

Report on Moscow Exchange Compliance with the Principles and Recommendations of the Corporate Governance Code

This Report on Compliance with the Principles and Recommendations of the Corporate Governance Code was reviewed by the Supervisory Board of Moscow Exchange at the meeting of the Supervisory Board held on March 27, 2017 and Minutes number 16.

The Supervisory Board confirms that the data quoted herein contain comprehensive and reliable information on the Company's compliance with the principles and recommendations of the Corporate Governance Code for the 2016 reporting year.

The Annual Report sections describe the most significant aspects of the corporate governance model and practices at Moscow Exchange, as well as the approach to assessing compliance with the corporate governance principles legitimized in the Corporate Conduct Code.

#	Corporate governance principles	Corporate governance principle compliance criteria	Status ¹ of conformity with the corporate governance principle	Explanations ² of deviation from the assessment criteria of compliance with the corporate governance principle
1.1	The company shall ensure equal and fair treatment of all shareholders when they exercise their right to participate in the company's governance.			
1.1.1	The company should create most favourable conditions for its shareholders enabling them to participate in the general meeting and develop informed positions on issues on its agenda, as well as provide them with the opportunity to coordinate their actions and express their opinions on issues being discussed.	<ol style="list-style-type: none"> The Company's internal document approved by the General Meeting of Shareholders and governing the procedures for holding the General Meeting is in the public domain. The Company provides an easy-to-access way to communicate with the community, such as the "hotline", email or Internet forum that enables shareholders to express their opinion and to put forward issues to the agenda pending preparation for the General Meeting. These actions were taken by the Company the day before each general meeting held in the reporting period. 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
1.1.2	Procedures for notification of the general meeting and provision of materials for it should enable the shareholders to get properly prepared for participation therein.	<ol style="list-style-type: none"> The notice of the General Meeting of Shareholders was posted (published) on the website at least 30 days prior to the General Meeting date. The notice of the meeting specifies the venue of the meeting and the documents required to get access to the premise. Access to the information on the person who proposed the agenda items and the one who nominated candidates to the Board of Directors and the Internal Audit Commission of the Company was provided to shareholders. 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
1.1.3	During the preparation for and holding of the general meeting, the shareholders should be able to freely and timely receive information about the meeting and its materials, to pose questions to members of the company's executive bodies and board of directors, and to communicate with each other.	<ol style="list-style-type: none"> The shareholders were enabled to ask members of the executive bodies and members of the Company's Board of Directors before and during the annual General Meeting in the reporting period. The standpoint of the Board of Directors (including any special opinions included into the minutes) on each agenda item of the General Meetings conducted during the reporting period was included into the materials of the General Meeting of Shareholders. The Company provided the shareholders with the appropriate entitlement with the access to the list of persons eligible to attend the General Meeting, starting from the date of its receipt by the Company, in all cases of holding the General Meetings in the reporting period. 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
1.1.4	There should be no unjustified difficulties preventing shareholders from exercising their right to demand that a general meeting be convened, nominate candidates to the company's governing bodies, and to place proposals on its agenda	<ol style="list-style-type: none"> In the reporting period, shareholders were entitled, within not less than 60 days from the end of the respective calendar year, put forward proposals to be included into the agenda of the annual General Meeting. In the reporting period, the Company did not refuse to accept proposals to the agenda or candidates to the Company's bodies due to misprints and other insignificant defects in the shareholder's proposal. 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

¹ The "complied with" status is only indicated if the Company meets all the criteria of the corporate governance principle compliance assessment. Otherwise, the "partially complied with" or "not complied with" status is displayed.

² They are shown for each criterion of the corporate governance principle compliance if the Company meets only part of the criteria or fails to meet any of the principle compliance assessment criteria. If the Company indicated the "complied with" status, no explanations are required.

#	Corporate governance principles	Corporate governance principle compliance criteria	Status ¹ of conformity with the corporate governance principle	Explanations ² of deviation from the assessment criteria of compliance with the corporate governance principle
1.1.5	Each shareholder should be able to freely exercise his right to vote in a straightforward and most convenient way.	1. The Company's internal document (internal policy) contains the provisions, whereby each participant in the General Meeting may, before completion of the respective meeting, to require a copy of the ballot completed by the shareholder and certified by the counting board.	<input type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input checked="" type="checkbox"/> not complied with	<p>The functions of the Moscow Exchange counting board shall be performed by the registrar, relations with which are governed by the contract made. A separate contract is entered into for holding each particular general meeting of shareholders with the Registrar, the conditions of which do not prevent any shareholder of the Exchange, before completion of the meeting, to request the Registrar's representatives to provide him/her with a copy of the completed ballot. No such requests were received when holding the AGSM in 2016.</p> <p>The agreement with the Registrar in relation to the 2016 AGM envisages a further duty of the Registrar to certify a copy of a filled-out ballot at the request of a meeting participant.</p> <p>In accordance with the decision made by the Supervisory Board on March 2, 2017, a new version of the Regulations on the General Meeting of Shareholders (hereinafter, the GSM Regulations) incorporating the relevant recommendation will be brought before the AGM in 2017.</p>
1.1.6	Procedures for holding a general meeting set by the company should provide equal opportunity to all persons present at the general meeting to express their opinions and ask questions that might be of interest to them.	<p>1. When General Meetings of Shareholders are held in the reporting period in the form of a meeting (joint presence of shareholders), sufficient time is envisaged for the reports on agenda items and the time to discuss these issues.</p> <p>2. Nominees to the Company's management and control bodies were available to answer shareholders' questions at the meeting where they were voted upon.</p> <p>3. The Board of Directors reviewed the use of telecommunications tools to provide shareholders with remote access to participate in the General Meetings in the reporting period, when making decisions related to preparation and holding of the General Shareholders' Meetings.</p>	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<p>1. Complied with.</p> <p>2. Complied with.</p> <p>3. Not complied with.</p> <p>In 2016, the Moscow Exchange Supervisory Board did not review the issue of using any means of telecommunication to provide shareholders with remote access to the meeting, as it is not technically possible to fill out the voting ballot electronically via the personal account on the website (e-voting).</p> <p>In accordance with the Supervisory Board decision dated March 2, 2017, new versions of the Charter and the Regulations on the General Meeting of Shareholders that permit e-voting at shareholder meetings will be brought before the AGM in 2017. It is intended that e-voting will be conducted on the basis of the NSD facilities.</p> <p>At the same time, in addition to the traditional ways of participating in a meeting, i.e. personal presence or sending in filled-out voting ballots on paper, shareholders, since 2015, have the ability of using the e-voting procedure by sending in electronic documents (e-proxy voting).</p>
1.2	Shareholders are provided with an equitable and fair opportunity to participate in the company's profits through the distribution of dividends.			
1.2.1	The company should develop and put in place a transparent and clear mechanism for determining the amount of dividends and their payment.	<p>1. The dividend policy of the Company was developed, approved by the Board of Directors, and disclosed.</p> <p>2. If the Company's dividend policy uses the Company's reporting measures to determine the amount of dividends, the relevant dividend policy provisions incorporate the consolidated measures of financial statements.</p>	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

