

RISK MANAGEMENT STRATEGY

All principal risk takers among the companies of the Group have developed a risk and capital management strategy. The principles and processes of the strategy seek to build, use and develop a comprehensive system of capital and risk management to ensure business continuity both in normal and stressed economic conditions, to enhance transparency of the risk and capital management processes, as well as to identify and assess significant risks in a timely manner, support capital planning and take due account of risks in the decision-making process.

With a view to maintaining efficiency of the regular risk management processes:

- ▶ the following committees operate: the Risk Committee of the NCC Supervisory Board, Risk Management Committee of Moscow Exchange, Risk Management Committees of NCC Management board and Moscow Exchange and Risk Committee of NSD Executive Board;
- ▶ a system of distribution of powers and responsibilities is in place to implement key risk management principles;
- ▶ risks are regularly identified and mitigation measures;
- ▶ financial resilience recovery plans and plans for engagement of additional resources have been developed.

Moscow Exchange has also established a separate market operator's risk management subsystem that enables it to identify and assess risks in a timely manner and to develop mitigation measures.

This system incorporates continuous monitoring of emergencies and assessment of their potential impact on the technical processes of the Exchange's markets, as well as updating the integrated operational and financial risk management system in line with adopted decisions and procedures. The Exchange is constantly developing and improving its risk management system to reduce the vulnerability of business processes and their recovery time, to improve system redundancy based on spacing and duplication of resources, and to improve the reliability of communication systems between traders, the Exchange and depository and settlement organizations.

In addition, the Exchange has also set up a separate structural unit responsible for managing its risks as a market operator. This unit aims to identify and assess risks in a timely manner and to develop mitigation measures. The Exchange has developed and approved the Regulations on Managing the Risks of a Market Operator.

SHORT-TERM RISK OUTLOOK

Given that the Group's strategy calls for the development of new products, formation of new trading markets and the expansion of the investor base, the management of financial risks will be key for the Company.

HR risks will remain neutral, given that most ongoing activities are long-term; however, staff turnover remains low.

Given that the Exchange's strategic objectives include the financial platform and balance management, regulatory and legal risks will continue to have a high impact on the Exchange's activities; however, taking into account ongoing activities, we do not expect a significant increase in regulatory and legal risk.

Stabilization and Reliability 2.0 and Stabilization 3.0 programs being implemented will result in the reduction of operational and compliance risks; however, the full effect will be visible only in the long term.

Plans to upgrade the Exchange's key information systems will keep information security risks elevated.

Strategic risks will remain neutral given that no factors preventing the achievement of strategic objectives, as well as no substantial delays and/or negative variances in implementation of the budget for strategic projects and initiatives, are present considering the Group's new strategy through 2024.