

Short-term Risk Outlook

- Regulations on Managing the Risks of a Market Operator:
 - classify the risks inherent to the Exchange;
 - set up the procedure and the timeline for an audit of the risk management system efficiency;
 - provide basic guidance and approaches to identifying, assessing and monitoring risks;
 - set up the procedure and the timeline for informing the Exchange's governing bodies, executives and divisions of identified risks;
 - detail a list of measures to be taken by the Exchange to ensure confidentiality of the risk-related information, including confidentiality of risk reports;
 - set up the frequency of stress testing, as well as the requirements for the scenarios used for such testing.
- **Financial risks** – since the Group's strategy requires the development of new products, establishment of new trading markets, and the expansion of investor base, the management of financial risks will be key for the Company.
 - **HR risks** – this type of risk will remain neutral, given that most ongoing activities are long-term; however, staff turnover remains low.
 - **Regulatory and legal risks** – since the Exchange's strategic objectives include the standardisation of the Company's financial infrastructure and the development of its product line, the regulatory and legal risks will continue to have a high impact on the Exchange's activities; however, taking into account ongoing activities, we do not expect a significant increase in the regulatory and legal risk.
 - **Reputational risks** – we expect the reputational risk to decrease on the back of several major marketing activities planned for the near future, which will contribute to enhancing the Moscow Exchange's image.
 - **Operational risks** – the Stabilisation and Reliability programme being implemented will reduce the operational risk; however, the full effect of the programme will be visible only in the long term.
 - **Information security risks** – plans to upgrade the Exchange's key information systems will keep information security risks elevated.

Internal Control System

To enhance efficiency and effectiveness of financial and business operations, the asset management process and risk management system, a multilevel internal control system has been introduced which is a combination of supervisory offices and focus areas intended to ensure compliance with the law, constitutive documents of the Exchange and its by-laws.

Financial and business operations of the company are monitored by the Revision Commission, the auditor, the Internal Audit Service, the Board Audit Committee and the management bodies such as the Supervisory Board, the Executive Board and the Chairman.