



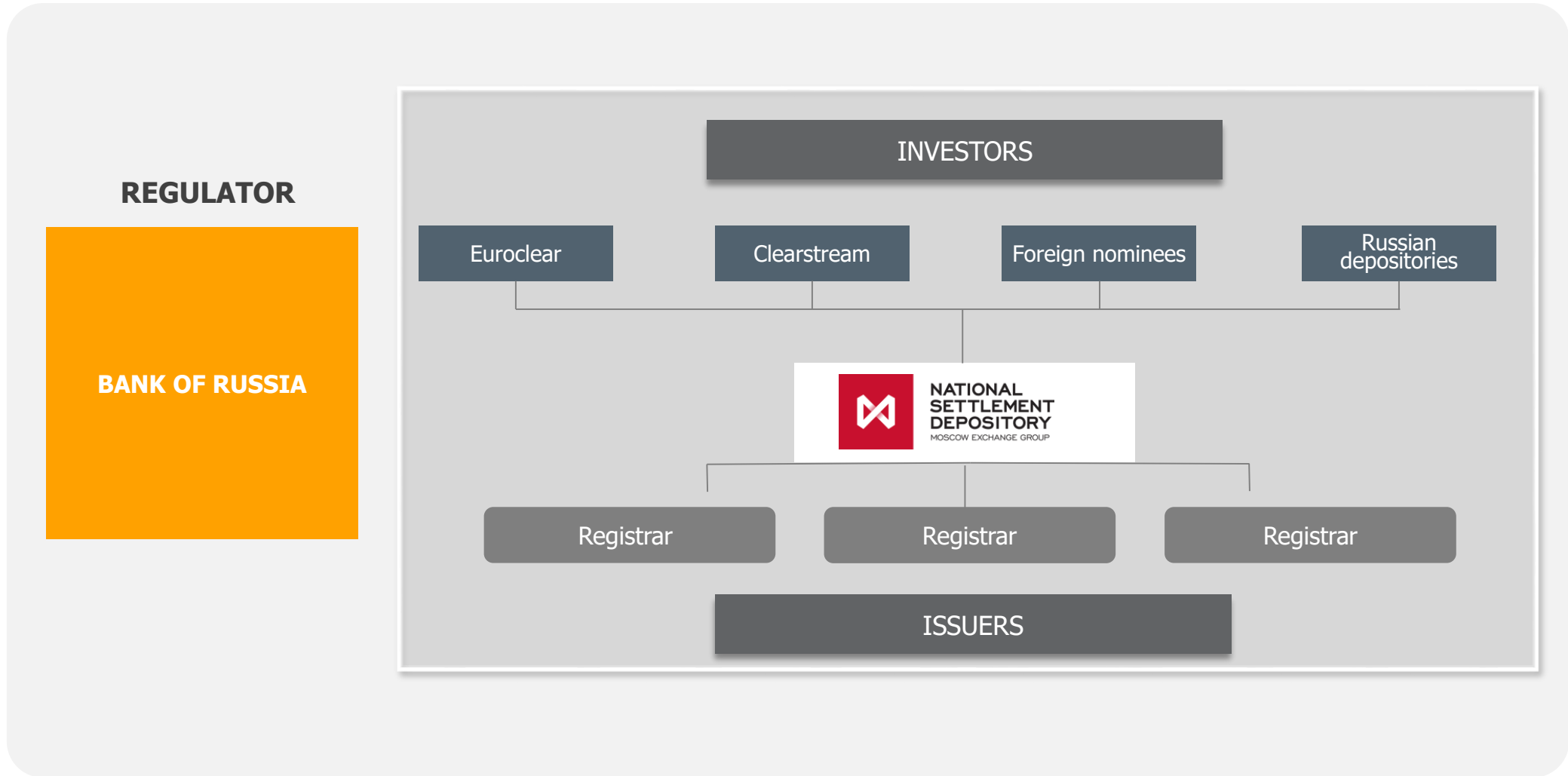
**NATIONAL
SETTLEMENT
DEPOSITORY**
MOSCOW EXCHANGE GROUP

6 June 2019, Moscow
Yulia FOKINA,
Head of Corporate Action Services Development

CORPORATE ACTIONS

INVOLVING RUSSIAN SECURITIES

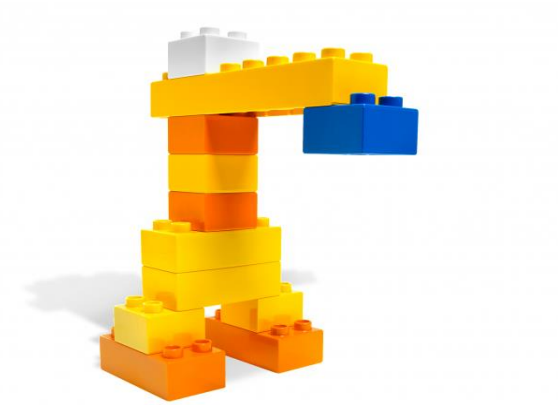
STOCK MARKET INFRASTRUCTURE



NSD TASKS RELATED TO CORPORATE ACTIONS DURING THE CORPORATE ACTION REFORM

- Providing information and processing corporate actions in unified formats
- Following international standards and recommendations during corporate actions
- Implementing E-voting and E-proxy voting in the Russian practice
- Russian record keeping infrastructure's involvement in corporate actions
- Using STP in all information processing phases
- Providing participants with an option to use automated internal processes and STP
- Providing participants with a technological option for processing corporate actions and participating in them

