

The Supervisory Board's Report

Many issues on the agenda of Supervisory Board meetings were first considered by the appropriate commissions for a more detailed discussion and to give the Supervisory Board recommendations regarding voting.

Key issues that the Supervisory Board discussed in 2016 included:

- STRATEGY:
 - Moscow Exchange's IT strategy for 2010-2015 and a three-year programme for IT development;
 - Moscow Exchange Group's financial strategy;
 - restructuring by way of the consolidation of CJSC MICEX Stock Exchange and MB Technologies LLC;
 - Policy on the use of Moscow Exchange Group premises;
 - priority projects for 2017;
 - principles and parameters of the share-based, long-term incentive programme.
- BUSINESS DEVELOPMENT:
 - election of two new members to the Executive Board to lead Moscow Exchange's business development;
 - approval of the Derivatives Market's fees for trades in foreign currency and precious metals; trading fees for the Equity & Bond Market.
- FUNDAMENTAL DOCUMENTS OF MOSCOW EXCHANGE:
 - Listing Rules;
 - approval of Trading Rules for the FX and Precious Metals Market, the Equity & Bond Market and the Derivatives Market;
 - Admission Rules;
 - updates to Moscow Exchange's Provisions of the Internal Audit Service and Nomination and Remuneration Commission;
 - updates to Moscow Exchange's Corporate Governance Code and Information Policy.
- CORPORATE GOVERNANCE:
 - independent assessment of the Supervisory Board's performance;
 - policy on remuneration and compensation of expenses due to members of the executive bodies of Moscow Exchange;
 - policy on remuneration and compensation of expenses due to members of the Supervisory Board of Moscow Exchange;
 - methodology for corporate governance assessment;
 - report on updates to Moscow Exchange's corporate governance practice in 2016.
- RISK MANAGEMENT:
 - qualification requirements for members of executive bodies for the purpose of succession planning.
 - In 2016, an external audit of the internal control system was put into practice on the initiative of the Supervisory Board and the Audit Committee. The audit findings report will be delivered in 2017 and disclosed in the 2017 annual report.