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At NSD, corporate governance means that the principles and rules of managing and controlling the company and governing relationships between the company's executive bodies, Supervisory Board, shareholders, and other stakeholders (participants of corporate relationships), are aimed at setting NSD's objectives and determining the means to achieve them.

As the CSD, NSD is committed to satisfying the interests of its clients, regulators, and financial market participants.

## Corporate Governance Principles

NSD's Corporate Governance Principles are set out in NSD's Corporate Governance Policy (approved by NSD's Supervisory Board on 1 October 2019 and by the Bank of Russia on 31 October 2019), available on NSD's official web site.

NSD applies the best corporate governance standards and practices, including those set out in NSD's Corporate Governance Policy.

The results of compliance with the corporate governance principles set out in NSD's Corporate Governance Policy are described in the appendix to this Report.<sup>1</sup>

In corporate governance processes, NSD also follows the principles recommended by Moscow Exchange and set out in the Moscow Exchange's Corporate Governance Code, including the principle that requires acting in the best interests of users of services provided by Moscow Exchange Group companies, the principle of corporate social responsibility, and other principles.

The Supervisory Board is responsible for strategic management of NSD and exercises effective control over the performance of the Executive Board and the Executive Board Chairman.

- The Supervisory Board is also responsible for defining the company's development strategy, exercising effective control over the company's financial and business activities, and approving the company's budgets.
- The composition of the Supervisory Board ensures the most effective performance of its functions.
- The Supervisory Board members actively participate in Supervisory Board meetings, as well as meetings of the Supervisory Board Committees.
- Supervisory Board meetings are convened on a regular basis, either in the form of in-person meetings or in the form of meetings in absentia, depending on the importance of the agenda matters and in accordance with the meeting schedule.

<sup>1</sup> In accordance with Bank of Russia's Directive No. 5062-U dated 17 January 2019.

- The Regulations on the Supervisory Board set out, in detail, the procedure for arranging and holding Supervisory Board meetings.
- The Supervisory Board comprises the Budget Committee, the Audit Committee, the Nomination and Remuneration Committee, the Strategy Committee, and the Technological Policy and Development Committee.
- In accordance with NSD's Articles of Association, the Supervisory Board may establish any other standing or ad-hoc committees, as well as Customer Committees responsible for certain key areas of NSD's business in order to deal with any current issues.
- The Supervisory Board is responsible for ensuring the effective performance of the Executive Board and the Chairman of the Executive Board, as well as for exercising control over their performance.

The Executive Board and the Chairman of the Executive Board are capable of effectively and reasonably running NSD's day-to-day operations, in good faith and in the best interests of NSD.

- In accordance with NSD's Articles of Association, the Executive Board is authorized to deal with the most complex issues arising in the company's day-to-day operations.
- The composition of the Executive Board ensures that NSD's executive bodies carry out their functions most effectively.

NSD assesses its corporate governance system in accordance with the Bank of Russia's recommendations laid down in its Letter No. 11-T dated 7 February 2007 "On the Corporate Governance Assessment Questionnaire for Credit Organizations".

In accordance with clause 12.3.26.9 of NSD's Articles of Association, the company's corporate governance system is assessed on at least an annual basis. In 2020, NSD's corporate governance system was assessed, and upon completion of the assessment, a corporate governance report was prepared and approved by the Supervisory Board.

## Supervisory Board's Performance Report for 2020

In 2020, as in the previous years, a number of foreign experts were among the Supervisory Board members to ensure that its decision-making process takes global trends and expertise into account.

The Supervisory Board performed the overall management of NSD's operations and held 15 meetings during the reporting year, including six in-person meetings.