UNIFYING THE CA TECHNOLOGY IN RUSSIA



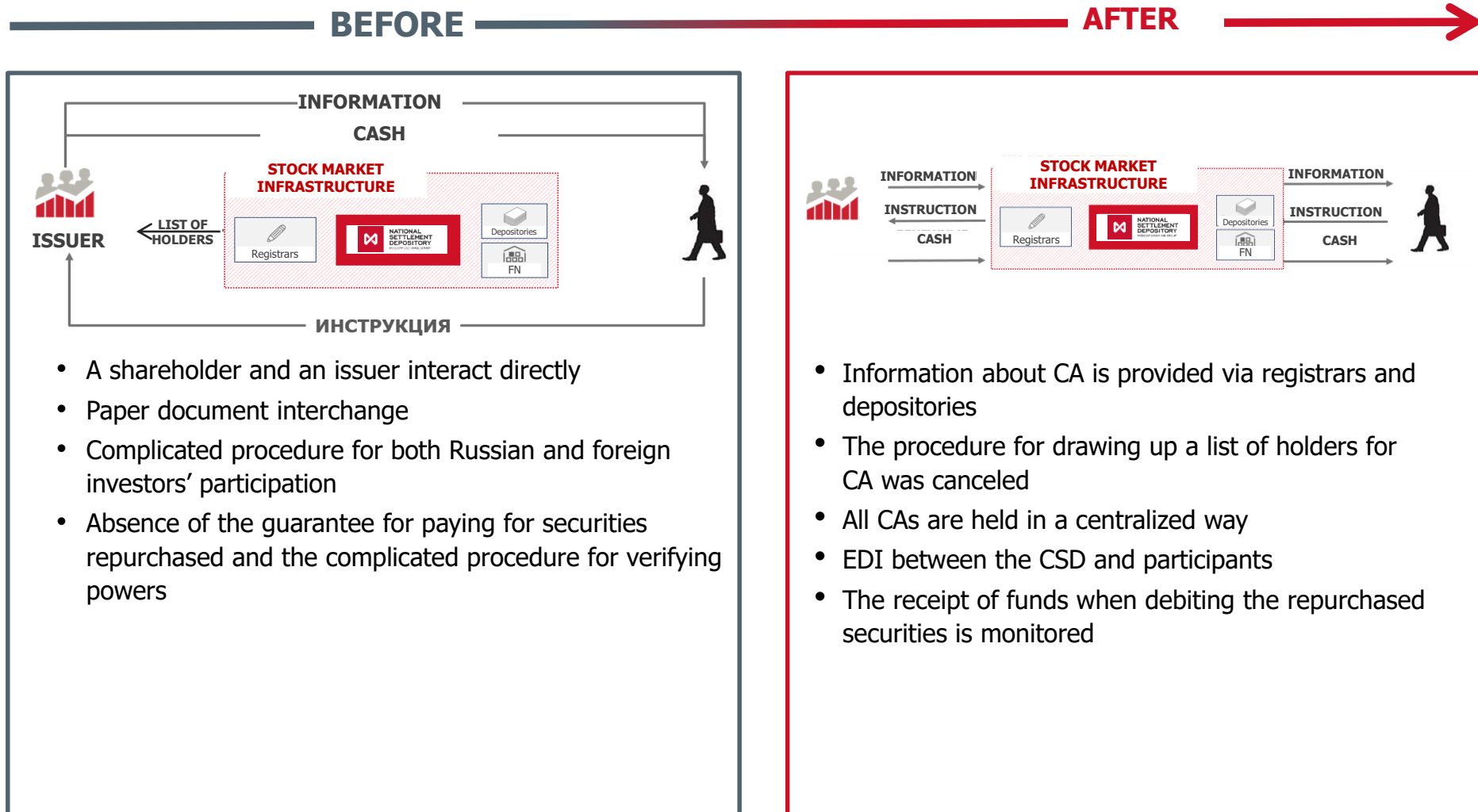
On 1 July 2016, LEGISLATIVE CHANGES* came into effect that introduced the following CA-related options:

- New ways for participating in general meetings of securities holders;
- A new approach to drawing up lists
- A new approach to exercising rights when processing corporate actions in a centralized way via record keeping system organizations

