

External Auditor

ERNST & YOUNG VNESHAUDIT LIMITED LIABILITY COMPANY

- Auditor's name: Ernst & Young Vneshaudit Limited Liability Company
- INN: 9705059497
- OGRN: 1167746123478
- Address: 77, Sadovnicheskaya Nab., bld. 1, Moscow, 115035, Russia



The auditor is the member of Self-Regulating Organization "Russian Union of Auditors" (RUA), state registration number 1167746123478. The record thereof was made in the Unified State Register of Legal Entities on 3 August 2016.

Ernst & Young Vneshaudit Limited Liability Company is also included in the control copy of the register of auditors and audit organizations, main registration number 11603050953.

Auditing team:

- Yevguenia Vladimirovna Zaychikova, Partner;
- Mariana Valentinovna Klementieva, Senior Manager; and
- Anna Vadimovna Ratinskaya, Manager.

The fee for the audit of the annual accounting (financial) statements of Moscow Exchange and of the consolidated statements of Moscow Exchange Group for 2016 was RUB 4,390,000, excluding VAT. Ernst & Young Vneshaudit rendered no other services to Moscow Exchange in 2016 beyond audit services.

External Auditor Selection Procedure

The Moscow Exchange selects auditors every three years in a competitive tender, which is held among the leading global auditor firms by the ad-hoc Auditor Selection Commission. The number of consecutive audit years by one organisation usually does not exceed six years, or two auditor selection periods.

The best candidate is chosen in accordance with the Regulations on the Evaluation of Proposals for the Selection of Auditor for the Moscow Exchange and Technical Requirements for the audit, which are approved by the Supervisory Board's Audit Commission.

Technical Requirements determine the scope of matters the auditor reviews during an audit, as well as the Exchange's requirements for the audit firm taking part in the competitive tender.

Before reviewing the bids for the audit of the Moscow Exchange and Group companies, the Commission prepares an opinion on the bidders' eligibility pursuant to the Russian law, which also takes into account factors that may affect the independence and objectivity of the auditor. Only those candidates that comply with the requirements for the auditor's independence under Article 8 of the Federal Law No. 307-FZ On Auditing are admitted to the tender.

The auditor selection process is based on a review of technical and price characteristics of the bids to identify the best terms for the audit of the financial (accounting) statements of the Moscow Exchange and Group companies. The Auditor Selection Commission reviews bids in two stages, assessing technical characteristics first and then pricing, based on which it determines the winning candidate.

During the review of technical characteristics the following is assessed: audit methodology, quality of the auditor's report on the internal control framework to the Exchange's governing bodies, bidders' professional expertise and track-record with MOEX (if any), and draft audit agreement.

As regards pricing, the total audit fees for the current reporting period and for the two subsequent ones, as well as at the fee payment schedule are considered.

Based on its review of the bids, the Auditor Selection Commission determines the winning bid and recommends the candidate to the Supervisory Board's Audit Commission, which in its turn presents recommendations to the Supervisory Board.

The decision on the auditor selection is made by the Annual General Meeting of Shareholders.