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1.2.2	The company should not make a decision on the payment of dividends, if such decision, without formally violating limits set by law, is unjustified from the economic point of view and might lead to the formation of false assumptions about the company's activity.	1. The Company's dividend policy comprises clear-cut indications to financial/ economic circumstances when no dividends are due to the Company.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
1.2.3	1. The Company's dividend policy comprises clear-cut indications to financial/ economic circumstances when no dividends are due to the Company.	1. In the reporting period, the Company did not take steps that impaired the existing shareholders' dividend rights.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
1.2.4	The company should strive to rule out any ways through which its shareholders can obtain any profit or gain at the company's expense other than dividends and distributions of its liquidation value.	The company should strive to rule out any ways through which its shareholders can obtain any profit or gain at the company's expense other than dividends and distributions of its liquidation value.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
1.3	The system and practices of corporate governance should ensure equal terms and conditions for all shareholders owning shares of the same class (category) in a company, including minority and foreign shareholders, as well as their equal treatment by the company.			
1.3.1	The company should create conditions which would enable its governing bodies and controlling persons to treat each shareholder fairly, in particular, which would rule out the possibility of any abuse of minority shareholders by major shareholders.	1. During the reporting period, the procedures for management of potential conflicts of interests among the existing shareholders are efficient, and the Board of Directors paid enough attention to conflicts among shareholders, if any.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
1.3.2	The company should not perform any acts which will or might result in artificial reallocation of corporate control therein.	1. Quasi-treasury shares are not available or were not used in the voting during the reporting period.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
1.4	Shareholders should be provided with reliable and efficient means of recording their rights in shares as well as with the opportunity to freely dispose of such shares in a non-onerous manner.			
1.4	The shareholders should be provided with reliable and efficient means of recording their rights in shares as well as with the opportunity to freely dispose of such shares in a non-onerous manner.	1. Quality and reliability of the business pursued by the Company's registrar to keep the register of the securities' holders meet the Company's and its shareholders' needs.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

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2.1	The Board of Directors shall be in charge of strategic management of the company, determine major principles of and approaches to creation of a risk management and internal control system within the company, monitor the activity of the company's executive bodies, and carry out other key functions.			
2.1.1	The board of directors should be responsible for decisions to appoint and remove [members] of executive bodies, including in connection with their failure to properly perform their duties. The board of directors should also procure that the company's executive bodies act in accordance with an approved development strategy and main business goals of the company.	<ol style="list-style-type: none"> The Board of Directors has the powers stipulated in the Articles of Association to appoint, dismiss, and determine conditions of the contracts, with respect to members of executive bodies. The Board of Directors reviewed the report(s) of the sole executive body and members of the collegial executive body on fulfillment of the Company's strategy. 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.1.2	The board of directors should establish basic long-term targets of the company's activity, evaluate and approve its key performance indicators and principal business goals, as well as evaluate and approve its strategy and business plans in respect of its principal areas of operations.	<ol style="list-style-type: none"> During the reporting period, meetings of the Board of Directors reviewed the progress of execution and updating the strategy, approval of the Company's financial and business plan (budget), and the review of the criteria and measures (including intermediate) to implement the Company's strategy and business plans. 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.1.3	The board of directors should determine principles of and approaches to creation of the risk management and internal control system in the company.	<ol style="list-style-type: none"> The Board of Directors determines the principles and approaches to the risk management and internal control system in the Company. The Board of Directors assessed the risk management and internal control system of the Company during the reporting period. 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.1.4	The board of directors should determine the company's policy on remuneration due to and/or reimbursement of costs incurred by its board members, members of its executive bodies and other key managers.	<ol style="list-style-type: none"> The Company has developed and implemented the policy(-ies) approved by the Board of Directors on remuneration and reimbursement of costs incurred by the members of the Board of Directors, the Company's executive bodies and other key managers of the Company. The meetings of the Board of Directors reviewed issues related to the above policy (-ies) during the reporting period. 	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<ol style="list-style-type: none"> Partly complied with. The executive body members' remuneration and compensation policy was approved by the Supervisory Board on December 16, 2016. The Supervisory Board members' remuneration and cost reimbursement (compensation) policy was approved by the Supervisory Board on December 28, 2016. Partly complied with. In 2016 the Supervisory Board considered the issues regarding approval of those policies.

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2.1.5	The board of directors should play a key role in prevention, detection and resolution of internal conflicts between the company's bodies, shareholders and employees.	<ol style="list-style-type: none"> <li data-bbox="459 348 836 421">1. The Board of Directors plays a key part in prevention, detection and settlement of internal conflicts. <li data-bbox="459 438 836 540">2. The Company has established the system to identify the transactions related to the conflict of interests and the system of efforts aimed at settlement of such conflicts 	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<ol style="list-style-type: none"> <li data-bbox="1059 348 1193 370">1. Complied with. <li data-bbox="1059 387 1241 408">2. Partly complied with. <p data-bbox="1059 429 1452 668">The Supervisory Board approved an internal document that aims to prevent, identify and settle any conflicts of interest arising in the activities of Moscow Exchange in relation to any employees and members of executive governance bodies, and in particular sets out the rules to be followed by them in pursuing any transactions that may result in a conflict. That document does not extend onto members of the Supervisory Board and shareholders.</p> <p data-bbox="1059 689 1452 876">In relation to the Supervisory Board members, Moscow Exchange internal documents provide for the Supervisory Board members' duty to refrain from doing anything that will or may potentially result in a conflict of interest between their interests and those of Moscow Exchange, and if such conflict does arise, they shall report such conflict to the Supervisory Board.</p> <p data-bbox="1059 898 1452 1157">The interaction between Moscow Exchange and its shareholders shall be supported by the head of the structural unit that performs the functions of the corporate secretary, who acts in accordance with appropriate Regulations approved by the Supervisory Board. The head of the structural unit that performs the functions of the corporate secretary takes part in preventing and settling corporate conflicts, and has the duty of promptly notifying the Supervisory Board Chairman whenever any corporate conflicts arise.</p> <p data-bbox="1059 1178 1452 1293">Moscow Exchange collects and updates information that helps to identify related parties on a regular (quarterly) basis. The list of such parties is published on the intranet portal accessible by all Moscow Exchange employees.</p> <p data-bbox="1059 1315 1452 1549">At present, an internal document is being developed with the aim of preventing conflicts of interest among governance bodies and shareholders that will, among other things, determine a system for the identification of transactions related to conflicts of interests, and a system of measures aimed at settling such conflicts. It is expected that this document will be brought before the Supervisory Board for review in 2017.</p>
2.1.6	The board of directors should play a key role in procuring that the company is transparent, discloses information in full and in due time, and provides its shareholders with unhindered access to its documents.	<ol style="list-style-type: none"> <li data-bbox="459 1570 836 1613">1. The Board of Directors approved the Regulations on information policy. <li data-bbox="459 1630 836 1676">2. The Company determined the persons in charge of implementation of the information policy. 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