At its meetings, the Supervisory Board addressed and took decisions on key issues relating to NSD's financial and business activities and business development, including the following:

- review and discussion of NSD's preliminary Performance Report for 2020;
- approval of NSD's Budget (Business Plan) 2021-2023;

- preliminary approval of NSD's Annual Report for 2019;
- approval of the fees payable to NSD's independent auditor;
- amendments to NSD's Fee Schedules;
- review and discussion of the Progress Report on the Implementation of the NSD Development Strategy in 2019;
- addressing various matters relating to the implementation of the project "Pension Operator of the Guaranteed Pension Plan";
- review and discussion of various matters relating to the implementation of the Project Program "Ensuring NSD's Compliance with the Requirements of the GOST R 57580 Standard and Federal Law 152-FZ"
- review of NSD's performance reports prepared by NSD's Executive Board;
- addressing various matters relating to remuneration of the members of NSD's executive bodies;
- review and discussion of the Moscow Exchange Group's Risk Management System Development Strategy 2024.

Also, the Supervisory Board gave a great deal of attention to addressing and deciding on issues of corporate governance at NSD, in particular:

- assessment of the state of corporate governance at NSD;
- assessment of NSD's internal control system;
- election of members of NSD's Executive Board, and authorizing Executive Board members to hold positions in management bodies of other organizations;
- resignation of the Chairman of NSD's Executive Board and appointment of the Acting Chairman of NSD's Executive Board;

- convocation of the annual General Meeting of Shareholders in 2020;
- recommendations to the annual General Meeting of Shareholders in 2020;
- convocation of NSD's extraordinary General Meeting of Shareholders held on 9 April 2020;
- recommendations to the extraordinary General Meeting of Shareholders held on 9 April 2020; and
- election of new members of Supervisory Board Committees and Customer Committees.

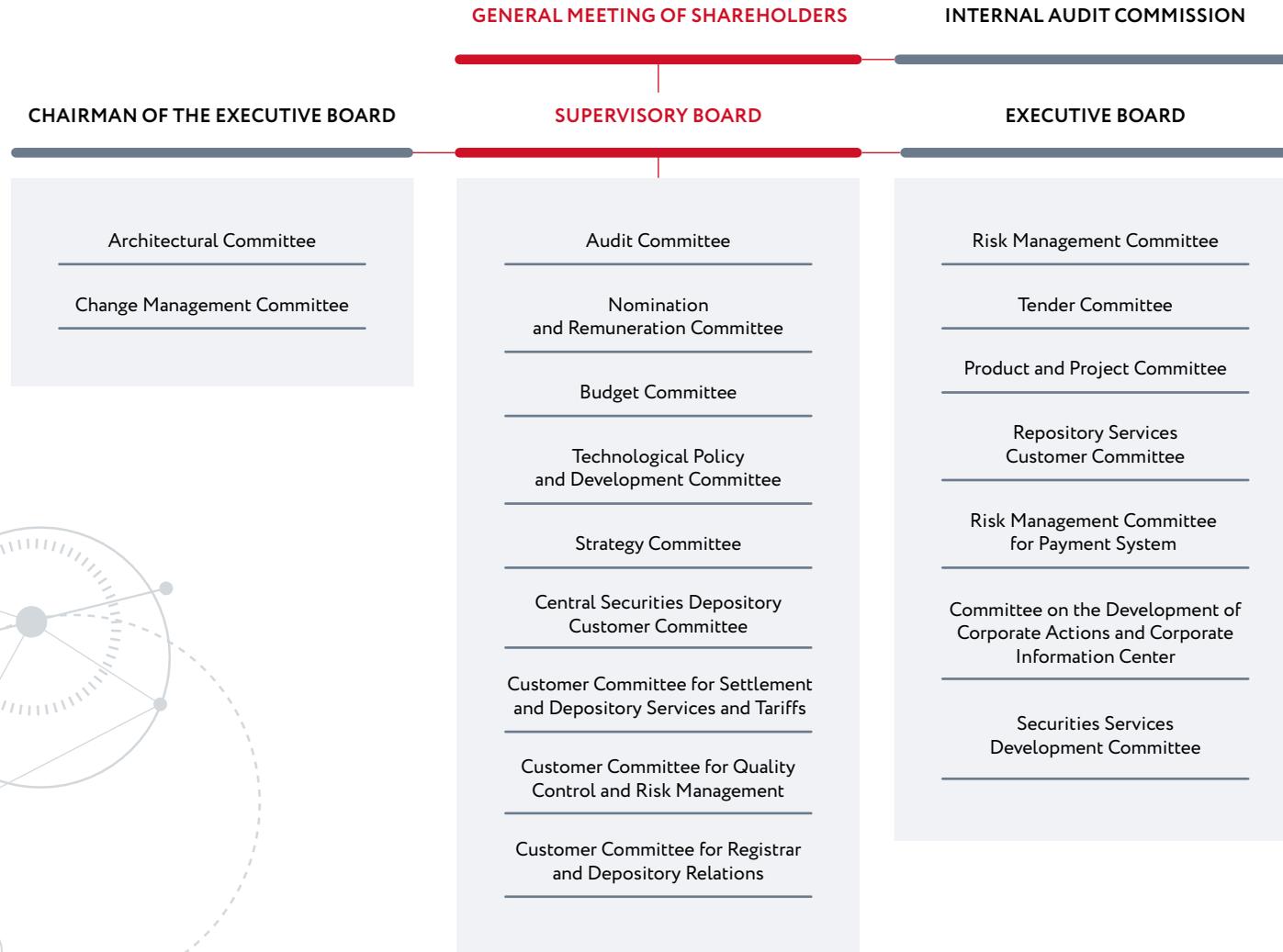
In addition, decisions were taken on issues relating to NSD's operational efficiency and amendments to, and approval of, NSD's internal regulations, including the following issues:

- review of reports submitted by NSD's Internal Control and Internal Audit Departments, approval of the Internal Audit Department's work plan for 2021;
- review and discussion of the findings of the audit of NSD by the Bank of Russia and of a plan of actions to address and prevent re-occurrence of the violations identified by the audit
- assessment of risks and of the effectiveness of risk management at NSD;
- review of stress testing and ICAAP reports;
- review of the report on the implementation of NSD's Risk Management Development Strategy for 2019;
- approval of NSD's risk management priorities for 2020-2021;
- review of the Executive Board Chairman's report regarding management of the Trade Repository's regulatory risk for 2019;
- review of NSD's Customer Satisfaction Index Report;



- approval of the estimated level of NSD's economic capital for 2020;
  - approval of NSD's Key Performance Indicators for 2020;
  - approval of NSD's corporate Key Performance Indicators for 2021;
  - approval of NSD's internal regulations, including:
    - amended and restated Information Security Policy;
    - amended and restated Clearing Rules;
    - amended and restated Information Protection Rules;
    - amended and restated Internal Control Rules on Anti-Money Laundering, Combating the Financing of Terrorism and Financing of the Proliferation of Weapons of Mass Destruction;
    - amended and restated Risk and Capital Management Strategy;
- Regulations on the Central Securities Depository Customer Committee;
  - Regulations on Bonus Payment for the Purposes of NSD's Employees' Participation in the Long-Term Moscow Exchange Share-Based Incentive Program
  - amended and restated Terms of Transactions in Financial Instruments of Persons Considered to be NSD's Insiders and Persons Related to Them;
  - amended and restated Terms and Conditions of Depository Operations;
  - amended and restated internal regulations that govern employee compensation;
  - amended and restated Regulations on NSD's Internal Audit Department;
  - amended and restated Pricing Policy;
  - amendments to the Regulations on NSD's Customer Committees.