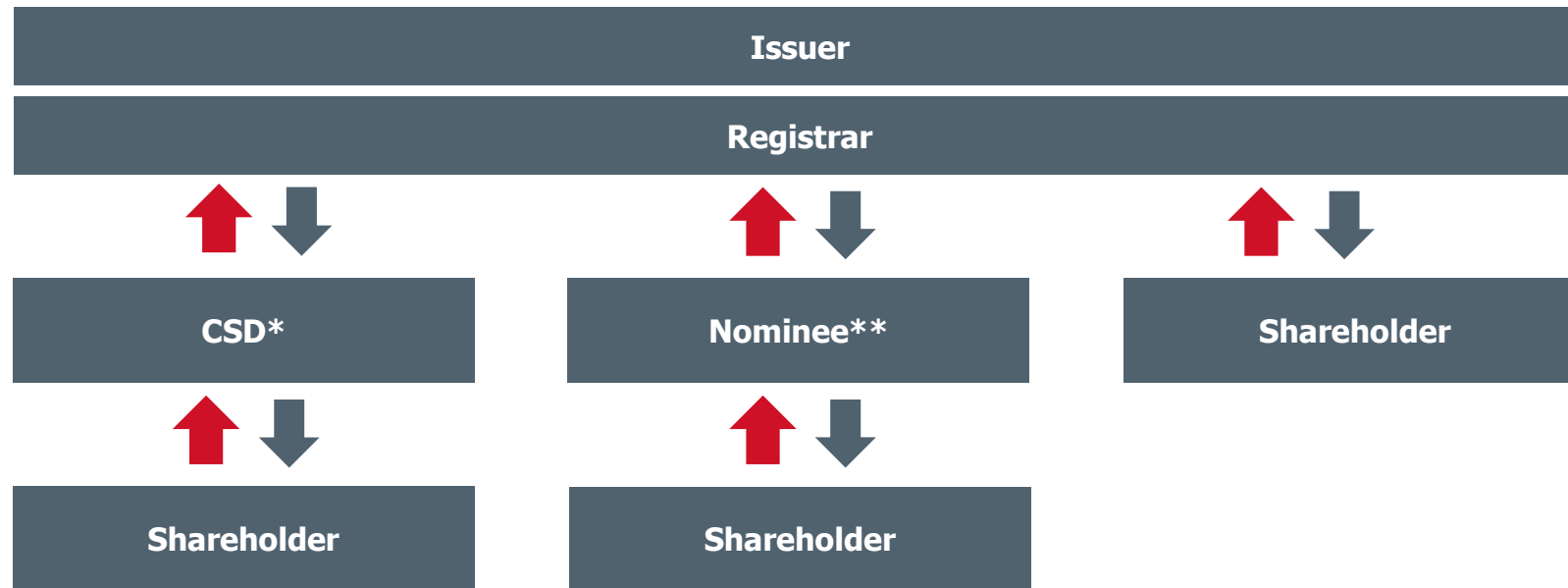
THESE CHANGES ALLOWED TO INTRODUCE INTO THE RUSSIAN PRACTICE:

- The corporate information center which collects and provides information on corporate actions
- The provision of information and processing corporate actions in unified formats developed in accordance with ISO 20022, and the support of ISO 15022 in SWIFT Fin
- The observance of international standards and recommendations during corporate actions

TRANSFORMING RECORD KEEPING INFRASTRUCTURE



CA CASCADE



→ Informing about the CA (Notice)

← Participating in CA (Instruction)

* For CSD registers

** For non-CSD registers

EXERCISING RIGHTS TO SECURITIES

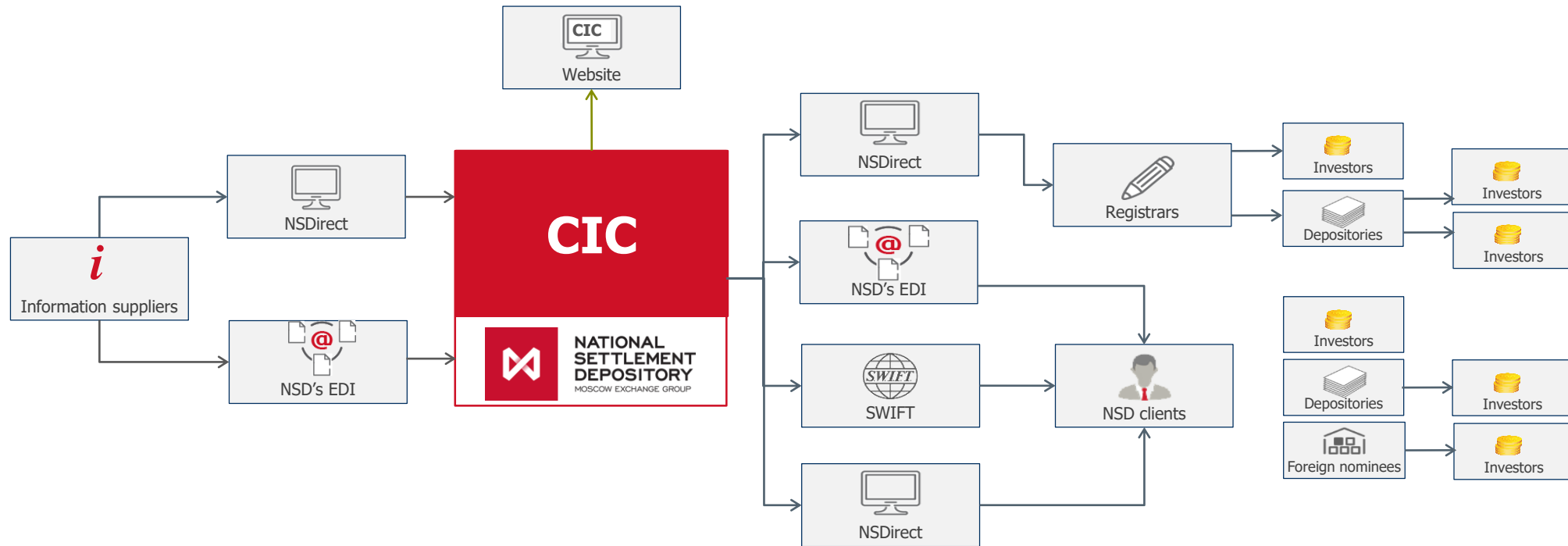
RIGHTS MAY BE EXERCISED ONLY VIA THE NOMINEE