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2.1.7	The board of directors should monitor the company's corporate governance practices and play a key role in its material corporate events.	1. During the reporting period, the Board of Directors reviewed the corporate governance practice in the Company.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.2 The Board of Directors should be accountable to the company's shareholders.				
2.2.1	Information about the board of directors' work should be disclosed and provided to the shareholders.	1. The Company's annual report for the reporting period includes information on the attendance rate of meetings of the Board of Directors and its committees by individual directors. 2. The annual report contains information on the principal findings of the Board of Directors' performance assessment in the reporting period.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.2.2	The chairman of the board of directors must be available to communicate with the company's shareholders.	1. The Company has a transparent procedure that enables shareholders to submit their questions and their standpoint thereon to the Chairman of the Board of Directors.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.3 The board of directors should be an efficient and professional governing body of the company which is able to make objective and independent judgements and pass resolutions in the best interests of the company and its shareholders.				
2.3.1	Only persons with impeccable business and personal reputation should be elected to the board of directors; such persons should also have knowledge, skills, and experience necessary to make decisions that fall within the jurisdiction of the board of directors and to perform its functions efficiently.	1. The procedure for assessing the efficiency of operations of the Board of Directors adopted in the Company comprises, in particular, the assessment of professional qualifications of members of the Board of Directors. 2. In the reporting period, the Board of Directors (or its Nomination Committee) assessed the nominees to the Board of Directors in terms of the required experience, expertise goodwill, lack of the conflict of interests, etc.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.3.2	Board members should be elected pursuant to a transparent procedure enabling the shareholders to obtain information about respective candidates sufficient for them to get an idea of the candidates' personal and professional qualities.	1. Where the General Meeting of Shareholders, the agenda of which included election of the Board of Directors, was held in the reporting period, the Company provided shareholders with the life record data for all the nominees to the Board of Directors, scores assigned to such nominees by the Board of Directors (or its Nominations Committee) and information on conformity of the nominees to the independence criteria, according to the recommendations in paragraphs 102 to 107 of the Code and the nominees' written consent to be elected to the Board of Directors.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.3.3	The composition of board of directors should be balanced, in particular, in terms of qualifications, expertise, and business skills of its members. The board of directors should enjoy the confidence of the shareholders.	1. As part of the assessment of the Board of Directors in the reporting period, the Board of Directors reviewed its own needs in professional qualifications, experience and business skills.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

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2.3.4	The membership of the board of directors of the company must enable the board to organize its activities in a most efficient way, in particular, to create committees of the board of directors, as well as to enable substantial minority shareholders of the company to elect a candidate to the board of directors for whom they would vote.	1. As part of the assessment of the Board of Directors held in the reporting period, the Board of Directors reviewed the conformity of the number of members of the Board of Directors to the Company's needs and the shareholders' interests.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.4 The Board of Directors should include a sufficient number of independent directors.				
2.4.1	An independent director should mean any person who has required professional skills and expertise and is sufficiently able to have his/her own position and make objective and bona fide judgments, free from the influence of the company's executive bodies, any individual group of its shareholders or other stakeholders. It should be noted that, under normal circumstances, a candidate (or an elected director) may not be deemed to be independent, if he/she is associated with the company, any of its substantial shareholders, material trading partners or competitors, or the government.	1. During the reporting period, all independent members of the Board of Directors met the independence criteria specified in recommendations 102 to 107 of the Code or were recognized as such by resolution of the Board of Directors.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.4.2	It is recommended to evaluate whether candidates nominated to the board of directors meet the independence criteria as well as to review, on a regular basis, whether or not independent board members meet the independence criteria. When carrying out such evaluation, substance should take precedence over form.	<p>1. In the reporting period, the Board of Directors (or the Nominations Committee of the Board of Directors) formed the estimate of independence of each nominee to the Board of Directors and submitted the relevant opinion to shareholders.</p> <p>2. In the reporting period, the Board of Directors (or the Nominations Committee of the Board of Directors) reviewed the independence of the existing members of the Board of Directors, as indicated by the Company in the annual report as independent directors, at least once.</p> <p>3. The Company has drafted the procedures that determine the necessary actions to be taken by a member of the Board of Directors, if he/she loses his/her independence, including the obligations to timely notify the Board of Directors accordingly.</p>	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

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2.4.3	Independent directors should account for at least one-third of all directors elected to the board of directors.	1. Independent directors shall account for at least one third of the Board of Directors.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.4.4	Independent directors should play a key role in prevention of internal conflicts in the company and performance by the latter of material corporate actions.	1. Independent directors (who do not have any conflict of interests) preliminarily estimate the substantial corporate actions related to a potential conflict of interests, and the findings of such assessment are submitted to the Board of Directors.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.5	The Chairman of the Board of Directors should help the Board carry out the functions imposed on it in a most efficient manner.			
2.5.1	It is recommended to either elect an independent director to the position of the chairman of the board of directors or identify the senior independent director among the company's independent directors who would coordinate work of the independent directors and liaise with the chairman of the board of directors.	1. The Chairman of the Board of Director is an independent director or a senior independent director is identified among independent directors ³ . 2. Role, rights and duties of the Chairman of the Board of Directors (and, if applicable, the senior independent director) are duly determined in the Company's internal documents.	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	1. Partially complied with. Senior independent director was elected by the Supervisory Board on April 27, 2016. 2. Partially complied with. The role, the rights and obligations of senior independent director are determined by the Regulations on the Supervisory Board approved by Y2016 AGM.
2.5.2	The board chairman should ensure that board meetings are held in a constructive atmosphere and that any items on the meeting agenda are discussed freely. The chairman should also monitor fulfilment of decisions made by the board of directors.	1. Performance of the Chairman of the Board of Directors was estimated as part of the BoD efficiency assessment procedure in the reporting period.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

³ Please specify, which of the two alternative approaches admitted by the principle is implemented in the Company and explain the reasons for the selection made.

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2.5.3	The chairman of the board of directors should take any and all measures as may be required to provide the board members in a timely fashion with information required to make decisions on issues on the agenda.	1. The duty of the Chairman of the Board of Directors to take efforts to ensure timely filing of documents to members of the Board of Directors on agenda items of the meeting of the Board of Directors is legitimized in the Company's internal documents.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.6	Board members must act reasonably and in good faith in the best interests of the company and its shareholders, being sufficiently informed, with due care and diligence.			
2.6.1	Acting reasonably and in good faith means that board members should make decisions considering all available information, in the absence of a conflict of interest, treating shareholders of the company equally, and assuming normal business risks.	1. The Company's internal documents establish that a member of the Board of Directors is obliged to notify the Board of Directors if he/she has a conflict of interests with respect to any agenda item of the meeting of the Board of Directors or a committee of the Board of Directors, before the start of the discussion of the relevant agenda item. 2. The Company's internal documents envisage that a member of the Board of Directors should refrain from voting on any item where he/she has a conflict of interests. 3. The Company establishes the procedure that enables the Board of Directors to obtain professional advice on issues falling within its competence, at the Company's expense.	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	1. Partly complied with. Internal documents do not require from a Supervisory Board member to notify the Supervisory Board if he/she has a conflict of interest in relation to any item on the agenda of the Supervisory Board or relevant commission meeting before the start of the deliberation on the respective agenda item. At the same time, pursuant to the Supervisory Board Regulations, a member of the Supervisory Board has the obligation to forthwith disclose the existence of his/her interests and the grounds thereof to the Supervisory Board. In accordance with the Supervisory Board decision dated March 2, 2017, a new version of the Supervisory Board Regulations that incorporates such duties of Supervisory Board members, will be brought before AGM in 2017. In accordance with the decision made by the Supervisory Board on March 2, 2017, a new version of the Supervisory Board Regulations incorporating this recommendation will be brought before the AGM in 2017. 2. Complied with. 3. Complied with.
2.6.2	Rights and duties of board members should be clearly stated and documented in the company's internal documents.	1. The Company adopted and published the internal document that clearly determines rights and duties of members of the Board of Directors.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

