

ACTIVITIES OF THE SUPERVISORY BOARD COMMITTEES

Number of meetings of Supervisory Board committees

	Over the period 01.01.2019.- 25.04.2019		Over the period 25.04.2019 – 31.12.2019		Total in 2019
	in-person	remote	in-person	remote	
Strategy Planning Committee	2	1	3	4	10
Audit Committee	3	1	5	0	9
Nomination and Remuneration Committee	6	3	7	2	18
Budget Committee	1	2	6	4	13
Risk Management Committee	5	0	3	2	10
Technical Policy Committee	0	0	2	0	2

Board members' attendance at committee meetings

Full name	Strategy Planning Committee	Audit Committee	Nomination and Remuneration Committee	Budget Committee	Risk Management Committees	Technical Policy Committees
A.A. BRAVERMAN (Member of the Committee until 25.04.2019)	67%			100%	40%	
Duncan PATERSON (Member of the Committee until 25.04.2019)	100%	100%				
BAKHTURIN I.Y. (Member of the Committee since 25.04.2019)	43%					
Paul A. BODART (Member of the Committee since 25.04.2019)	100%	100%				
M.V. BRATANOV			94%	100%	100%	
O.V. VIYUGIN	100%		94%			
A.F. GOLIKOV	100%			100%	100%	
M.V. GORDON		89%	89%	85%		
V.P. GOREGLYAD					80%	
Y.O. DENISOV	100%				100%	
D.N. ERENEEV (Member of the Committee since 25.04.2019)	86%					100%
A.V. IZOSIMOV	67%	100%	100%			100%
Rainer RIESS	100%	100%	89%			

Audit Committee

The primary purpose of the Audit Committee is to ensure the Supervisory Board is effective in addressing issues relating to the control of financial and economic activities.

Composition of the Committee:

- ▶ Maria Gordon, Chairman of the Committee;
- ▶ Members of the Committee: Rainer Riess, Paul Bodart, Alexander Izosimov.

59 issues were considered at meetings of the Audit Committee in 2019.

The main issues considered by the Committee in 2019 and on which recommendations were given to the Supervisory Board related to the assessment of the performance of the Group's external auditor, review of the consolidated financial statements and reports of the Internal Audit Service.

The Audit Committee reviewed issues related to the Anti-Corruption Policy and Fraud Management Program; information disclosure exercising a significant influence on financial indicators of the Moscow Exchange Group; audit "Internal Control System".

In April 2019, the Audit Committee defined the terms for performance of transactions with financial instruments by the persons included into the insider list as well as by persons associated with them.

In 2019, the Supervisory Board recommended that the General Meeting of Shareholders select ZAO Deloitte & Touche CIS as external auditor upon the recommendation of the Audit Committee and the corresponding decision was made at the Annual General Meeting.

Additionally, the Committee gave recommendations to the Supervisory Board on awarding the head and employees of the Internal Audit Service of the Exchange based on their performance in 2018.

Nomination and Remuneration Committee

The primary purpose of the Nomination and Remuneration Committee is to support the effective work of the Supervisory Board in addressing issues relating to the activities of the Exchange as well as other companies directly or indirectly controlled by the Exchange, and the nomination and remuneration of members of supervisory boards, executive bodies and other key executives and members of revision commissions.

Composition of the Committee:

- ▶ Mikhail Bratanov, Chairman of the Committee;
- ▶ Members of the Committee: Oleg Viyugin, Maria Gordon, Alexander Izosimov.

65 issues were considered by the Nomination and Remuneration Committee of the Supervisory Board in 2019.

