

The Exchange was ranked among the top 5 companies with good corporate governance disclosure according to the Bank of Russia.

The results of the reviews of compliance with the requirements of the Listing Rules and the Bank of Russia Corporate Governance Code undertaken by Moscow Exchange's Internal Audit Service and Legal Department in 2016 were used for assessment purposes. Another thing taken into account in the course of the assessment was the implementation of activities aimed at the improvement of corporate governance practices in respect of unmet or partly met recommendations from the Bank of Russia Corporate Governance Code indicated in the 2015 annual report. It should be noted that an analysis of the quality of disclosure of information on compliance with the principles of corporate governance undertaken by the Bank of Russia in 2016 placed Moscow Exchange among the five companies, characterised, in the Bank's opinion, by the high quality of corporate governance level disclosure.

In 2016, the Supervisory Board's Audit Committee developed recommendations regarding methods of implementing those principles of the Bank of Russia Corporate Governance Code that were named in the 2015 annual report as unmet or partly met. Some of those recommendations were taken into account by Moscow Exchange in the 2016 reporting year, in particular through the approval of new or revision of existing internal documents. As a result, there were more principles and recommendations that were complied with in 2016.

Some of the recommendations scheduled to be implemented in 2017 and beyond are listed in the Report on Compliance with the Principles and Recommendations of the Corporate Governance Code (hereinafter, "the Report", for the purposes of this section), which is part of this annual report.

Directors' Liability Insurance

Since 2013, Moscow Exchange's directors and officers (including independent directors), as members of the Company's management bodies, have been insured for liability.

The aim of this insurance is to provide compensation for potential damages caused by unintended negligent actions or failures to act on the part of the insured individuals in the exercise of their administrative activities.

Under the insurance contract concluded in 2016, the insurance premium is USD 115,000, and the insured amount is USD 50 mln (the total additional insured amount is USD 5 million for independent directors). The insurer is Ingosstrakh.

The terms of the insurance contract, including the insurance coverage, are consistent with best global practices.