# NSD's Corporate Governance Structure



# NSD's Management Bodies

Body	Mission
<b>General Meeting of Shareholders</b>	The General Meeting of Shareholders is NSD's superior management body. General Meetings are convened at least once a year. The General Meeting takes decisions on key matters relating to NSD's activities. The list of matters reserved to the General Meeting is set out in Federal Law No. 208-FZ dated 26 December 1995 "On Joint-Stock Companies" and NSD's Articles of Association.
<b>Supervisory Board</b>	The Supervisory Board is NSD's superior management body exercising management functions during the periods between General Meetings. Supervisory Board members are elected by the General Meeting of Shareholders for the period until the next annual General Meeting. The proceedings of the Supervisory Board are governed by the Regulations on the Supervisory Board approved by the General Meeting.
<b>Chairperson of the Executive Board</b>	The Chairperson of the Executive Board is the chief executive officer of NSD. The Chairperson of the Executive Board is appointed by the Supervisory Board for a term of three years.
<b>Executive Board</b>	The Executive Board is NSD's collegial executive body. Executive Board members are appointed by the Supervisory Board for a term of two years. The proceedings of the Executive Board are governed by the Regulations on the Executive Board approved by the General Meeting.



# Committees and Commissions

Additional information regarding NSD's Committees and Commissions is available on page 64 of this Report.

## Internal Audit Commission

Committee	Mission
<b>Internal Audit Commission</b>	The Internal Audit Commission is the controlling body responsible for exercising internal control over NSD's financial and business activities. Members of the Internal Audit Commission are elected at annual General Meetings of Shareholders. The proceedings of NSD's Internal Audit Commission are governed by the Regulations on the Internal Audit Commission approved by the General Meeting.

## Supervisory Board Committees

Committee	Mission
<b>Audit Committee</b>	Ensuring efficient work of NSD's Supervisory Board in organizing the internal control and external audit system, as well as risk management at NSD.
<b>Budget Committee</b>	Improving the efficiency of NSD's Supervisory Board by ensuring proper control over the way funds are received and spent at NSD. The Committee thoroughly prepares materials to be considered at meetings of NSD's Supervisory Board relating to financial planning and financial resources management at NSD.
<b>Nomination and Remuneration Committee</b>	In-depth analysis of matters relating to the recruitment, assessment and remuneration of NSD's senior managers, including Supervisory Board members, the Chairperson of the Executive Board, Executive Board members, and members of the Internal Audit Commission, and preparation of materials to be addressed at Supervisory Board meetings.
<b>Technological Policy and Development Committee</b>	Analysis of development of NSD's IT systems, and making recommendations to the Supervisory Board and the Executive Board on matters relating to the technological policy pertaining to the creation, maintenance, operation, and development of IT systems.
<b>Strategy Committee</b>	Making recommendations to NSD's Supervisory Board as to the worst-case, baseline, and best-case scenarios and the strategy of NSD's development for a new period. Monitoring the progress in the implementation of NSD's current strategy, assessing the need to adjust NSD's current strategy, and making relevant proposals to the Supervisory Board.

## Customer Committees of the Supervisory Board

Committee	Mission
<b>Customer Committee for Quality Control and Risk Management</b>	Making recommendations to the Supervisory Board and/or the executive bodies on the client and marketing policy, improving the quality of client services, and approval of internal regulations relating to clearing activities.
<b>Customer Committee for Settlement and Depository Services and Tariffs</b>	Analyzing customers' needs, making recommendations to the Supervisory Board and/or the executive bodies for the development of depository and settlement products and NSD's pricing policy.
<b>Customer Committee for Registrar and Depository Relations</b>	Making recommendations to the Supervisory Board and/or the executive bodies to improve existing methods of interaction between NSD and registrars, and proposals to change existing technologies being used for the interaction between NSD and registrars.
<b>Central Securities Depository Customer Committee</b>	Approval of internal regulations of NSD as the central securities depository and NSD's fees for CSD services.

## Committees of the Executive Board

Committee	Mission
<b>Risk Management Committee</b>	Assistance to the Executive Board in the field of corporate governance and risk management improvement.
<b>Tender Committee</b>	Securing the best terms for procuring goods, services, and works needed to support NSD's operations, and minimizing the risk of NSD's contractors failing to deliver.
<b>Product and Project Committee</b>	NSD's project management.
<b>Repository Services Customer Committee</b>	Review and pre-approval of internal regulations relating to NSD's trade repository operations. Considering proposals and making recommendations for the development and improvement of NSD's trade repository activities.
<b>Risk Management Committee for Payment System</b>	Considering proposals and making recommendations to NSD's executive bodies in the field of risk management in the NSD Payment System.
<b>Committee on the Development of Corporate Actions and Corporate Information Center</b>	Considering proposals and making recommendations to NSD's Executive Board for the development of the Corporate Actions and Corporate Information Center.
<b>Securities Services Development Committee</b>	Considering proposals and formulating recommendations on various issues associated with NSD's securities services.

