

Remuneration Policy

The Moscow Exchange provides a competitive level of remuneration to attract, retain and incentivize employees. The Exchange's remuneration principles set out the fixed (base salary) and variable (annual bonus) components of remuneration. Amounts of these components depend on employee grade and salary market data. The variable part of remuneration correlates with the performance of the Group and each individual employee, both of which are evaluated as part of the performance management process.

The Supervisory Board of Moscow Exchange approved corporate targets for 2017, including financial performance, progress on key projects as well as reliability and continuous operation of the Exchange's systems.

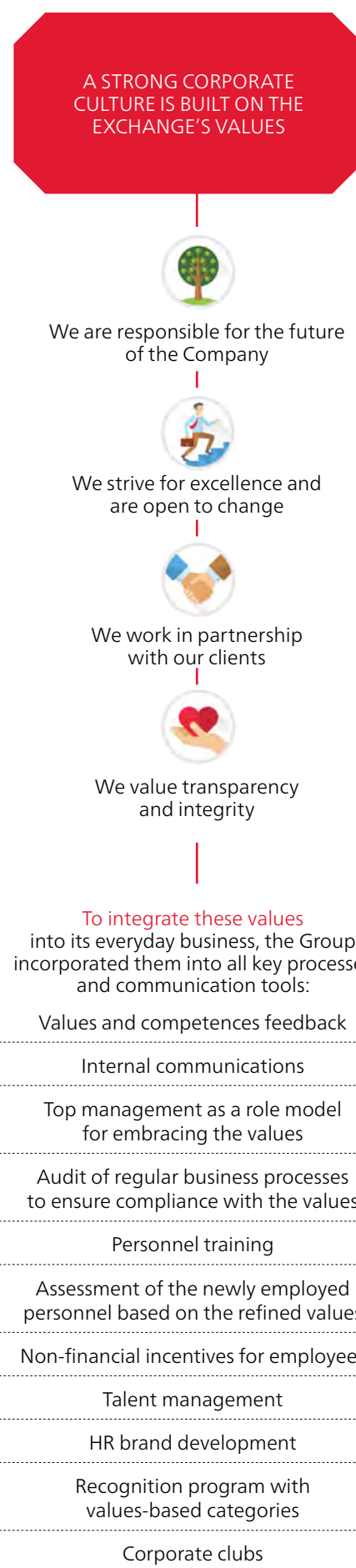
Corporate targets for NCC and NSD differ from those of the Exchange due to the specific nature of NCC and NSD's business (as a central counterparty and the central securities depository, respectively) and different legal requirements for credit organizations. As a result, the corporate targets for NCC and NSD are reviewed on a standalone basis and approved by their respective supervisory boards.

The Supervisory Board of the Exchange also approved the principles and parameters of a stock-based long-term remuneration program intended to help the Group retain key personnel and motivate them to contribute to the long-term sustainable development of the Group.

In addition, the Group put in place a system of benefits, including several types of insurance and financial assistance plans.

In 2017, special attention was given to performance management as the key factor in determining annual bonuses and salary increases. Starting from 2018, performance will also influence career planning after the value-based assessment and the value-based competence model were integrated in 2017.

The future plans include gradual transition from annual assessment to ongoing feedback.





Training and Development

The three key priorities of the Exchange's employee training and development strategy are improvement of management skills, ensuring continuity of knowledge and experience and supporting the business in fostering innovative solutions in line with global trends.

The training and development framework includes both educational programs and tools for workplace development and self-learning. MOEX is encouraging more employees to take charge of their own education, providing them with advanced technology and the necessary resources and opportunities. In 2017, the Exchange started rolling out the 70-20-10 education concept that emphasizes self-learning and workplace development (70%) along with learning from others' experience (20%) and hands-on training sessions (10%).

In 2017, more than 700 employees completed in excess of 2,200 e-courses which included both mandatory courses as part of the efforts to ensure business continuity and courses intended to improve soft skills. In total, 750 employees took part in various educational programs and trainings. As part of the drive to improve business processes, Group employees completed 21 cross-functional internship programs.

Professional and compulsory education is among the Exchange's priorities. The company focuses also on the development of employee competences along with leadership and project management skills necessary to deliver strategic projects. These educational initiatives account for up to 50% of the total time spent by employees on training programs. To facilitate the process, the Exchange established a corporate university. In 2017, the number of corporate university programs rose to five, with the Projects, Business and Top Management Faculties being added to the already existing Management and Professional Faculties. 50 employees entering the Project Faculty program develop their skills in project management and design thinking. The Professional Faculty launched an Internal Coaches project, under which the Group's employees hold master classes, training and workshops to share unique knowledge with their co-workers. In 2017, nine Exchange employees were elevated to the status of internal coaches holding ten trainings on various subjects for 100 employees.

