

REMUNERATION OF EXECUTIVE BOARD MEMBERS

Remuneration of members of the Executive Board is regulated by the Remuneration and Compensation Policy for Members of the Executive Board, approved by the Supervisory Board in December 2016. The Policy sets out principles for remuneration, and establishes procedures for determining remuneration levels as well as types of payments, incentives and privileges payable to members of the Executive Board.

The Policy is based on the following key principles:

- ▶ Involvement and retention of a professional and effective team consisting of Executive Board members able to implement the Exchange's strategy and other priorities and increase shareholder value;
- ▶ Competitive remuneration at a level sufficient to engage, motivate and retain competent and qualified Executive Board members;
- ▶ Maintaining an optimal balance between the Exchange's business performance and the personal contribution of an Executive Board member in determining remuneration levels.

To maintain openness and accessibility for investors, the Remuneration Policy is published on the Exchange's web site at <http://www.moex.com/s798>.

Executive Board members' remuneration consists of a fixed salary and a variable component. The variable component comprises a significant portion of annual remuneration, and includes short- and long-term components. Short-term variable remuneration takes the form of an annual bonus based on the Exchange's results and the individual contribution of the Executive Board member to those results. Long-term variable remuneration is shares-based and is established by the Long-Term Incentive Programme.

The short-term variable component is determined by an annual approval of key performance indicators including corporate and individual key efficiency indicators. In 2019, the ratio of corporate and individual indicators was 40:60.

To promote personal responsibility, the Supervisory Board applies a delayed bonus plan taking into account the contribution of Executive Board members to the Exchange's financial and other results, including the possibility of reducing or cancelling part of the delayed bonus if no positive results are obtained in the relevant area. Payment of 60% of the approved bonus amount for 2019 will be made in 2020, and 40% will be paid with a delay in equal portions within one and two calendar years (20% within one calendar year, and 20% within two calendar years) based on the relevant decisions of the Exchange's Supervisory Board. This procedure makes it possible to account for risks created by decisions made by Executive Board members.

The stock-based Long-Term Incentive Programme, as approved by the Supervisory Board, is designed to boost Executive Board members' motivation and responsibility, align their interests with those of shareholders and connect remuneration with long-term performance results. Under this Programme, Executive Board members are granted the right to dispose of shares over periods of one, two and three years, provided that their contract remains in force.

Compensation paid in the event of early termination of the authority of a member of the Management Board (following a Supervisory Board decision on terminating a contract), and assuming no unethical practices on the part of the member, is capped at the amount of the fixed annual bonus component. If a contract is terminated for other reasons, compensation is paid only in cases and amounts provided for by the Labor Code of the Russian Federation.

Specific remuneration due to executive body members, conditions and procedure for paying such remuneration, as well as conditions for early termination of agreements, including discharge allowances, compensations and other payments in any form exceeding those established by law, and conditions for their provision are considered and approved by the Supervisory Board based on recommendations made by the Assignment and Remuneration Committee, which reports to the Supervisory Board. To avoid any conflict of interests, the sole executive body (i.e., the Chairman of the Board), abstains from votes on the contractual terms and conditions of Executive Board members.

The Supervisory Board, supported by the Assignment and Remuneration Committee, ensures oversight of implementation of the Remuneration Policy, and can amend it as necessary. Total remuneration due to a member of the Board, including the ratio of the remuneration components, is assessed by the Assignment and Remuneration Committee to ensure compliance with remuneration levels at comparable companies, based on a remuneration study from a leading consulting company. Executive Board members are not paid for their work in management bodies of other Group companies.

Remuneration and compensation payments made to the members of the Executive Board in 2019,
thousand RUB

	2019
Remuneration for participating in work of the Management Board	0.00
Salary/wage	183,172.46
Bonus	148,337.34
Commission fees	0.00
Remuneration for participating in work of subsidiary's management body	0.00
Expense reimbursement	0.00
Other types of remuneration	29,297.08
TOTAL	360,806.89