## Committees of the Chairperson of the Executive Board

Committee	Mission
Architectural Committee	Making proposals to ensure uninterrupted operation of IT infrastructure, development of the IT strategy, and monitoring its implementation.
Change Management Committee	Quality analysis of controls in the course of updating software or IT infrastructure, and risk management in the course of making updates.

## Supervisory Board members elected at the annual General Meeting of Shareholders on 30 May 2019<sup>1</sup>

Eddie Astanin	Svetlana Balanova
Paul Anne F. Bodart	Mikhail Bratanov
Oleg Vyugin	Andrey Golikov
Yury Denisov	Bella Zlatkis
Bella Zlatkis	Sergey Lykov
Paul James Ostling	Anton Ostrovskiy
Andrey Popov	Nadezhda Ushakova
Ilya Yuzhanov	

<sup>1</sup> Information on the Supervisory Board members elected on 30 May 2019 is available in NSD's Annual Report for 2019.



## Supervisory Board members elected at the annual General Meeting of Shareholders on 2 June 2020. Information on the Supervisory Board Members<sup>1</sup>

### Eddie Astanin

**Date of birth:**

16 December 1961

**Education:**

- 1984. Mozhaisky Military Engineering Institute.
- 1996. Institute for Further Training and Qualification Upgrade in Finance and Banking at the Finance Academy under the Government of the Russian Federation.
- 1992. Ph.D. in Engineering Sciences.

**Positions held in the last 5 years, including membership in other organizations' management bodies:**

Organization	Position	Dates of appointment/election and resignation/removal
Central Counterparty National Clearing Centre	Chairman of the Management Board	From 18 June 2020
National Settlement Depository	Chairman of the Executive Board	11 November 2010 – 17 June 2020
S.W.I.F.T. SC	Member of the Board of Directors	From 11 June 2015
Settlement Depository Company (Joint Stock Company)	Member of the Board of Directors	From 29 March 2018
Stock Company Saint-Petersburg Currency Exchange	Member of the Board of Directors	31 May 2012 – 28 June 2018
Petersburg Settlement Center Limited	Member of the Board of Directors	19 May 2011 – 18 May 2017
Self-Regulatory Organization "National Finance Association" (NFA)	Board member	20 April 2011 – 13 April 2017

<sup>1</sup> As of 31 December 2020.

## Svetlana Balanova

### Date of birth:

5 October 1970

### Education:

- 1992. Moscow State Linguistic University (The Maurice Thorez Institute of Foreign Languages)
- 2000. Open University Business School (UK).
- 2019. Institute of Directors-IoD, UK.

### Positions held in the last 5 years, including membership in other organizations' management bodies:

Organization	Position	Dates of appointment/election and resignation/removal
JSC "Gazprom-Media Holding"	First Deputy General Director	From 27 March 2020
	Board member	From 29 September 2020
IBS Expertise LLC	General Director	27 December 2013 – 27 March 2020
IBS IT Services PJSC	General Director, Member of the Board of Directors	8 August 2017 – 24 June 2020
Ruform Limited Liability Company	Chairperson of the Board of Directors	From 29 December 2020
	Member of the Board of Directors	30 September 2020 – 28 December 2020
JSC "KINOCENTR "OKTYABR"	Chairperson of the Board of Directors	From 10 September 2020
	Member of the Board of Directors	2 September 2020 – 9 September 2020
JSC "NTV Broadcasting Company"	Member of the Board of Directors	From 31 August 2020