In 2017, 50 Group employees completed a year-long Management Faculty program targeting management competencies of various levels.

Educational programs for senior executives include both individual and collective trainings. To ensure continuous growth of senior management, the Exchange opened the Top

Fostering a strong corporate culture is one of Moscow Exchange Group's strategic priorities, with specific objectives as follows:

1. Development of the most efficient employee behavior models to address business challenges.
2. Strengthening of employee engagement in the implementation of the Group's strategy.
3. Enhancing effective staff interaction (vertical, horizontal and cross-functional).



The three key priorities of the Exchange's employee training and development strategy are:

1. Improvement of management skills.
2. Ensuring continuity of knowledge and experience.
3. Supporting the business in fostering innovative solutions in line with global trends.

Management Faculty, with programs developed by a leading European business school.

Training efficiency assessment is one of the Group's priorities. After completing training, internship and mentoring programs, graduates complete a feedback form to help evaluate the overall experience, training quality and applicability of the knowledge they acquired. The modular programs of the Projects Faculty and the Management Faculty imply mandatory cross-modular activities such as individual and collective homework to hone knowledge, as well as coaching sessions to test new skills in ongoing projects and real-life teamwork.

In 2018, the key programs of the corporate university will be as follows: Projects Faculty (project leadership development), Management Faculty (management succession pool and mid-level management development), Top Management Faculty (senior management development), Professional Faculty (development of employees for current and future professional tasks), and Internal Coaches (sharing the unique knowledge within the Group).

In 2017, the Exchange upgraded its talent management program seeking to put in place a consistent performance and capabilities assessment process to provide long-term individual plans for professional and career development. The program places particular emphasis on succession discussions and building a pool of potential successors to key positions. The Group runs a succession planning program for members of the executive bodies, including at subsidiaries, to define a pool of successors to key positions and put in place individual successor development plans.

Social Support

Providing social support superior to the mandatory minimums prescribed by law is a part of the Group's social policy designed to ensure social security for employees and improve workforce performance, quality and loyalty. Corporate social support is provided under the Regulations on Corporate Social Support to Employees of Moscow Exchange approved by the Group's executive bodies in 2016. . Healthcare, maternity protection and childcare are the key concerns of the Group's social support policy.

All Group companies provide voluntary health insurance (VHI), international health insurance and personal accident and health insurance plans for all employees.

In addition, employees can have their family members included in the VHI program at the expense of the Group (subject to the predefined individual limit). Employees with two or more children can use an extra annual limit to insure their children (including adopted children and children under parental custody) under the VHI program if the household's average monthly income does not exceed a certain level. Employees also have an opportunity to insure their family members under international health insurance programs using corporate rebates.

The Group provides financial aid to employees who have become parents through adoption or legal guardian status, lost a family member or otherwise become eligible for such aid under the Regulations. The Exchange has a permanent social support committee to handle such issues as providing financial assistance (and determining the size thereof) to employees and members of their families who suffered an accident or emergency (including those affecting their health) not covered by existing insurance plans.

Employees with work experience of six months or more are entitled to additional temporary incapacity payments if they fall ill or need to care for an ailing family member, while those with a track record of at least two years can also claim additional maternity leave payments.

Recreation areas, kitchenettes and a gym are provided in the Group's offices, which are also equipped with water coolers, coffee and vending machines.

The Exchange promotes a healthy lifestyle among its employees and implements anti-epidemic measures to prevent outbreaks of influenza and viral respiratory infection. A "Health Days" campaign has been launched. Employees are also entitled to special corporate discounts at leading fitness centers and can join a number of sporting clubs (running, triathlon, football, hockey, etc.).

Additionally, the Group established and successfully runs corporate clubs for entertainment and intellectual development, including the intellectual game series What? Where? When?, culinary club MOEX Kitchen and literary club MOEX Readers. These initiatives serve to promote corporate culture and create a favorable environment for employees, including by prioritizing their health.

The Group strictly adheres to the labor laws providing social guarantees to certain categories of employees (including those with a family) and granting additional days off to parents with disabled children and additional unpaid leave to employees with babies.

Health and Safety

Ensuring occupational health and safety with no negative impact on performance is among the Group's priorities.