- Preemptive right to purchase shares (article 40 of FZ "On Joint Stock Companies")
- Acquisition of shares by the issuing company (article 72 of FZ "On Joint Stock Companies")
- Share repurchase by the issuing company at the request of shareholders (article 75 of FZ "On Joint Stock Companies")
- Voluntary tender offer to purchase shares (article 84.1 of FZ "On Joint Stock Companies")
- Mandatory tender offer to purchase shares (article 84.2 of FZ "On Joint Stock Companies")
- Mandatory share repurchase at the request of persons who owns more than 95% of the shares (article 84.8 of FZ "On Joint Stock Companies")

RIGHTS MAY BE EXERCISED EITHER VIA THE NOMINEE OR INDEPENDENTLY

- Adding items to the agenda of the general meeting of securities holders
- Nominating candidates to management bodies and other bodies of an issuer which is a joint stock company
- A requirement to call (convene) a general meeting of securities holders
- Participating in a general meeting of securities holders and exercising voting rights
- Exercising other rights to securities

CORPORATE INFORMATION CENTER

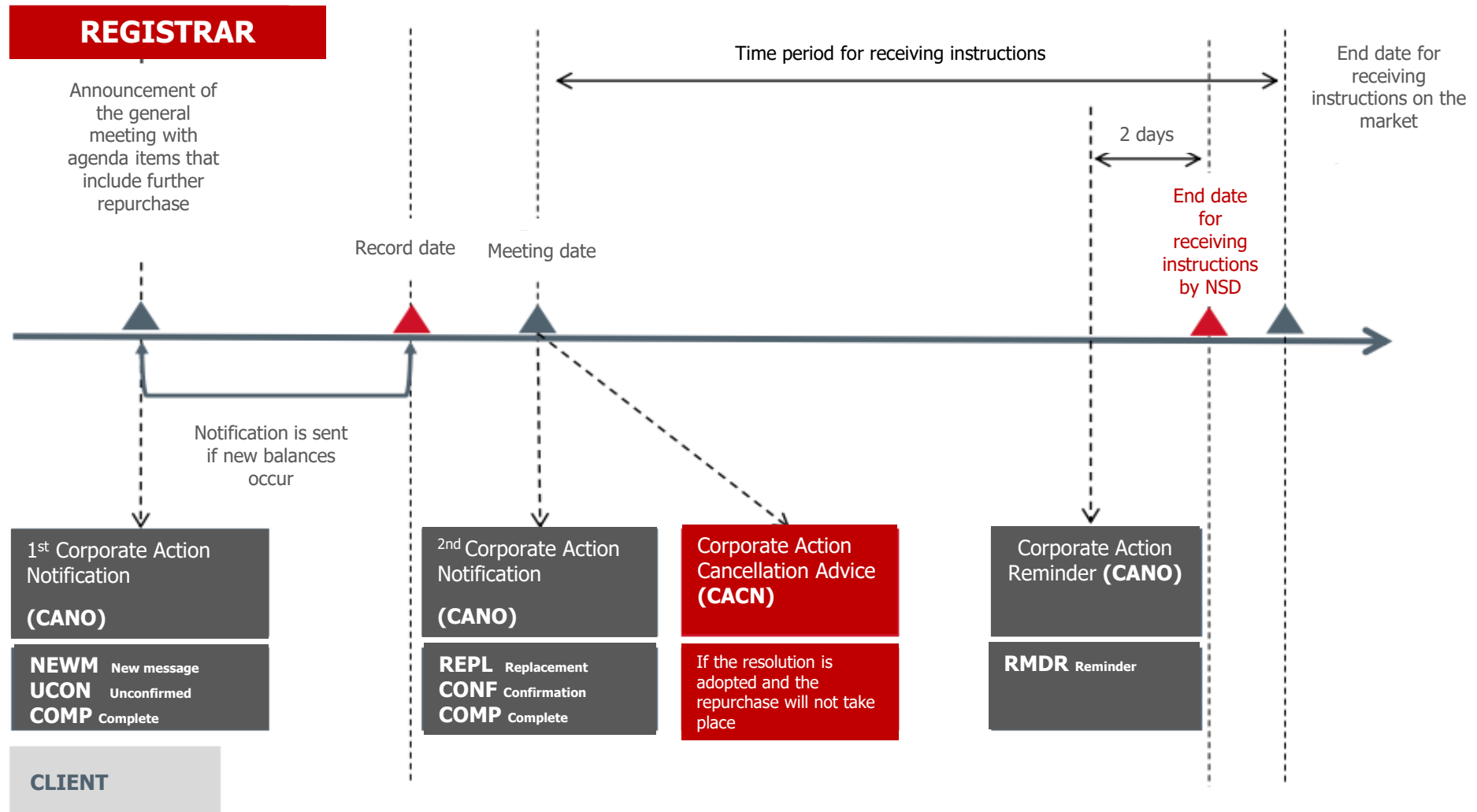


- CIC is an official information source
- Information about corporate actions is provided by issuers in which registers a CSD nominee account was opened with NSD, and bond issuers with the mandatory centralized storage with NSD
- Information about corporate actions is provided in structured formats set by CIC (ISO 20022)