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2.6.3	Board members should have sufficient time to perform their duties.	<ol style="list-style-type: none"> Individual attendance of meetings of the Board and committees as well as the time spent on preparation for participation in the meetings was taken into account as part of the assessment procedure of the Board of Directors in the reporting period. According to the Company's internal documents, members of the Board of Directors are obliged to notify the Board of Directors of their intention to join management bodies of other companies (except for the Company's affiliates and dependent companies) and about such actual appointment. 	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<ol style="list-style-type: none"> Complied with. Partly complied with. The internal documents do not provide for the Supervisory Board members' duty to notify the Board of Directors of their intention to become member of the governance bodies of other entities (other than company subsidiaries and affiliates). The Supervisory Board members, however, observe this duty through quarterly questionnaire-based survey of Supervisory Board members, conducted by Moscow Exchange. In accordance with the Supervisory Board Regulations, an SB member has the duty to provide full and reliable information on the legal entities wherein he/she holds positions with governance bodies, and/or serves on the boards of directors (supervisory boards). In accordance with the decision made by the Supervisory Board on March 2, 2017, a new version of the SB Regulations incorporating this recommendation will be brought before the AGM in 2017.
2.6.4	All board members should have equal opportunity to access the company's documents and information. Newly elected board members should be provided with sufficient information about the company and work of its board of directors as soon as practicable.	<ol style="list-style-type: none"> According to the Company's internal documents, members of the Board of Directors are free to gain access to documents and to make requests pertaining to the Company and its affiliates, and the Company's executive bodies are obliged to provide the relevant information and documents. The Company has a formalized program of introductory events for newly elected members of the Board of Directors. 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.7	Meetings of the Board of Directors, preparation for them, and participation of Board members therein should ensure efficient work of the Board.			
2.7.1	It is recommended to hold meetings of the board of directors as needed, with due account of the company's scope of activities and its then current goals.	<ol style="list-style-type: none"> The Board of Directors held at least six meetings in the reporting year. 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.7.2	It is recommended to develop a procedure for preparing for and holding meetings of the board of directors and set it out in the company's internal documents. The above procedure should enable the shareholders to get prepared properly for such meetings.	<ol style="list-style-type: none"> The Company approved the internal document that governs the procedure for preparation for and holding of meetings of the Board of Directors, which, in particular, stipulates that the notice of the meeting should be normally made at least 5 days prior to the meeting. 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

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2.7.3	The form of a meeting of the board of directors should be determined with due account of importance of issues on the agenda of the meeting. Most important issues should be decided at the meetings held in person.	1. The Articles of Association or the internal document of the Company envisage that the most significant issues (according to the list in Recommendation 168 of the Code) should be considered at the personal meetings of the Board.	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<p>The majority of issues referred to in para.168 of the Bank of Russia CGC are normally reviewed in joint-presence meetings of the Board, as the Moscow Exchange Charter requires.</p> <p>The following issues are excluded from this list:</p> <p>(1) endorsement of related-party transactions as material transactions,</p> <p>(2) review of material aspects of subsidiary activities,</p> <p>(3) matters related to the receipt of a voluntary or mandatory offer.</p> <p>In accordance with the Supervisory Board decision dated March 2, 2017, a new version of the Charter that provides for the inclusion of items (2) and (3) in this list will be brought before the AGM in 2017.</p> <p>It is not expected that issue (1) will be included in the list as the specific features of the Moscow Exchange's activity in the capacity of the Organiser of Trading imply that it enters into numerous trades with the Trading Members that constitute related-party transactions. The terms of such trades are the same for all members, regardless of whether formal grounds exist for the application of related-party transaction criteria, and in fact are not material for Moscow Exchange. For this same reason, the Moscow Exchange Code of Corporate Governance does not classify related-party transactions as material transactions for Moscow Exchange.</p>
2.7.4	Decisions on most important issues relating to the company's business should be made at a meeting of the board of directors by a qualified majority vote or by a majority vote of all elected board members.	1. The Articles of Association of the Company envisages that resolutions on the most critical issues set forth in Recommendation 170 of the Code, shall be adopted at the meeting of the Board of Directors, by a qualified, at least three fourths majority of votes, or by a majority of votes of all elected members of the Board of Directors.	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<p>The currently applicable Charter version defines the lists of issues to be resolved by the Supervisory Board on a 3/4 majority vote of the members participating in the meeting, as well as by the majority of all votes.</p> <p>In accordance with the Supervisory Board decision dated March 2, 2017, a new version of the Charter that expands the above-mentioned lists with due account of the Bank of Russia CGC will be brought before the AGM in 2017.</p>
2.8	The Board of Directors should form committees for preliminary consideration of the most important aspects of the company's business.			
2.8.1	For the purpose of preliminary consideration of any matters of control over the company's financial and business activities, it is recommended to form an audit committee comprised of independent directors.	<p>1. The Board of Directors established the Audit Committee comprising independent directors only.</p> <p>2. The Company's internal documents determine the objectives for the Audit Committee, including, in particular, any objectives contained in Recommendation 172 of the Code.</p> <p>3. At least one member of the Audit Committee, which is an independent director, has experience and expertise in drafting, reviewing, assessment and audit of financial statements (accounts).</p> <p>4. Meetings of the Audit Committee were held at least quarterly during the reporting period.</p>	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