The main issues considered by the Committee in 2019 and on which relevant recommendations were given to the Supervisory Board related to planning of compositions of supervisory boards of the Exchange, NSD, and CPP NCC, assessment of the independence of candidates and members of the Supervisory Board of the Exchange, self-assessment and training of members of the Supervisory Board of the Exchange, nomination of candidates for the Supervisory Board, assessment of the expediency of reviewing the amount of remuneration payable to directors, giving recommendations on the determination and assessment of achievement of corporate KPIs of the Group and individual KPIs of members of executive bodies and the Director of the Corporate Governance Department of the Exchange, the option program for management, management succession program and early termination or extension of powers of members of the Executive Board as well as selection of a new Chairman of the Executive Board.

Strategy Planning Committee

The primary purpose of the Strategy Planning Committee is to improve the performance of the Exchange and its subsidiaries and affiliates as well as companies directly or indirectly controlled by the Exchange in the long and medium term.

Composition of the Committee:

- ▶ Rainer Riess, Chairman of the Committee;
- ▶ Members of the Committee: Ilya Bakhturin, Oleg Viyugin, Andrey Golikov, Dmitry Ereemeev, Paul Bodart.

36 issues were considered at the meetings of the Strategy Planning Committee of the Supervisory Board in 2019.

The main issues considered by the Committee in 2019 and on which recommendations were given to the Supervisory Board related to key market trends, generation and approval of a new development strategy, innovation management and the adoption of an amended dividend policy. In the course of formulating the new strategy, the Committee focused on the issues of the corporate values of the Exchange and formulating the dividend policy in accordance with the new strategy. All members of the Supervisory Board were involved in the development of the new strategy during the course of a Strategy Day specially organized to coincide with a meeting of the Supervisory Board.

Risk Management Committee

The main task of the Risk Management Committee is to foster the improvement of the risk management system of the Exchange and Group companies in order to enhance the reliability and efficiency of the activities of the Exchange.

Composition of the Committee:

- ▶ Andrey Golikov, Chairman of the Committee;
- ▶ Members of the Committee: Valery Goreglyad, Mikhail Bratanov.

36 issues were considered by the Risk Management Committee of the Supervisory Board in 2019.

The main issues considered by the Committee in 2019 and on which relevant recommendations were given to the Supervisory Board related to the regular analysis of the Group's reports on management of various risks, including business continuity, operational, non-financial, uneconomic and other risks. At the meetings of the Committee, special attention was paid to improvement of operational risk management, improvement of performance criteria of the risk management system and adoption of the risk appetite indicators.

Budget Committee

The primary purpose of the Budget Committee is to support the Supervisory Board of the Exchange in exercising control over the formation and expenditure of funds intended for financial support of the Exchange and the Group companies.

Composition of the Committee:

- ▶ Andrey Golikov, Chairman of the Committee;
- ▶ Members of the Committee: Mikhail Bratanov, Maria Gordon.

39 issues were considered by the Budget Committee in 2019.

The main issues considered by the Committee in 2019 and on which relevant recommendations were given to the Supervisory Board related to planning of the consolidated budget and control over its execution, determination of the amount of dividends in accordance with the dividend policy including dividends of Exchange subsidiaries, setting fees for all Exchange markets and evaluating effectiveness of marketing periods, control of execution of priority project budgets, the Exchange's capital management, providing guidance with respect of real estate owned by the Exchange and data centers leased by the Exchange.

Technical Policy Committee

The main objectives of the Technical Policy Committee are the development and strengthening of effectiveness of the Group's activities through preparation of recommendations and expert opinions to the Supervisory Board, boards of directors (supervisory boards) of Group companies and their committees and executive bodies of the Exchange and the Group companies in respect of technical policy and development of IT and software of the Group.

Composition of the Committee:

- ▶ Alexander Izosimov, Chairman of the Committee;
- ▶ Members of the Committee: Dmitry Ereemeev, Vladimir Kurlyandchik, Kirill Menshov, Yury Yartsev.

Three issues were considered by the Technical Policy Committee of the Supervisory Board in 2019.

The main issues considered by the Committee in 2019 and on which recommendations were given to the Supervisory Board related to approaches to the Exchange's IT strategy formulation and NSD's IT architecture development concept for the period to 2024.