

Moscow Exchange and the community

PROFESSIONAL COMMUNITY

The Exchange is working hard to build constructive dialogue with Russian and international investors, market participants, current and potential issuers, regulatory agencies and with the professional community, both by direct communication through advisory bodies and working groups, and also at investment conferences, forums and specialized training events. This work helps to attract new investors to the Exchange's markets, expand the Exchange's client base, increase liquidity on the financial markets and attract investment into the Russian economy.

Exchange Council

The Exchange actively interacts with market participants through advisory bodies. This enables the Exchange to receive feedback from customers on planned innovations in products and services, to effectively improve market infrastructure, and to draft proposals to improve the regulation of financial markets.

The main advisory body is the Exchange Council, which is tasked with elaborating strategic proposals for the development of the Russian financial market, and also represents the interests of market participants and the Exchange's clients, to ensure that their needs are fully reflected when addressing issues related to the organization and development of financial market infrastructure. The Exchange Council includes management of major market participants, heads of self-regulatory organizations, management companies, investment banks and the Bank of Russia.

In 2019, the Exchange Council comprised 25 members approved by the Exchange's Supervisory Board at the end of 2017. The Chairman of the Exchange Council is Andrei Zvezdochkin, CEO of ATON Investment Company.

In 2019, two meetings of the Exchange Council were held to consider the following issues:

- ▶ results of strategic projects and approaches to the new Group strategy;
- ▶ measures to stimulate demand among domestic institutional investors;
- ▶ measures to encourage public offerings by Russian companies;
- ▶ management of short-term surplus liquidity.

User Committees

The Exchange and NSD convene 20 user committees comprising groups of financial market participants and issuers.

In July 2019, a new user committee was formed, the Debt Market Indicators Committee. The Committee is tasked with developing proposals to improve methods for calculating bond and composite indices and other debt market indicators, and to conduct expert assessments of debt market instruments.

Most committees are formed on an annual basis and draw their members from professional market participants including banks, brokers and investment companies, as well as issuers and non-financial companies. Their main areas of focus include preparing proposals to amend legislation and other regulation, considering regulatory issues regarding securities issuance and trading, information

disclosure and corporate governance. Committees also develop proposals regarding organized on-exchange trading of securities, improvements to clearing and settlement technologies, and expansion of the range of available tools and services.

For the convenience of committee members, customers and market participants, the Exchange publishes a monthly digest including a list of issues discussed at meetings of the Exchange Council and user committees, as well as decisions taken.

Information on the activities of the Exchange's committees and the Exchange Council is publicly available on the Exchange and NSD websites.

Expert Council on Listing

The Expert Council on Listing has operated since 2017 to strengthen the depth of expertise of securities prior to the inclusion in the Exchange quotation lists. The Council is charged with advising the Exchange in relation to listing, delisting, moving companies between the listing levels and trading suspensions.

At the end of 2019, the Expert Council on Listing's 41 members included brokers, auditors, bankers, lawyers, analysts, investors and methodologists.

In 2019, the Expert Council on Listing held 18 meetings.

IR Academy

Since 2016, the Exchange's IR Academy has served as a discussion platform for investor relations professionals and a center for the development of professional principles and standards in IR.

In 2019, the IR Academy held a series of seminars at which leading industry experts and consultants discussed topics including independent analytics, tools available on MOEX (including indices, trading modes and exchange

information), analyzed best practices in annual reports, and discussed the question "Is there life after IR?" .

Since the IR Academy launched, it has held more than 15 round tables and seminars with more than 100 speakers including IR leaders, portfolio managers, leading analysts and independent experts sharing their knowledge. During this time, 90% of all Russian public companies have attended classes at the IR Academy.

123 companies
including **14** newcomers
participated in the annual report contest

Corporate governance development in Russia

One of the key events in the field of corporate governance and investor relations is the annual report contest organized by the Exchange and RCB media group. The competition helps to increase transparency among public companies and effective information disclosure to investors and customers. In 2019, 123 companies took part in the 22nd annual reports contest, including 14 debutants.

At the competition awards ceremony, the Exchange and Institutional Investor magazine awarded winners based on an independent survey of international investors' views of the IR programs of Russian companies. The study involved more than 180 portfolio managers and analysts from 89 banks and funds around the world.

The Exchange also held its annual Corporate Governance in Russia conference, which discussed prospects for the Russian and global securities markets, the responsibilities of boards of directors at public companies, and opportunities for responsible business.