#	Corporate governance principles	Corporate governance principle compliance criteria	Status ¹ of conformity with the corporate governance principle	Explanations ² of deviation from the assessment criteria of compliance with the corporate governance principle
2.8.2	For the purpose of preliminary consideration of any matters of development of efficient and transparent remuneration practices, it is recommended to form a remuneration committee comprised of independent directors and chaired by an independent director who should not concurrently be the board chairman.	<ol style="list-style-type: none"> The Board of Directors set up the Remuneration Committee consisting of independent directors only. Chairman of the Remunerations Committee is an independent director, other than Chairman of the Board of Directors. The Company's internal documents determine the objectives of the Remunerations Committee, including those contained in Recommendation 180 of the Code. 	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<ol style="list-style-type: none"> Partly complied with. Partly complied with. <p>In 2016, two lineups of the Nomination and Remuneration Commission were active. The first Commission lineup, elected in 2015, included 4 members, 2 of which did not meet the independence criteria; the Commission chairman was not an independent director, either. The second (current) Commission lineup, elected after the 2016 AGM, fully meets the Bank of Russia CGC recommendations (all Commission members are independent directors).</p> <ol style="list-style-type: none"> Complied with.
2.8.3	For the purpose of preliminary consideration of any matters relating to human resources planning (making plans regarding successor directors), professional composition and efficiency of the board of directors, it is recommended to form a nominating committee (a committee on nominations, appointments and human resources) with a majority of its members being independent directors.	<ol style="list-style-type: none"> The Board of Directors established the Nominations Committee (or its objectives specified in Recommendation 186 of the Code are implemented as part of another committee⁴), a majority of which are independent directors. The Company's internal documents determine the objectives of the Nominations Committee (or the relevant committee with a combined functionality), including those contained in Recommendation 186 of the Code. 	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<ol style="list-style-type: none"> Partly complied with. <p>The tasks set out in para 186 of the Bank of Russia CGC are carried out by the Nomination and Remuneration Commission.</p> <p>In the reporting year 2016, the Commission lineup was not fully compliant with the Bank of Russia CGC recommendations (see comments to para 2.8.2.).</p> <ol style="list-style-type: none"> Complied with.
2.8.4	Taking account of its scope of activities and levels of related risks, the company should form other committees of its board of directors, in particular, a strategy committee, a corporate governance committee, an ethics committee, a risk management committee, a budget committee or a committee on health, security and environment, etc.	<ol style="list-style-type: none"> In the reporting period, the Company's Board of Directors reviewed the conformity of membership in its committees to the objectives assigned to the Board of Directors and to the Company's operating goals. Additional committees were either established or were not recognized as necessary. 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

⁴ If the objectives of the Nomination Committee are only implemented as part of another committee, indicate its name.

#	Corporate governance principles	Corporate governance principle compliance criteria	Status ¹ of conformity with the corporate governance principle	Explanations ² of deviation from the assessment criteria of compliance with the corporate governance principle
2.8.5	The composition of the committees should be determined in such a way that it would allow a comprehensive discussion of issues being considered on a preliminary basis with due account of	<ol style="list-style-type: none"> 1. Committees of the Board of Directors are headed by independent directors. 2. The Company's internal documents (policies) contain the provisions, whereby persons not included into the Audit Committee, the Nominations Committee and the Remunerations Committee, may attend meetings of the committees upon invitation of the Chairman of the respective committee only. 	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<p>1. Partly complied with.</p> <p>There are six Supervisory Board commissions functioning at Moscow Exchange.</p> <p>In January through April 2016, three commissions were chaired by independent directors. As new commission lineups were formed (post 2016 AGM), independent directors now chair four of the commissions. Subsequently, chairman of yet another commission became compliant with the independence criteria, so that by the end of the reporting year, 5 out of the 6 commissions were chaired by independent directors.</p> <p>With the numbers of elected independent directors being sufficient, and they having the required experience and competence, Moscow Exchange is now striving to have the majority of the Supervisory Board commissions chaired by independent directors.</p> <p>2. Complied with.</p>
2.8.6	The chairmen of the committees should inform the board of directors and its chairman of the work of their committees on a regular basis.	<ol style="list-style-type: none"> 1. During the reporting period, chairmen of the committees reported on the committees' operations to the Board of Directors on a regular basis. 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.9 The Board of Directors should evaluate of the quality of its work and that of its committees and Board members.				
2.9.1	Evaluation of quality of the board of directors' work should be aimed at determining how efficiently the board of directors, its committees and board members work and whether their work meets the company's needs, as well as at making their work more intensive and identifying areas of improvement.	<ol style="list-style-type: none"> 1. Self-assessment or external assessment of the Board of Directors' performance conducted in the reporting period included the assessment of operations of the committees, individual members of the Board of Directors and the entire Board of Directors. 2. The findings of self-assessment or external assessment of the Board of Directors in the reporting period were reviewed at the personal meeting of the Board of Directors. 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
2.9.2	Quality of work of the board of directors, its committees and board members should be evaluated on a regular basis, at least once a year. To carry out an independent evaluation of the quality of the board of directors' work, it is recommended to retain a third party entity (consultant) on a regular basis, at least once every three years.	<ol style="list-style-type: none"> 1. For independent quality assessment of the Board of Directors' performance, an external company (advisor) was engaged by the Company at least once in three recent reporting periods 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

#	Corporate governance principles	Corporate governance principle compliance criteria	Status ¹ of conformity with the corporate governance principle	Explanations ² of deviation from the assessment criteria of compliance with the corporate governance principle
3.1	The company's corporate secretary shall be responsible for efficient interaction with its shareholders, coordination of the company's actions designed to protect the rights and interests of its shareholders, and support of efficient work of its Board of Directors.			
3.1.1	The corporate secretary should have knowledge, experience, and qualifications sufficient for performance of his/her duties, as well as an impeccable reputation and should enjoy the trust of the shareholders.	<ol style="list-style-type: none"> The Company adopted and disclosed the internal document – Regulations on the Corporate Secretary. The Company's website and annual report discloses background information on the Corporate Secretary with the same level of detail as for members of the Board of Directors and the executive management of the Company. 	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<ol style="list-style-type: none"> Partly complied with. Regulations on the Corporate Governance Department that currently exercises the functions of a corporate secretary, were approved on September 29, 2016; the Regulations were disclosed on the Moscow Exchange website in 2017. Previously, the corporate secretary's functions were exercised by the Director of the Corporate Governance Department. The Regulations on the Corporate Secretary were approved by the Supervisory Board and were disclosed on the web-site. Partly complied with. The corporate secretary-related information, with the same level of granularity as in relation to the Supervisory Board members and the Executive Board members was disclosed on the Moscow Exchange website in 2016. The biographic information on the corporate secretary, with the same level of granularity as in relation to the Supervisory Board members and the Executive Board members, is provided in the 2016 annual report.
3.1.2	The corporate secretary should be sufficiently independent of the company's executive bodies and be vested with powers and resources required to perform his/her tasks.	<ol style="list-style-type: none"> The Board of Directors approved the appointment, dismissal and additional remuneration of the Corporate Secretary. 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
4.1	The level of remuneration paid by the company should be sufficient to enable it to attract, motivate, and retain persons having required skills and qualifications. Remuneration due to board members, the executive bodies, and other key managers of the company should be paid in accordance with a remuneration policy approved by the company.			
4.1.1	It is recommended that the level of remuneration paid by the company to its board members, executive bodies, and other key managers should be sufficient to motivate them to work efficiently and enable the company to attract and retain knowledgeable, skilled, and duly qualified persons. The company should avoid setting the level of remuneration any higher than necessary, as well as an excessively large gap between the level of remuneration of any of the above persons and that of the company's employees.	<ol style="list-style-type: none"> The Company adopted the internal document(s), the remuneration policy(-ies) for members of the Board of Directors, the executive bodies and other key managers, which clearly describe approaches to remuneration of these persons. 	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<p>The executive body members' remuneration and compensation policy was approved by the Supervisory Board on December 16, 2016.</p> <p>The Supervisory Board members' remuneration and cost reimbursement (compensation) policy was approved by the Supervisory Board on December 28, 2016.</p>