Assuming full responsibility for protecting the lives and health of employees, the management of the Exchange and the wider Group applies high health and safety standards and undertakes to:

- ▶ comply with the labor laws of the Russian Federation and state regulations on occupational safety;
- ▶ ensure safe working conditions and protect the lives and health of all employees by taking consistent and continuous steps (actions) to prevent accidents, deterioration of health and occupational injuries and diseases, including through labor risk management;
- ▶ inform every employee about dangers, threats and professional risks identified in the workplace;
- ▶ provide for high-quality and timely training to maintain excellence in occupational safety and continuously improve employees' competencies in this area;
- ▶ implement an economic policy encouraging the creation of working conditions meeting the requirements of the state occupational safety regulations;
- ▶ provide employees with modern collective and individual protection equipment;
- ▶ ensure comprehensive control over compliance with state occupational safety regulations both in the individual workplace and across business units;
- ▶ provide the necessary resources and incentives to engage employees (or their authorized representative bodies) in occupational safety management and encourage them to bring the working conditions into line with the occupational safety requirements;

- ▶ provide personal stimulus for every employee to participate in the creation of safe (to the fullest extent possible) working conditions by enforcing a stricter safety discipline;
- ▶ perform special working conditions assessments and workplace inspections of progress on sanitary and anti-epidemic (prevention) initiatives in a timely manner;
- ▶ ensure the availability of complete and accurate information on working conditions and the wider occupational safety situation at Moscow Exchange both from the employer to the employee and from the employee to the employer (or its representative); and
- ▶ constantly improve the occupational safety management system to ensure it meets the current needs of the Exchange.

Management assumes responsibility for the implementation of occupational safety initiatives by setting relevant targets and goals, planning and financing their achievement, and undertaking to respect the Company's values and urge every employee to do the same.

To provide the best working and recreational conditions for employees, the Exchange and the Group carry out special working conditions assessments and check the implementation of and compliance with sanitary and anti-epidemic (prevention) initiatives in the workplaces in a timely manner, which helps to maintain employee productivity at a sustainably high level.

To keep employees updated on the working conditions and exposure to professional risks, the Exchange put in place the following communication toolkit:

- ▶ inclusion of relevant provisions in employment contracts;
- ▶ ensuring the results of special working conditions assessments are made available to the employees;
- ▶ posting of special working conditions assessment summaries in the relevant workplaces;
- ▶ use of online information resources and websites of Group companies; and
- ▶ posting of relevant information in public areas for employees.

The Group organizes an extensive range of briefings on occupational, electrical and fire safety, civil defense and emergencies. In 2017, induction occupational safety briefings were attended by 142 new employees of the Exchange. All employees attend initial, refresher

and unscheduled workplace safety briefings and are tested in occupational safety regulations on a regular basis as required by applicable laws.

In 2017, an internal occupational safety audit was performed leading to the revision of occupational safety by-laws.

In 2017, 96 managers of the Group completed training in a specialized education center and were tested in occupational safety regulations.

All safety-related instructions and regulations are available on the corporate intranet portal, where employees can also find articles on occupational health and e-learning safety courses.

To organize occupational health monitoring, the Exchange approved:

- ▶ a procedure for mandatory (in line with the applicable regulations) and voluntary medical examinations and mental health assessments; and
- ▶ a list of jobs (positions) subject to medical examinations and mental health assessments.

The Group arranges annual influenza vaccinations for employees. Moreover, employees are provided with antiseptics and medical face masks during outbreaks of influenza and viral respiratory infections. Germicidal air purifiers were purchased.

In November 2017, the Exchange staged a Health Week, giving its employees an opportunity to take vision tests, attend a First Aid class, receive healthy lifestyle tips and participate in a variety of workshops.

Should an employee feel unwell or require immediate medical assistance, they can visit one of the corporate doctors based in the Moscow offices.

To ensure and maintain safe working conditions and prevent occupational injuries and diseases, the Group put in place an accident prevention framework with response procedures including the approved and developed accident response and management plans, and also adopted procedures for investigating and reporting on any such occupational injuries and diseases.

In 2013–2017, only one accident was reported at the Exchange (it occurred in 2017). The state labor inspector investigating the accident found no fault on the part of the Exchange.

In 2018, the Exchange plans to launch new and upgraded e-courses on occupational, electrical and fire safety and first aid education programs for all employees.

In addition, the Exchange plans to provide psychological support to employees, monitor their mental health, take relevant preventive steps and implement other initiatives in this area. Employees already have an opportunity to report issues to their managers or the HR and Compliance teams, and receive the required support, help and advice.