Exchange's executive bodies is regulated based according to the Policy on Remuneration and Compensation for Members of Executive Bodies approved by the Supervisory Board in December 2016. This Policy establishes remuneration principles and approaches, procedures for determining the amount of remuneration and the types of payments, benefits and perquisites.

The Policy's main principles consist of:

- ▶ Attracting and retaining professional and effective members of executive bodies capable of implementing the Exchange's strategy and other business priorities, as well as increasing shareholder value.
- ▶ Providing competitive remuneration sufficient to attract, motivate and retain competent and qualified members of the executive bodies.
- ▶ Maintaining an optimal balance when awarding compensation between the performance of Moscow Exchange as a whole and the personal contribution of each member of the executive body.

The Remuneration Policy is transparent and available to investors online (<http://www.moex.com/s1358>).

The remuneration payable to executive body members is comprised of fixed (salary) and variable parts. The variable part constitutes a significant portion of total annual remuneration and consists of short- and long-term components. The short-term variable component represents an annual bonus linked to the performance of Moscow Exchange and an executive body member's personal contribution. The long-term variable component is determined as per the share-based long-term incentive programme.

The short-term variable component is linked to performance via the key performance indicators reviewed and approved annually and encompassing both corporate and individual KPIs. In 2017, their proportion was 40% and 60%, respectively.

To increase personal responsibility of each executive body member, the Supervisory Board may defer the payment of a portion of bonuses to members of executive bodies until it receives information on their financial and other achievements; the delayed portion may be reduced or cancelled in case of a failure to attain a positive result in the relevant business line. 60% of the approved bonuses for 2017 shall be paid in 2018; 40% of the bonuses shall be paid in equal instalments with a delay of one and two calendar years (20% after one calendar year, and the remaining 20% after another calendar year) based on the Supervisory Board's resolutions. This procedure allows the Company to account for the risks associated with decisions made by executive body members.

To improve motivation and accountability of Moscow Exchange executive body members, to ensure their interests are aligned with those of shareholders and to link remuneration to the Exchange's long-term performance, the Company runs a share-based long-term incentive programme as per principles and parameters approved by the Supervisory Board. Under this programme, the right to dispose of the shares covered vests in stages of one, two and three years, subject to continued employment.

Similar to other employees of the Moscow Exchange, members of executive bodies are entitled to the following benefits:

- ▶ voluntary medical insurance and international medical insurance;
- ▶ life and accident insurance;
- ▶ material aid;
- ▶ payment of the official salary for a certain number of days of incapacity for work per year.

In addition, members of the executive bodies are provided with a corporate car and a business mobile phone plan and are entitled to reimbursement of hospitality and travel expenses.

No severance pay is determined or paid in instances where a member of an executive body resigns or is dismissed on grounds related to disciplinary action or their employment is terminated as a result of a guilty act (or omission) committed by the member.

The amount of compensation payable in the event of executive body members' early termination of powers (following the relevant resolution of the Supervisory Board) subject to no fraudulent actions on their part shall not exceed the fixed portion of their annual remuneration. If a member of an executive body is dismissed on other grounds, compensation is only paid in instances and in the amount specified by the Labour Code of the Russian Federation.

The remuneration payable to each executive body member, payment terms and procedures, along with conditions for early termination of contracts, including severance pay, compensation or any other payments in excess of those required by the law, as well as conditions for payment thereof, are reviewed and approved by the Supervisory Board based on recommendations issued by the Board's Nomination and Remuneration Committee. To prevent a conflict of interest, the chairman of the executive body (CEO) refrains from voting on executive body members' employment contracts.

The Supervisory Board, together with the Nomination and Remuneration Committee, supervises the implementation of the Remuneration Policy and amends it, as necessary. Having reviewed the Remuneration Policy and assessed the remuneration system for members of the executive bodies in 2017, the Nomination and Remuneration Committee found the balance between the fixed and the variable components to be effective and decided to retain the current version of the Policy.

Members of Moscow Exchange's executive bodies are not remunerated for serving on governance bodies of Moscow Exchange Group companies.

The total remuneration paid to the Executive Board members in 2017:

#### Remuneration payable to members of executive bodies, RUB thousand

Type	Amount
Remuneration for serving on a governance body	0
Salaries	150,389
Bonuses	174,522
Fees	0
Reimbursement for expenses	4,430
Other	1,985
<b>Total</b>	<b>331,326</b>