IMPLEMENTED TECHNOLOGIES USED FOR RUSSIAN SECURITIES

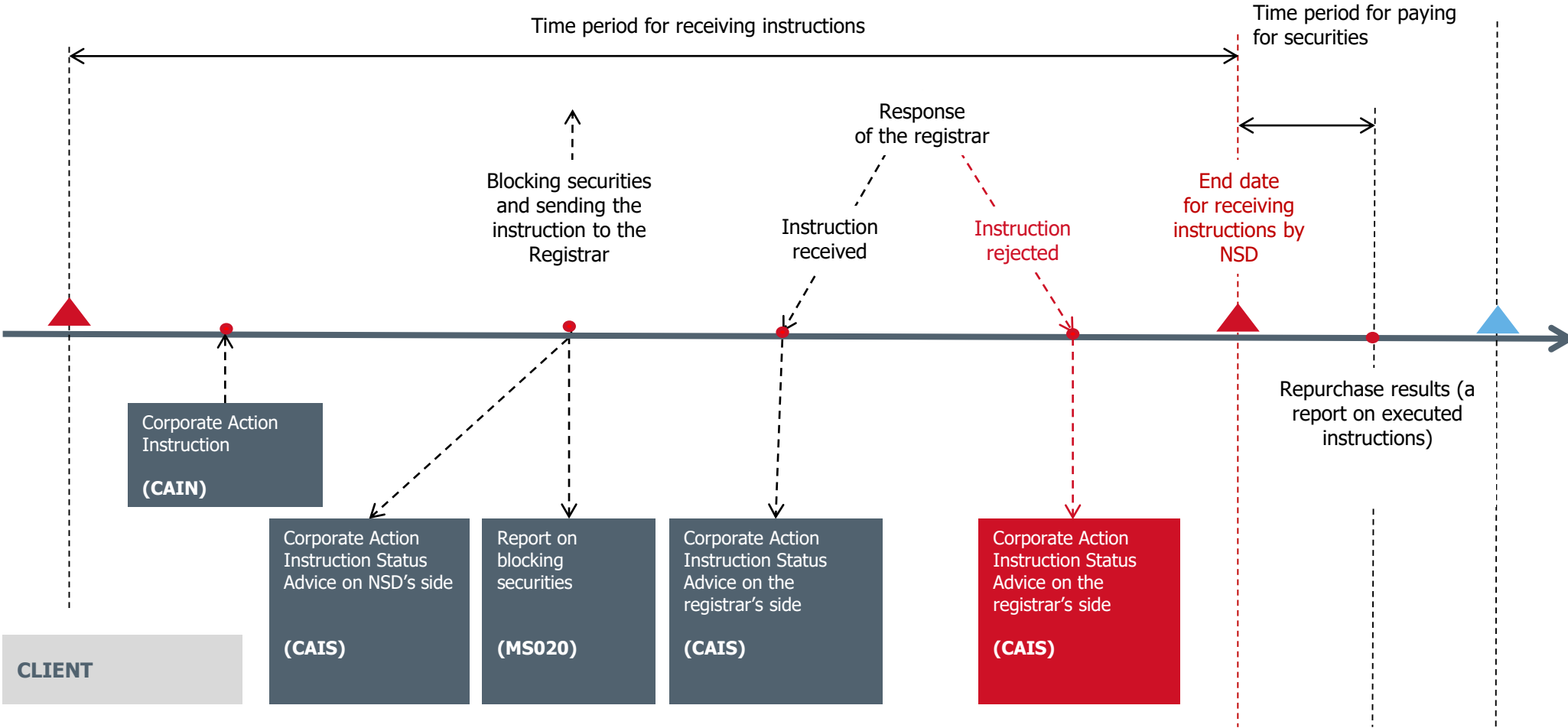
- ✓ General meeting of securities holders (MEET, XMET, BMET)
- ✓ Sending proposals on the meeting calling, on the agenda and candidates
- ✓ Acquisition of shares by the issuing company (BIDS)
- ✓ Acquisition of shares by the third party (TEND)
- ✓ Preemptive right to purchase shares (PRIO)
- ✓ Mandatory tender offer to purchase shares at the request of the securities holder (TEND 95)
- ✓ Early redemption or acquisition of bonds requested by their holders (BPUT) *(with regard to passing claims to the issuer)*
- ✓ Default on repurchase and extending the securities blocking

CORPORATE ACTION NOTIFICATION (BIDS)

