

National Settlement Depository
(NSD)

MINUTES No. 42

of the National Settlement Depository Customer Committee
(Central Securities Depository Customer Committee)

Format of the Meeting: in-person meeting

Date of the Meeting: 7 December 2018

Place of the Meeting: 12 Spartakovskaya Street, Conference Room 1.5-1.6, Moscow

Time of the Meeting: 3.15 p.m. - 5.00 p.m. (Moscow time)

Date of the Minutes: 10 December 2018

Committee Secretary: Anna Iakusheva

Committee members attending the meeting:

1. Varvara Artyushenko
2. Elena Akhmetdinova
3. Victoria Belogurova
4. Sergey Gorbachenko
5. Yury Dubin
6. Yulia Davydova
7. Alina Zolotova
8. Galina Karyakina
9. Alexey Kushnerov
10. Dmitry Medvedev
11. Mikhail Nedelsky
12. Natalia Rakhmanova
13. Yury Taranovsky
14. Alexey Fedotov
15. Natalia Shtalenkova

Apologies:

1. Igor Bushin
2. Olga Veksler
3. Magali De Wit
4. Larisa Gorbacheva
5. Natalia Karaseva
6. Elena Kochemirovskaya

7. Tatiana Fedyashina
8. Maksim Murashov
9. Sergey Titov
10. Nikolay Chemodurov

Committee members who have submitted their written opinions on the following agenda items:

1. Approval of the agenda of the meeting of the National Settlement Depository Customer Committee (Central Securities Depository Customer Committee);
2. Approval of the Amended and Restated Terms and Conditions of Depository Operations of National Settlement Depository.

1. Igor Bushin
2. Olga Veksler
3. Larisa Gorbacheva
4. Natalia Karaseva
5. Maksim Murashov
6. Nikolay Chemodurov

Committee members who have submitted their written opinions on the following agenda items: Election of Chairperson and Deputy Chairperson of the National Settlement Depository Customer Committee (Central Securities Depository Customer Committee):

1. Larisa Gorbacheva
2. Natalia Karaseva
3. Maksim Murashov

The Committee meeting was convened in accordance with paragraph 6.1 of the Regulations on the National Settlement Depository Customer Committee (Central Securities Depository Customer Committee) by Anna Yakusheva, Committee Secretary.

The number of Committee members attending the meeting or submitting their written opinion was more than half of the Committee members elected. Therefore, in accordance with paragraph 7.5 of the Committee Regulations, the quorum required for the meeting to be valid was present.

In attendance:

- | | |
|--------------|---|
| S. Aristov | Director of Client Relations Department, NSD |
| E. Burenkova | Head of Corporate Legal Support Unit, Legal Department, NSD |
| A. Gavrilov | Head of Legal Department, NSD |

O. Guterman	Head of Client Relations Department, NSD
M. Krasnova	Deputy Chairman of the Executive Board, NSD
E. Strelnikova	Chief Technologist

Anna Iakusheva, Committee Secretary, proposed that the Committee members approve the meeting agenda.

Total number of Committee members – 25.

Number of Committee members who voted or had submitted their written opinion on the agenda item – 21.

The quorum required to transact business was present.

Resolution put to the vote:

Approve the following meeting agenda of the National Settlement Depository Customer Committee (Central Securities Depository Customer Committee):

1. Election of Chairperson and Deputy Chairperson of the National Settlement Depository Customer Committee (Central Securities Depository Customer Committee).
2. Approval of the Amended and Restated Terms and Conditions of Depository Operations of National Settlement Depository.

Voting results:

"In favour" - 21 votes;

"Against" - 0 votes;

"Abstentions" - 0 votes.

The resolution is adopted unilaterally by the Committee members who attended the meeting or had submitted their written opinion.

Resolution adopted:

Approve the following meeting agenda of the National Settlement Depository Customer Committee (Central Securities Depository Customer Committee):

1. Election of Chairperson and Deputy Chairperson of the National Settlement Depository Customer Committee (Central Securities Depository Customer Committee).
2. Approval of the Amended and Restated Terms and Conditions of Depository Operations of National Settlement Depository.

Agenda Item 1:

Election of Chairperson and Deputy Chairperson of the National Settlement Depository Customer Committee (Central Securities Depository Customer Committee)

1.1 Election of Chairperson of the National Settlement Depository Customer Committee (Central Securities Depository Customer Committee)

Total number of Committee members – 25.

