

Supervisory Board

Role of the Supervisory Board

The Supervisory Board is a key component of the corporate governance system that generally manages the activities of Moscow Exchange.

The Supervisory Board is accountable to the General Meeting of Shareholders. The members of the Supervisory Board are elected by the General Meeting, and their powers may be terminated at any time by the General Meeting.

Members of the Supervisory Board take part in the Annual General Meeting of Shareholders. The Chairman of the Supervisory Board presides at Annual General Meetings of Shareholders, where any shareholder may ask questions or address the Chairman on agenda items, ensuring the necessary degree of objectivity in considering the agenda.

When developing Moscow Exchange's strategy, the Supervisory Board takes into account the shareholders' vision for the development of the Company. The Supervisory Board considers appeals filed by shareholders and, if necessary, gives appropriate instructions to senior management.

The terms of reference for the Supervisory Board are established in the Charter and are clearly separate from those of the executive bodies responsible for ongoing management of Moscow Exchange. In particular, the Supervisory Board:

- ▶ determines Moscow Exchange's vision, mission and strategy;
- ▶ is responsible for the strategic management and long-term sustainable development of Moscow Exchange;
- ▶ establishes Moscow Exchange's strategic goals and key performance indicators.

The Supervisory Board's work schedule for a period of 12 months is confirmed at the first meeting of the newly elected Supervisory Board held after the Annual General Meeting of Shareholders (AGM). The work schedule includes the main activities of Moscow Exchange, which are correlated with Moscow Exchange's strategic planning cycle and existing business cycles. In preparing the work schedule, proposals of members of the Supervisory Board and senior executives on priority issues are taken into account.

The agenda of each in-person meeting of the Supervisory Board includes three to five substantive matters for decision-making as well as reports from management. Matters related to the implementation of priority projects, budget performance and instructions of the Supervisory Board are considered as frequently as required.

In-person meetings of the Supervisory Board are those where directors are present, and such meetings are generally held in Moscow. The first meeting of the newly elected Supervisory Board takes place in person, generally on the same day that the General Meeting of Shareholders elects the new Supervisory Board.

Information on the activities of the Supervisory Board, including its members, meetings and committees, is disclosed on Moscow Exchange's website in the form of press releases and statements of material fact, as well as in Moscow Exchange's annual reports, ensuring transparency in the operation of the Supervisory Board.

Structure of the Supervisory Board

Members of Moscow Exchange's Supervisory Board are seasoned professionals who have the skills and experience to oversee the Company's strategy.

Since AGM, on 27 April 2016, Moscow Exchange's Supervisory Board has been comprised of 12 members (there were previously 15 members on the Board).

The Supervisory Board is managed and administered by the Chairman of the Supervisory Board, who is elected by the members of the Supervisory Board from among themselves, by a majority vote.

For preliminary consideration and development of recommendations related to important matters, the Supervisory Board has established the following committees:

- ▶ the Strategic Planning Committee;
- ▶ the Audit Committee;
- ▶ the Nomination and Remuneration Committee;
- ▶ the Budget Committee;
- ▶ the Technical Policy Committee; and
- ▶ the Risk Management Committee.

The Committees are formed annually from among the members of the Supervisory Board. Four out of six committees are chaired by independent directors; the Audit Committee is comprised of independent directors only. Additional IT experts who are not Supervisory Board members are invited to participate in the Technical Policy Committee.

Members of Moscow Exchange's Supervisory Board are seasoned professionals who have the skills and experience to oversee the Company's strategy. Members are, variously, experts in financial market infrastructure, the international organized trading industry, IT in the financial services sector, operational and financial risk management as well as financial reporting and budgeting processes. They also have competencies in human resources management and modern approaches to incentivizing top management.

Following the election at the 2017 Annual General Meeting of Shareholders, the Supervisory Board included four independent directors who met all criteria for independence as set forth in the Listing Rules (no relationship to the Company, its major shareholders, major competitors or counterparties;

no relationship with the government), seven non-executive directors and the Chairman of the Executive Board of Moscow Exchange. In 2017, one director was qualified as an independent director notwithstanding his formal association with the National Association of Securities Market Participants (NAUFOR) (Oleg Vyugin is currently a member of the NAUFOR Board of Directors) for which the Exchange is a major counterparty.

Information on any conflicts of interest (related also to membership in management bodies of Moscow Exchange's competitors) on the part of members of the Supervisory Board or the Executive Board is provided by the members in accordance with the statutory procedure.

Supervisory Board Members

Supervisory Board members as of 1 January 2017		Supervisory Board members elected on 27 April 2017	
Independent directors			
1	Rainer Riess (Senior Independent Director)	1	Rainer Riess (Senior Independent Director)
2	Maria Gordon	2	Maria Gordon
3	Anatoly Karachinsky	3	Anatoly Karachinsky
4	Duncan Paterson	4	Duncan Paterson
5	Yury Denisov (independent director until 27 April 2017)	5	Oleg Vyugin (independent director from 28 September 2017)
6	Wang Yuan		
Non-executive directors			
7	Alexey Kudrin	6	Alexey Kudrin
8	Andrey Golikov	7	Andrey Golikov
9	Valery Goreglyad	8	Valery Goreglyad
10	Bella Zlatkis	9	Bella Zlatkis
11	Sean Glodek	10	Anatoly Braverman
		11	Yury Denisov
Executive director			
12	Alexander Afanasiev	12	Alexander Afanasiev