#	Corporate governance principles	Corporate governance principle compliance criteria	Status ¹ of conformity with the corporate governance principle	Explanations ² of deviation from the assessment criteria of compliance with the corporate governance principle
4.1.2	The company's remuneration policy should be developed by its remuneration committee and approved by the board of directors. With the help of its remuneration committee, the board of directors should monitor implementation of and compliance with the remuneration policy by the company and, should this be necessary, review and amend the same.	1. In the reporting period, the Remunerations Committee reviewed the remuneration policy(-ies) and the practice of its/their implementation and, if necessary, submitted the relevant recommendations to the Board of Directors.	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	During 2016, the Nomination and Remuneration Commission reviewed draft executive body members' remuneration policies on several occasions. The final Policy version was approved by the Supervisory Board on December 16, 2016.
4.1.3	The company's remuneration policy should provide for transparent mechanisms to be used to determine the amount of remuneration due to members of the board of directors, the executive bodies, and other key managers of the company, as well as to regulate any and all types of payments, benefits, and privileges provided to any of the above persons.	1. The Company's remuneration policy(-ies) contain(s) transparent arrangements on determining the amount of the remuneration of members of the Board of Directors, executive bodies and other key managers of the Company and govern(s) all types of fees, benefits and advantages provided to these persons.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
4.1.4	The company is recommended to develop a policy on reimbursement of expenses which would contain a list of reimbursable expenses and specify service levels provided to members of the board of directors, the executive bodies, and other key managers of the company. Such policy can form part of the company's policy on compensations.	1. The remuneration policy(-ies) or other internal documents of the Company establish(-es) the rules on reimbursement of costs to the members of the Board of Directors, executive bodies and other key employees of the Company.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
4.2	The system of remuneration of board members should ensure harmonisation of financial interests of the directors with long-term financial interests of the shareholders.			

#	Corporate governance principles	Corporate governance principle compliance criteria	Status ¹ of conformity with the corporate governance principle	Explanations ² of deviation from the assessment criteria of compliance with the corporate governance principle
4.2.1	A fixed annual fee shall be a preferred form of monetary remuneration of the board members. It is not advisable to pay a fee for participation in individual meetings of the board of directors or its committees. It is not advisable to use any form of short-term incentives or additional financial incentives in respect of board members.	1. Fixed annual remuneration was the only monetary form of remuneration for the members of the Board of Directors for work within the Board of Directors during the reporting period.	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<p>Fixed annual remuneration was the main kind of remuneration offered to the Supervisory Board members.</p> <p>At the same time, in accordance with the decision made by the AGM in 2016, three of the Supervisory Board members were paid further remuneration on account of their participation in several activities at the initiative of Moscow Exchange. Taking this practice into account, amendments were made to the Supervisory Board Members Remuneration and Compensation Regulations at the 2016 AGM that fixed the maximum amount of further remuneration on account of participation in activities at the initiative of Moscow Exchange, and determined the terms and conditions of receiving such remuneration.</p>
4.2.2	Long-term ownership of shares in the company contributes most to aligning financial interests of board members with long-term interests of the company's shareholders. However, it is not recommended to make the right to dispose of shares dependent on the achievement by the company of certain performance results; nor should board members take part in the company's option plans.	1. If the Company's internal document(s), the remuneration policy(-ies), envisage(s) granting of shares to members of the Board of Directors, clear rules for holding shares by members of the Board of Directors, intended to encourage long-term ownership of such shares, should be available and disclosed.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	Moscow Exchange internal documents do not provide for the provision of shares to the Supervisory Board members.
4.2.3	It is not recommended to provide for any additional allowance or compensation in the event of early dismissal of board members in connection with a change of control over the company or other circumstances.	1. The Company does not envisage any additional benefits or compensations in case of early termination of powers of the members of the Board of Directors in connection with change of control over the Company or other circumstances.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

#	Corporate governance principles	Corporate governance principle compliance criteria	Status ¹ of conformity with the corporate governance principle	Explanations ² of deviation from the assessment criteria of compliance with the corporate governance principle
4.3	The system of remuneration due to the executive bodies and other key managers of the company should provide that their remuneration is dependent on the company's performance and their personal contributions to the achievement thereof.			
4.3.1	Remuneration due to the executive bodies and other key managers of the company should be set in such a way as to procure a reasonable and justified ratio between its fixed portion and its variable portion that is dependent on the company's performance results and employees' personal (individual) contributions to the achievement thereof.	<ol style="list-style-type: none"> During the reporting period, the annual performance indicators approved by the Board of Directors, were used to determine the amount of variable remuneration of members of executive bodies and other key managers of the Company. During the most recent assessment of the remuneration system for the members of executive bodies and other key managers of the Company, the Board of Directors (the Remunerations Committee) made sure the Company applied an efficient ratio of the fixed remuneration portion to the variable one. The Company has the procedure for refunding to the Company bonuses unlawfully obtained by the members of executive bodies and other key managers of the Company. 	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<ol style="list-style-type: none"> Complied with. Complied with. Moscow Exchange does not have in place any procedure whereby any unreasonably received bonus payments would be restituted to the Company. Such restitution is conducted in accordance with the applicable laws of the Russian Federation.
4.3.2	Companies whose shares are admitted to trading at organised markets are recommended to put in place a long-term incentive programme for the company's executive bodies and other key managers involving the company's shares (or options or other derivative financial instruments the underlying assets for which are the company's shares).	<ol style="list-style-type: none"> The Company introduced the long-term incentive program for members of executive bodies and other key managers of the Company using shares in the Company (financial instruments based on the shares in the Company). The long-term incentive program for the members of executive bodies and other key managers of the Company implies that the right to sell the shares and other financial instruments used in such program will not arise until three years from their provision; provided that the right to sell the same is conditional upon achievement of certain performance indicators of the Company. 	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<ol style="list-style-type: none"> Complied with. Partly complied with. <p>Under the executive long-term incentive plan, the right to dispose of the plan shares vests in stages: in one/two/three years, subject to continued employment.</p> <p>The right to dispose shares subjects to the Moscow Exchange Group breakeven in the year preceding to such right. Besides the breakeven indicator, the Programme also stipulates for setting of long-term KPIs, which may influence on the terms and conditions of the shares disposal rights.</p> <p>The resolution on setting such long-term KPIs and their details shall be taken by the Supervisory Board of the Moscow Exchange upon the recommendation of relevant Commission of the Supervisory Board of the Moscow Exchange.</p>
4.3.3	The amount of severance pay (so-called "golden parachute") payable by the company in the event of early dismissal of an executive body or other key manager at the initiative of the company, provided that there have been no bad faith actions on the part of such person, should not exceed two times the fixed portion of his/her annual remuneration.	<ol style="list-style-type: none"> The amount of compensation (golden parachute) paid by the Company in case of early termination of powers to the members of executive bodies or key managers at the Company's initiative and in the absence of unfair actions on their part, did not exceed the double fixed portion of the annual remuneration in the reporting period. 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