Number of Committee members attending the meeting and voting on the agenda item – 18.

The quorum required to transact business was present.

Keynote speaker: Anna Iakusheva, Committee Secretary, proposed that the Committee members nominate their candidates to the position of Committee Chairperson. The following three candidates were nominated:

- Yury Dubin;
- Alexey Fedotov;
- Mikhail Nedelsky

In accordance with paragraph 3.13 of the Committee Regulations, Committee Chairperson shall be elected by majority vote of the Committee members attending the meeting. This agenda item was voted upon using voting ballots.

Voting results:

Nominee's Name	Number of Affirmative Votes
Alexey Fedotov	11
Yury Dubin	6
Mikhail Nedelsky	1

Resolution adopted:

Elect Alexey Fedotov to the position of Chairperson of the National Settlement Depository Customer Committee (Central Securities Depository Customer Committee).

The resolution is adopted by majority vote the Committee members who attended the meeting or had submitted their written opinion.

1.2 Election of Deputy Chairperson of the National Settlement Depository Customer Committee (Central Securities Depository Customer Committee)

Total number of Committee members – 25.

Number of Committee members who voted or had submitted their written opinion on the agenda item – 16.

The quorum required to transact business was present.

Keynote speaker: Anna Iakusheva, Committee Secretary, proposed that the Committee members nominate their candidates to the position of Deputy Chairperson of the Committee.

The following three candidates were nominated:

- Victoria Belogurova;
- Yury Dubin;
- Mikhail Nedelsky

Victoria Belogurova withdrew her name from the list of nominees; therefore, the written opinions submitted on this agenda item were disregarded.

In accordance with paragraph 3.13 of the Committee Regulations, a Deputy Chairperson of the Committee shall be elected by majority vote of the Committee members attending the meeting. This agenda item was voted upon using voting ballots.

Voting results:

Nominee's Name	Number of Affirmative Votes
Yury Dubin	10
Mikhail Nedelsky	5

Resolution adopted:

Elect Yury Dubin to the position of Deputy Chairperson of the National Settlement Depository Customer Committee (Central Securities Depository Customer Committee).

The resolution is adopted by majority vote of the Committee members attending the meeting.

Agenda Item 2:**Approval of the Amended and Restated Terms and Conditions of Depository Operations of National Settlement Depository**

Total number of Committee members – 25.

Number of Committee members who voted or had submitted their written opinion on the agenda item – 21.

The quorum required to transact business was present.

In accordance with paragraph 8.2 of the Committee Regulations, a resolution to approve the Terms and Conditions of Depository Operations of National Settlement Depository shall be adopted by majority vote of the Committee members.

Keynote speaker: Elena Strelnikova presented the amended and restated Terms and Conditions to the Committee members.

Speakers: Galina Karyakina, Alexey Fedotov, Yury Dubin, Maria Krasnova, Yulia Davydova, Sergey Gorbachenko, Andrey Gavrilov, Alexey Kushnerov, Yury Taranovsky, Victoria Belogurova, Dmitry Medvedev.

Larisa Gorbacheva submitted the following written comments to this agenda item: "NSD needs to address the issue of having in place various methods to settle losses resulting from the application of Article 8.5 of Federal Law No. 39-FZ dated 22 April 1996 "On the Securities Market" (including a special guarantee fund, liability insurance, and increase of the CSD's capitalization); simulate scenarios of application of Article 8.5 of the said law and consequences of its application; establish a working group, prepare proposals to make amendments to Article 8.5, and submit those amendments to the Customer Committee for discussion."

Resolution put to the vote:

1. Approve the amended and restated Terms and Conditions of Depository Operations of National Settlement Depository (attached).
2. Recommend that NSD's Supervisory Board approve the Amended and Restated Terms and Conditions of Depository Operations of National Settlement Depository.

Voting results:

"In favour" - 11 votes;

"Against" - 4 votes (Sergey Gorbachenko, Yulia Davydova, Natalia Rakhmanova, Natalia Shtalenkova);

"Abstentions" - 6 votes (Varvara Artyushenko, Elena Akhmetdinova, Dmitry Medvedev, Yury Taranovsky, Alexey Fedotov, Nikolay Chemodurov).

The resolution was not adopted.

Chairperson of the Committee

Alexey Fedotov