Interaction with the investment community

For many years, the Exchange has organized its own events and supported major professional financial markets conferences. Since 2009, the Exchange has held the Moscow Exchange Forum in leading global financial centers – Moscow, London, New York and Shanghai. They help to improve perceptions of the Russian financial market among the investment community and increase the interest of domestic and international investors in the Russian stock market. In 2019, more than 2,500 delegates took part in MOEX's forums.

over **2,500** guests
took part in the Exchange Forums in 2019

In 2019, in addition to its own annual Foreign Exchange Market Forum and Structural Products and Retail Investor conferences, the Exchange was also a partner of the business program at the St. Petersburg International Economic Forum (SPIEF), the Bank of Russia's annual International Financial Congress in St. Petersburg, and the Forum of Innovative Financial Technologies in Sochi. The Exchange also supported events organized by two self-regulatory organizations – the Ural Conference and the Russian Stock Market Conference of the National Association of Stock Market Traders (NAUFOR) and the Repo Forum organized by the National Financial Association (NFA). In addition, MOEX supported events organized by ACI Russia, the Association of Corporate Treasurers and the Cbonds conference.

In 2019, the Exchange held regional exchange forums for individual investors in Samara, St. Petersburg, Yekaterinburg, Novosibirsk, Voronezh and Kazan. More than 3,500 individual investors had an opportunity to hear from the Exchange about the latest financial market developments, learn from leading traders, and familiarize themselves with products and services offered by brokerage companies in their region.

International cooperation

The Exchange has for many years worked with international financial organizations to learn from global best practices and to exchange experience. In 2019, MOEX focused on expanding cooperation with companies, banks and exchanges from China, including by holding joint events and signing cooperation agreements.

In July, an Exchange delegation visited Beijing and signed a memorandum of understanding with Galaxy Securities, the largest brokerage company in China, to deepen investment cooperation between Russia and China and develop the offshore yuan market in Russia. The memorandum covers organization of joint marketing events for investors in Russia and China, as well as implementation of projects to develop trading of CNY-denominated instruments on Moscow Exchange, and cross-listing of ETFs and other instruments on Moscow Exchange and Chinese platforms. During the visit, the first joint seminar was held for institutional investors from China.

In September, a memorandum of understanding was signed with Zhengzhou Commodity Exchange to develop cooperation and comprehensively strengthen the partnership and interaction between the exchanges regarding the development of the commodity derivatives market.

In October, the NCC received the status of a clearing member with Shanghai Gold Exchange (SGE) as part of a cooperation agreement between the Bank of Russia and the People's Bank of China covering on-exchange gold trading. This status will allow the Exchange to establish a trading and clearing link with the SGE, which will increase liquidity and trading volumes, diversify sales markets and make operations with gold more efficient for Russian precious metals market participants and their customers.

In 2019, a memorandum of understanding with the Chinese foreign exchange trading platform China Foreign Exchange Trade System (CFETS) was signed, which was designed to improve the quality of pricing and liquidity of the Chinese Yuan-Russian Ruble currency pair at both sites. Strengthening ties between the financial infrastructures of Russia and China will stimulate settlements in national currencies and contribute to the growth of mutual investments.

In April, memorandums of understanding were signed with the Bombay Stock Exchange (BSE) and India International Exchange (India INX) as part of the annual Exchange Forum in Moscow, with the aim of developing cooperation and comprehensively strengthening partnerships and interactions between the exchanges. The memorandums cover organization of joint events and meetings to foster deeper understanding of the markets in both countries, as well as implementation of projects to provide access to markets on both sides for investors, including possible cross-listing of financial instruments.

The Exchange continued working with the Kazakhstan Stock Exchange (KASE) to increase reliability of market infrastructure, reduce market risks and provide Kazakh and Russian market participants and investors mutual access to the markets of both countries, which will contribute to the creation of a single financial market for the Eurasian Economic Union (EAEU). Moscow Exchange technologies are being introduced at KASE as part of a strategic partnership agreement concluded in 2018. In December 2019, equities trading on KASE was transferred to MOEX's trading and clearing platform (ASTS+) with a central counterparty.

Moscow Exchange is a member of the World Federation of Exchanges (WFE) and the Futures Industry Association (FIA). During 2019, the Exchange was represented at several conferences as well as WFE and FIA working groups in London, Boca Raton, Mumbai, Zurich and Singapore.