#	Corporate governance principles	Corporate governance principle compliance criteria	Status ¹ of conformity with the corporate governance principle	Explanations ² of deviation from the assessment criteria of compliance with the corporate governance principle
5.1	The company should have in place an efficient risk management and internal control system designed to provide reasonable confidence that the company's goals will be achieved.			
5.1.1	The board of directors should determine the principles of and approaches to creation of the risk management and internal control system in the company.	1. Functions of various management bodies and business units of the Company in the risk management and internal control system are clearly determined in internal documents/ the Company's relevant policy approved by the Board of Directors.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
5.1.2	The company's executive bodies should ensure the establishment and continuing operation of the efficient risk management and internal control system in the company.	1. The Company's executive bodies ensured allocation of the functions and powers as concerns risk management and internal control among their subordinate managers (heads) of business units and divisions.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
5.1.3	The company's risk management and internal control system should enable one to obtain an objective, fair and clear view of the current condition and prospects of the company, integrity and transparency of its accounts and reports, and reasonableness and acceptability of risks being assumed by the company.	1. The Company approved the anti-bribery policy. 2. The Company established an affordable method to notify the Board of Directors or the Board of Directors Audit Committee on actual violations of the laws, internal procedures, and the Company's ethics code.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
5.1.4	The board of directors is recommended to take required and sufficient measures to procure that the existing risk management and internal control system of the company is consistent with the principles of and approaches to its creation as set forth by the board of directors and that it operates efficiently.	1. In the reporting year, the Board of Directors and the Board of Directors Audit Committee assessed efficiency of the risk management and internal control system of the Company. Information on the key findings of such assessment are included into the Company's annual report.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

#	Corporate governance principles	Corporate governance principle compliance criteria	Status ¹ of conformity with the corporate governance principle	Explanations ² of deviation from the assessment criteria of compliance with the corporate governance principle
5.2	To independently evaluate, on a regular basis, reliability and efficiency of the risk management and internal control system and corporate governance practices, the company should arrange for internal audits.			
5.2.1	It is recommended that internal audits be carried out by a separate structural division (internal audit department) to be created by the company or through retaining an independent third-party entity. To ensure the independence of the internal audit department, it should have separate lines of functional and administrative reporting. Functionally, the internal audit department should report to the board of directors, while from the administrative standpoint, it should report directly to the company's one-person executive body.	1. For the purposes of internal audit, the Company established a separate business unit for internal audit, which functionally reports to the Board of Directors or the Audit Committee, or engaged an independent external company with the same principle of reporting.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
5.2.2	When carrying out an internal audit, it is recommended to evaluate efficiency of the internal control system and the risk management system, as well as to evaluate corporate governance and apply generally accepted standards of internal auditing.	1. In the reporting period, as part of internal audit, the internal control and risk management system efficiency was assessed. 2. The Company uses common approaches to internal control and risk management.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
6.1	The company and its activities should be transparent to its shareholders, investors and other stakeholders.			
6.1.1	The company should develop and implement an information policy enabling the company to efficiently exchange information with its shareholders, investors, and other stakeholders.	1. The Company's Board of Directors approved the Company's information policy developed with the view to the Code's recommendations. 2. The Board of Directors (or one of its committees) reviewed the issues related to the Company's compliance with its information policy at least once in the reporting period.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

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6.1.2	The company should disclose information on its corporate governance system and practices, including detailed information on compliance with the principles and recommendations of this Code.	<ol style="list-style-type: none"> The Company discloses the corporate governance system in the Company and the general corporate governance principles applied in the Company, in particular, in the Company's website. The Company discloses the composition of executive bodies and the Board of Directors, independence of members of the Board and their membership in committees of the Board of Directors (as defined in the Code). If there is a person who controls the Company, the Company publishes the memorandum of the controlling person concerning such person's plans for corporate governance in the Company. 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
6.2	The company should disclose, on a timely basis, full, updated and reliable information about itself so as to enable its shareholders and investors to make informed decisions.			
6.2.1	The company should disclose information in accordance with the principles of regularity, consistency and timeliness, as well as accessibility, reliability, completeness and comparability of disclosed data.	<ol style="list-style-type: none"> The Company's information policy determines the approaches to and criteria for determining the information that may materially influence the Company's value, the value of its securities and the procedures that ensure timely disclosures of such information. If the Company's securities are traded in foreign organized markets, materials information is disclosed in the Russian Federation and on such markets simultaneously and equivalently in the reporting year. If foreign shareholders hold a significant number of shares in the Company, then, in the reporting period, disclosures were carried out not only in Russian but also in one of the most common foreign languages. 	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<ol style="list-style-type: none"> Partially complied with. The Information Policy stipulating such approaches was approved by the Supervisory Board on September 09, 2016. Not applicable as the Moscow Exchange securities do not trade on foreign regulated markets. Complied with.
6.2.2	The company is advised against using a formalistic approach to information disclosure; it should disclose material information on its activities, even if disclosure of such information is not required by law.	<ol style="list-style-type: none"> In the reporting period, the Company disclosed annual and half-year IFRS financial statements. The Company's annual report for the reporting period includes annual IFRS financial statements with the auditor's opinion. The Company discloses comprehensive information on the Company's capital structure, according to Recommendation 290 of the Code in the annual report and the Company's website. 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
6.2.3	The company's annual report, as one of the most important tools of its information exchange with its shareholders and other stakeholders, should contain information enabling one to evaluate the company's performance results for the year.	<ol style="list-style-type: none"> The Company's annual report contains information on the key dimensions of the Company's operations and its financial performance The Company's annual report contains information on environmental and social dimensions of the Company's business. 	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

#	Corporate governance principles	Corporate governance principle compliance criteria	Status ¹ of conformity with the corporate governance principle	Explanations ² of deviation from the assessment criteria of compliance with the corporate governance principle
6.3	The company should provide information and documents requested by its shareholders in accordance with the principle of equal and unhindered accessibility.			
6.3.1	Exercise by the shareholders of their right to access the company's documents and information should not be unreasonably burdensome.	1. The Company's information policy determines the easy procedure for providing access to shareholders to the information, in particular, the information on the legal entities dependent on the Company, at the shareholders' request.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
6.3.2	When providing information to its shareholders, the company should maintain a reasonable balance between the interests of individual shareholders and its own interests related to the fact that the company is interested in keeping confidential sensitive business information that might have a material impact on its competitiveness.	1. In the reporting period, the Company did not deny satisfaction of any shareholders' requests for information or such denials were reasonable. 2. In cases determined in the Company's information policy, shareholders are warned of the confidential nature of the information and undertake to keep it confidential.	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	1. Complied with. 2. Partially complied with. The Information Policy determining such cases was approved by the Supervisory Board on September 09, 2016.