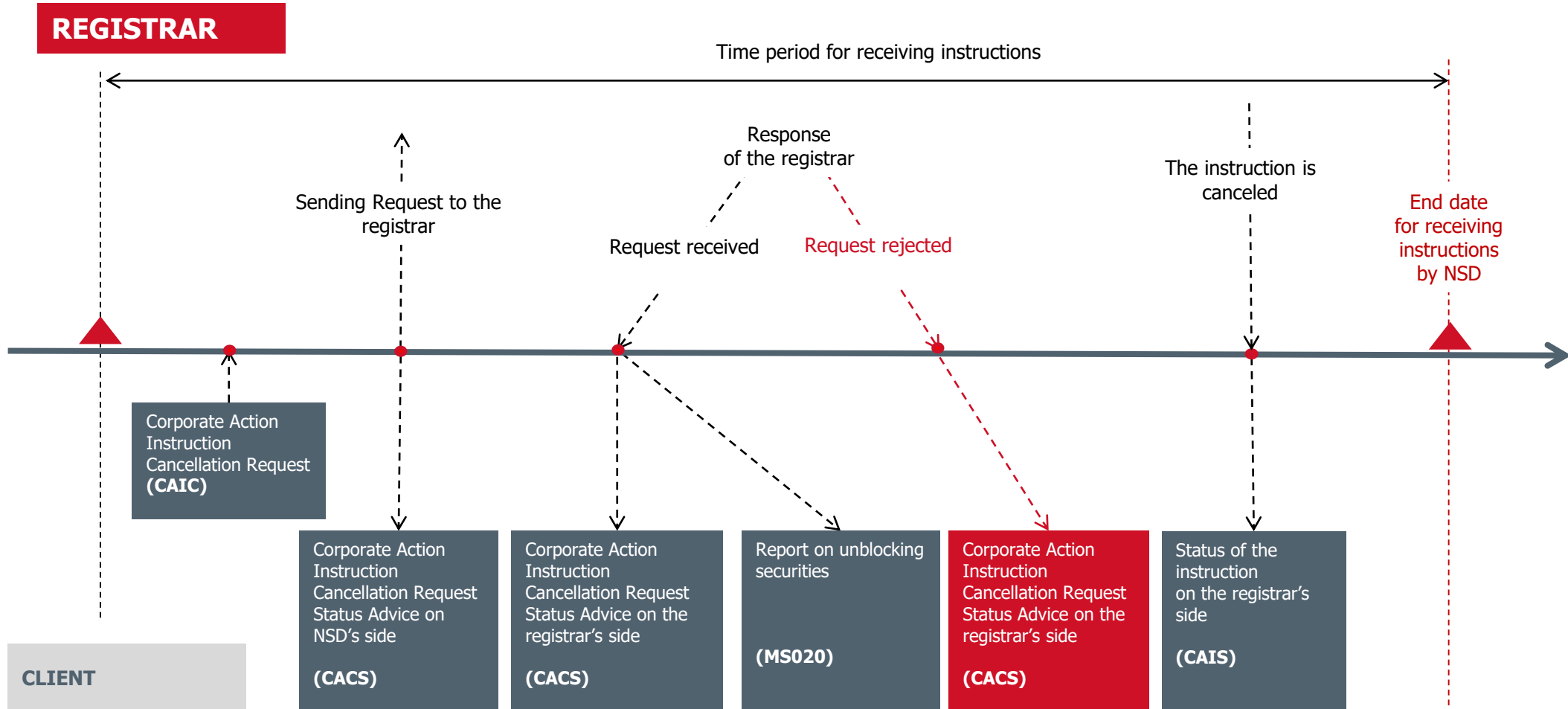


CORPORATE ACTION INSTRUCTION (BIDS)