Employer branding and attracting young professionals

In 2019, the Exchange was recognized for a third straight year as one of the world's most attractive employers by Forbes magazine – one of only seven Russian companies among the 500 employers named in the ranking.

In 2019, the Exchange launched a careers website with information about conditions for employment and career opportunities offered by the company. Social media accounts dedicated to careers at the Exchange were also created to give potential applicants more information about life at MOEX, current vacancies, career advice and more.

The Exchange regularly participates in career fairs for students and young professionals, and also holds information days at leading universities in Moscow to give inform students about career opportunities at the Exchange and invite strong candidates to apply for internships.

Given the Exchange's unique profile, one of the priorities of HR policy is to attract experienced professionals and young talent. Under the Exchange's program of working with young talent in 2019, 37 finance and IT students completed internships, taking part in real projects and undergoing a comprehensive training program to develop and increase personal efficiency. The best students received an offer to pursue a career at the Exchange.

In 2020, identifying young talent will remain a significant priority, with the internship program undergoing further development in accordance with best market practices. In April 2020, three programs will start simultaneously:

- ▶ **MOEX Future Leaders** is an annual internship for senior finance students who want to pursue a career in the financial market industry and are targeting leadership opportunities. For a year, trainees will be able to gain universal experience by working in several divisions of the Exchange;
- ▶ **MOEX Study & Work** is a program for finance and IT students who wish to participate in company projects under the supervision of experienced professionals at the Exchange;
- ▶ **MOEX Start** is a three-month internship that introduces the Exchange's activities and gives participants some initial experience during the summer holidays.

Cooperation with universities

The Exchange is actively involved in a number of initiatives to promote financial literacy. Together with the Financial University under the Government of the Russian Federation, one of Russia's leading economic universities, the Exchange runs Fincontest, a specialized financial markets Olympiad that not only tests participants' knowledge of corporate finance, the securities market and financial analysis, but can also kick-start a professional career. In 2019, more than 1,000 students took part, and three were subsequently offered internships at the Exchange following a multi-stage selection process.

more than **1,000** students
took part in a specialized financial markets
Olympiad

The Exchange also participates in joint programs with leading Russian universities. In 2019, Exchange speakers held a series of master classes at the Moscow State Institute of International Relations (MGIMO), the Higher School of Economics (HSE), the Financial University under the Government of the Russian Federation, and the Moscow Engineering Physics Institute (MIFI). An educational program to develop financial literacy has been launched with the Financial University, in the form of a Master's program on Securities and Financial Engineering. A joint program has operated for 20 years with MIFI, which has a department specializing in exchange-based trading technologies.

Moscow Exchange supports Bank of Russia and Ministry of Finance projects to support financial education and improving financial literacy. In 2019, the Exchange participated in the annual Forum of Financial Literacy, the Forum of Financial Volunteers and a nationwide Olympiad on financial markets and the basics of consumer knowledge for high school students. Exchange employees took part in Financial Literacy Weeks in regions across Russia, as well as the Bank of Russia Open Day.

The annual Governor's Cup of the Novosibirsk Region on the Exchange Financial Market was held for students of Russian universities. The tournament gave 201 students from 29 universities the opportunity to familiarize themselves with exchange tools, try out trading strategies, practice building an investment portfolio and gain experience in the stock market.

201 students
took part in the annual Governor's Cup
of the Novosibirsk Region on the Exchange
Financial Market

Together with leading brokerages and banks, the Exchange organized the Financial Triathlon – Treasure Exchange for the fifth time for undergraduates and graduate students in St. Petersburg, including a gamified history of exchange-based trading in Russia, as well as exchange and brokerage mechanisms. Students got involved as investors in solving entertaining economic problems and mini-cases and answering blitz questions.

Stock exchange history

Since 2002, the Exchange has operated a historical exhibition about the main stages of the creation and development of exchange and financial infrastructure in Russia. Exhibits include documents related to the functioning of the Exchange, a collection of securities and coins, and videos about the work of Russian exchanges.

In 2019, over 100 tours were held, which were attended by about 2,500 people, including schoolchildren and students, employees of financial companies and banks, as well as delegations from China, France, Iran, Uzbekistan, Kazakhstan and other countries.

nearly **2,500** visitors
toured the stock exchange history museum

Lectures on financial history are regularly held for new employees of the Exchange.

As part of the Exchange's ongoing research and development work, a collection of securities of revolutionary and Soviet Russia, "Down to the Foundations, and Then ...", was published in 2019, alongside the Consolidated Charter of Joint-Stock Commercial Banks.