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## INDEPENDENT DIRECTORS

Were in the Supervisory Board in 2017

- ▶ risk management:
  - review of reports from the Internal Control Office on audit of compliance of the Exchange as the market operator with Law "On Counteracting the Illegitimate Use of Insider Information and Market Manipulation and on Amendments to Certain Laws of the Russian Federation";
  - adoption of a business continuity policy for Moscow Exchange;
  - approval of the business continuity plan for Moscow Exchange;
  - approval of the Audit Methodology for the Internal Control Office;
  - intensive efforts were undertaken in cooperation with the Audit Committee and an external independent advisor to audit the internal control system. The advisor confirmed the adequacy of the current internal control system and proposed a number of measures to further improve the practices.

### Procedures for Appointment, Induction and Training of Members of the Supervisory Board

In accordance with the Federal Law on Joint-Stock Companies, shareholders holding in aggregate no less than 2% of voting shares in Moscow Exchange have the right to nominate candidates to the Supervisory Board of Moscow Exchange. The number of candidates cannot exceed the number of members of the Supervisory Board. The Charter of Moscow Exchange provides that such proposals should be submitted no later than 60 days after the end of each fiscal year.

The Supervisory Board of Moscow Exchange was to consider the above nominations and decide whether to include them on the list of nominees for election at the General Meeting of Shareholders no later than five days after the date specified for the submission of the proposals, i.e. before 5 March 2017.

At the end of the day on 1 March 2017, Moscow Exchange received proposals on the nomination of 14 candidates to the Supervisory Board to be elected at the Annual General Meeting of Shareholders in 2017, and all of them were included on the list of nominees for the General Meeting of Shareholders.

As part of the induction of directors, there is an induction programme for members of the Supervisory Board. The programme includes the following:

- ▶ familiarisation of Supervisory Board members with Moscow Exchange's key internal documents and the resolutions adopted at the meetings of shareholders and of the Supervisory Board;
- ▶ an overview of the history of the Russian stock market and basic information about the strategy and operations of Moscow Exchange;
- ▶ meetings with the Chairman of the Supervisory Board and the Chairman of the Executive Board of Moscow Exchange;
- ▶ a meeting with the Director of the Corporate Governance Department;
- ▶ a meeting with the Group's management team during the one-day introductory course held within two months of the date of the election of the Supervisory Board;
- ▶ a meeting with the chairpersons of any committees whose members are also members of the Supervisory Board.