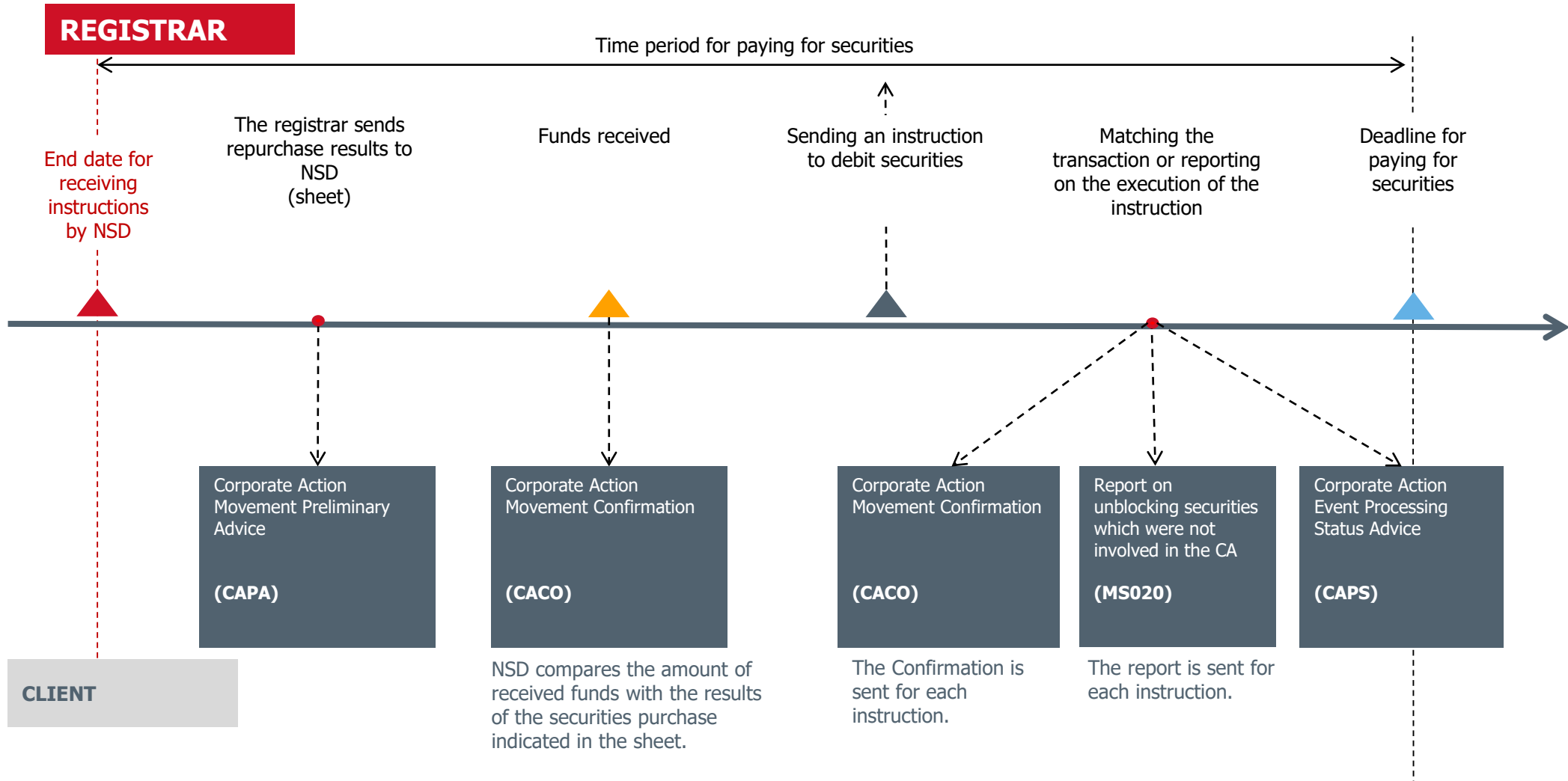
REGISTRAR



CORPORATE ACTION INSTRUCTION CANCELLATION REQUEST (BIDS)

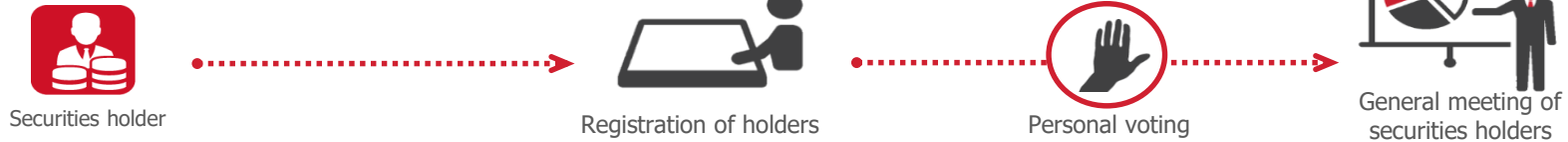


EXECUTION (BIDS)



HOW TO TAKE PART IN THE MEETING

1 PERSONAL ATTENDANCE



2 SENDING THE VOTING BALLOT IN HARD COPY



3 E-PROXY VOTING the electronic voting using the depository's services



4 E-VOTING Personal voting in the electronic form via the website on the Internet



NEW TASKS RELATED TO CORPORATE ACTIONS

On 1 July 2020, LEGISLATIVE CHANGES* is coming into effect.