#	Corporate governance principles	Corporate governance principle compliance criteria	Status ¹ of conformity with the corporate governance principle	Explanations ² of deviation from the assessment criteria of compliance with the corporate governance principle
7.1	ny actions which will or may materially affect the company's share capital structure and its financial position and, accordingly, the position of its shareholders ("material corporate actions") should be taken on fair terms and conditions ensuring that the rights and interests of shareholders as well as other stakeholders are observed.			
7.1.1	Material corporate actions shall be deemed to include reorganisation of the company, acquisition of 30 or more percent of its voting shares (takeover), entering by the company into any material transactions, increasing or decreasing its share capital, listing and delisting of its shares, as well as other actions which might result in material changes in rights of its shareholders or violation of their interests. It is recommended to include in the company's articles of association a list of (criteria for identifying) transactions or other actions falling within the category of material corporate actions and provide therein that decisions on any such actions should fall within the jurisdiction of the company's board of directors.	1. The Company's Articles of Association determines the list of actions and other efforts that constitute material corporate actions, and their determination criteria. Decision-making on material corporate actions falls within the competence of the Board of Directors. Where taking of these corporate actions is directly referred by law to the competence of GSM, the Board of Directors makes the relevant recommendations to the shareholders.	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<p>1. Partly complied with.</p> <p>The Moscow Exchange Charter does not contain a defined list of trades or acts that are material, or criteria for their definition.</p> <p>The list of material corporate actions which includes, among other things, execution of certain material trades, is provided in the Moscow Exchange Corporate Governance Code. The applicable law and the Moscow Exchange Charter reserve decisions on material actions for the Supervisory Board or the shareholders meeting. In connection with any matters brought before the shareholders meeting, including those related to material corporate actions, the Supervisory Board provides relevant recommendations to shareholders.</p> <p>On April 24, 2016, as part of its review of the issue of the Bank of Russia CGC implementation, the Audit Commission found it appropriate to provide, in the Moscow Exchange Charter, a reference to the Moscow Exchange Corporate Governance Code that contains the List of Material Corporate Actions.</p> <p>By the decision of the Supervisory Board dated March 2, 2017, a new version of the Charter incorporating such provision will be brought before the AGM in 2017.</p> <p>2. Partly complied with.</p> <p>The list of material corporate actions is indicated in the Moscow Exchange Corporate Governance Code. Such list includes, among other things, matters of Moscow Exchange reorganisation, acquisition of 30 percent or more of Moscow Exchange voting shares (takeover), execution of material transactions, charter capital increase or reduction, share listing and de-listing.</p>

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7.1.2	The board of directors should play a key role in passing resolutions or making recommendations relating to material corporate actions; for that purpose, it should rely on opinions of the company's independent directors.	1. The Company envisages the procedure; whereby independent directors announce their standpoint on material corporate actions before their approval.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	
7.1.3	When taking any material corporate actions which would affect rights or legitimate interests of the company's shareholders, equal terms and conditions should be ensured for all of the shareholders; if statutory mechanisms designed to protect the shareholder rights prove to be insufficient for that purpose, additional measures should be taken with a view to protecting the rights and legitimate interests of the company's shareholders. In such instances, the company should not only seek to comply with the formal requirements of law but should also be guided by the principles of corporate governance set out in this Code.	1. The Company's Articles of Association, taking into account the particular features of its operations, established lower minimum criteria for classifying the Company's transactions as major corporate actions than envisaged in law. 2. During the reporting period, all material corporate actions underwent approval before their implementation.	<input checked="" type="checkbox"/> complied with <input type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	

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7.2	The company should have in place such a procedure for taking any material corporate actions that would enable its shareholders to receive full information about such actions in due time and influence them, and that would also guarantee that shareholder rights are observed and duly protected in the course of taking such actions.			
7.2.1	When disclosing information about material corporate actions, it is recommended to give explanations concerning reasons for, conditions and consequences of such actions.	1. In the reporting period, the Company disclosed information on the Company's material corporate actions timely and in detail, including reasons for and timing of taking such actions.	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<p>Explanations regarding the reasons and terms of any proposed material corporate actions, together with a description of potential consequences of such actions for Moscow Exchange and its shareholders, are described at a granular level in the materials provided to shareholders whenever matters of endorsement of material corporate actions are brought before the General Meeting of Shareholders. The explanations on matters to be reviewed by the General Meeting of Shareholders, prepared for shareholders, are not mandatory according to applicable regulations, but are used on a regular basis in the Moscow Exchange corporate practices with the purpose of providing shareholders with reliable information, enabling shareholders to impact material corporate actions and, where necessary, obtain an adequate protection level. Similar explanations are prepared for the Supervisory Board members for the purposes of their making of decisions on material corporate actions not reserved by the Moscow Exchange Charter for the General Meeting of Shareholders, or in connection with matters brought by them before the General Meeting of Shareholders. Moscow Exchange publicly discloses information on matters brought before the Supervisory Board, including those regarding the performance of material corporate actions by publishing an announcement of the Supervisory Board meeting and its agenda. In addition, any shareholder may make an inquiry with Moscow Exchange requesting it to provide documents evidencing any decision made by the Supervisory Board.</p>

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7.2.2	Rules and procedures in relation to material corporate actions taken by the company should be set out in its internal documents.	<ol style="list-style-type: none"> 1. The Company's internal documents envisage the procedure for engaging an independent appraiser in evaluating the assets disposed of or purchased under a major transaction or a related party transaction. 2. The Company's internal documents envisage the procedure for engaging an independent appraiser in evaluating the purchase and redemption price for the shares in the Company. 3. The Company's internal documents envisage an expanded list of reasons for the members of the Company's Board of Directors and other persons envisaged in the law to be recognized as interested in the Company's transactions. 	<input type="checkbox"/> complied with <input checked="" type="checkbox"/> partially complied with <input type="checkbox"/> not complied with	<p>1. Partly complied with.</p> <p>In connection with its endorsement of such transactions, the Supervisory Board focuses on transaction price determination and decides separately upon the value of the property affected by the transaction (whether divested and acquired), determining it on the market value basis. An independent appraiser of renown reputation on the market and experienced in relevant appraisals may be engaged for purposes of determining the property value. The decision on whether it is appropriate to engage an independent appraiser is made based on the nature of the transaction and the assets divested or acquired.</p> <p>Moscow Exchange understands that major transactions can materially affect its financial positions and has not executed any such transactions over the recent years.</p> <p>In 2016 the issue of whether engagement of an appraiser is necessary was reviewed by the Audit Commission on and by the Supervisory Board, which determined the list of cases for the necessity of an appraiser's engagement, including those cases when the Moscow Exchange is planning to execute the transactions exceeding RUB 600 mln., the subject matter of those are real estate or non-core assets, as well as for the determination of the value of any property acquired or divested in a major transaction.</p> <p>Relevant amendments to the internal documents of the Moscow Exchange are planned to be made in 2017.</p> <p>2. Partly complied with.</p> <p>Share buyout price is determined with the engagement of an independent appraiser.</p> <p>The independent appraiser selection procedure follows the rules set out in the Moscow Exchange Procurement Regulations.</p> <p>3. Not complied with.</p> <p>Internal documents do not provide for an extended list of the grounds for which the Supervisory Board members and other persons referred to in the law may be found to be interested in a transaction.</p> <p>On April 26, 2016 the Audit Commission recognized inexpedient the extension of the specified list of the grounds.</p>