They introduce the following

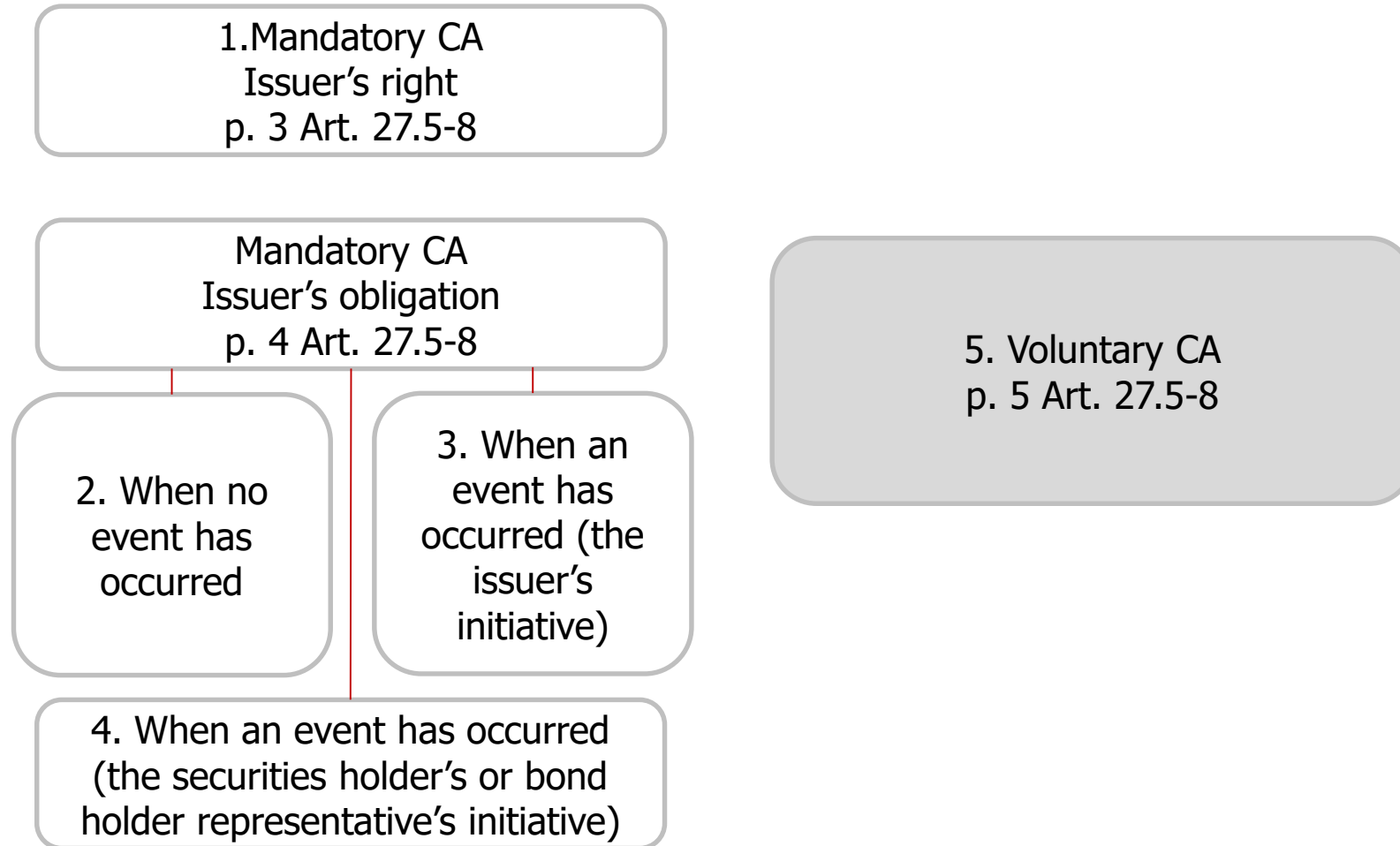
CA-related options:

- conducting transactions related to securities conversion when consolidating or splitting them, based on documents that verify that changes in the resolution on the securities issue have been made
- different types of conversion of convertible securities
- execution of early redemption or purchase of bonds by their holders via NSD using the chain of depositories



NEW TASKS RELATED TO CORPORATE ACTIONS

CONVERSION OF CONVERTIBLE SECURITIES (CONV)



NEW TASKS RELATED TO CORPORATE ACTIONS

EARLY REDEMPTION OR PURCHASE OF BONDS REQUESTED BY THEIR HOLDERS (BPUT)



Ways to participate in BPUT:

- Submitting the instruction via the chain of depositories when securities are blocked (*in all cases*)
- Sending a bid to the Exchange (*if it is provided by the Resolution to issue bonds*)

THANK YOU!



**NATIONAL
SETTLEMENT
DEPOSITORY**
MOSCOW EXCHANGE GROUP

DISCLAIMER

- This presentation has been prepared and issued by NSD (the "Company"). Unless otherwise stated, the Company is the source for all data contained in this document. Such data is provided as at the date of this document and is subject to change without notice.
- This document does not constitute or form part of, and should not be construed as, an offer or invitation for the sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities, nor shall it or any part of it or the fact of its distribution form the basis of, or be relied on in connection with, any offer, contract, commitment or investment decision relating thereto, nor does it constitute a recommendation regarding the securities of the Company.
- The information in this document has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information or opinions contained herein. None of the Company, or any of its subsidiaries or affiliates or any of such person's directors, officers or employees, advisers or other representatives, accepts any liability whatsoever (whether in negligence or otherwise) arising, directly or indirectly, from the use of this document or otherwise arising in connection therewith.
- This presentation includes forward-looking statements. All statements other than statements of historical fact included in this presentation, including, without limitation, those regarding our financial position, business strategy, management plans and objectives for future operations are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance, achievements or industry results to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we expect to operate in the future. Important factors that could cause our actual results, performance, achievements or industry results to differ materially from those in the forward-looking statements include, among other factors:
 - Perception of market services offered by the Company and its subsidiaries
 - Volatility (a) of the Russian economy and the securities market and (b) sectors with a high level of competition that the Company and its subsidiaries operate
 - Changes in (a) domestic and international legislation and tax regulation and (b) state policies related to financial markets and securities markets
 - Competition increase from new players on the Russian market
 - The ability to keep pace with rapid changes in science and technology environment, including the ability to use advanced features that are popular with the Company's and its subsidiaries' customers
 - The ability to maintain continuity of the process of introduction of new competitive products and services, while keeping the competitiveness
 - The ability to attract new customers on the domestic market and in foreign jurisdictions
 - The ability to increase the offer of products in foreign jurisdictions
- Forward-looking statements speak only as of the date of this presentation and we expressly disclaim any obligation or undertaking to release any update of, or revisions to, any forward-looking statements in this presentation as a result of any change in our expectations or any change in events, conditions or circumstances on which these forward-looking statements are based.