Organization	Position	Dates of appointment/election and resignation/removal
Charity Fund "OPEN WORLD"	Member of the Board of Trustees	From 31 August 2020
OJSC TELEBAZIS	Member of the Board of Directors	From 29 July 2020
JSC "TNT-Broadcasting Network"	Member of the Board of Directors	From 21 July 2020
Telekanal TNT4 LLC	Member of the Board of Directors	From 17 July 2020
TV and Radio Company 2x2 LLC	Member of the Board of Directors	From 16 July 2020
Broadcast and Production Union Red Media LLC	Member of the Board of Directors	From 16 July 2020
LLC "Telekanal TV3"	Member of the Board of Directors	From 16 July 2020
Seven Days Publishing House CJSC	Member of the Board of Directors	From 14 July 2020
GPM Entertainment Television LLC	Member of the Board of Directors	From 3 July 2020
Aura-Media LLC	Member of the Board of Directors	From 30 June 2020
Gazprom-Media LLC	Member of the Board of Directors	From 30 June 2020
GPM-Digital LLC	Member of the Board of Directors	From 25 June 2020
PREMIER LLC	Member of the Board of Directors	From 11 June 2020
LLC "MT-TECHNOLOGIES"	Member of the Board of Directors	From 29 May 2020
Uma.Tech LLC	Member of the Board of Directors	From 30 April 2020
NTV-PLUS LLC	Member of the Board of Directors	From 17 April 2020
National Settlement Depository	Supervisory Board member	From 30 May 2019

## Paul Anne F. Bodart

**Date of birth:**

22 January 1953

**Education:**

- 1976. Université Catholique de Louvain, Belgium.
- 1986. INSEAD, Fontainebleau, France.

**Positions held in the last 5 years, including membership in other organizations' management bodies:**

Organization	Position	Dates of appointment/election and resignation/removal
Belfius Bank S.A.	Independent director and member of the Audit Committee	From 2016
Solvay Business School of the Brussels University	Professor in the Post Master in Financial Markets program	From 2013
Public Joint-Stock Company "Moscow Exchange MICEX-RTS" (Moscow Exchange)	Supervisory Board member	From 25 April 2019
Hellenic Financial Stability Fund (HFSF)	Managing Board member	From 15 April 2020
European Central Bank	T2S Board Member	July 2012 – December 2015
Dexia SA	Independent Director and Chairman of the Audit Committee	January 2013 – November 2016

## Mikhail Bratanov

**Date of birth:**

16 May 1973

**Education:**

- 1996. Moscow Institute of Electronic Technology (Technical University) (MIET).
- 2003. Moscow Institute of Electronic Technology (Technical University) (MIET), post-graduate course, Ph.D. (Economics).
- 2011. The Moscow School of Management SKOLKOVO, Executive MBA.
- 2014: Institute of Directors (IoD), London, Great Britain, Cert IoD, Dip IoD,
- 2017: IoD Chartered Director.
- 2019. Centre for Effective Dispute Resolution, UK.

**Positions held in the last 5 years, including membership in other organizations' management bodies:**

Organization	Position	Dates of appointment/election and resignation/removal
PJSC ROSBANK	Head of Investor Services in Financial Markets, Regional Head of Societe Generale Securities Services (Russia and CIS)	From 16 November 2020
	Head of Securities Services, Regional Head of Societe Generale Securities Services (Russia and CIS)	1 February 2007 – 15 November 2020
Public Joint-Stock Company "Moscow Exchange MICEX-RTS" (Moscow Exchange)	Supervisory Board member	16 September 2011 – 27 April 2016, and 26 April 2018 – 28 April 2020
Professional Association of Registrars, Transfer Agents and Depositories (PARTAD)	Member of the Board of Directors	From 10 July 2008
Russian National Reinsurance Company	Supervisory Board member	From 29 July 2016
Self-Regulatory Organization "National Finance Association" (NFA)	Member of the Board of Directors	From 13 April 2017
Association "Improvement of Cottage Settlement "Pestovo"	Chairman of the Management Board	From 7 April 2018
RB Capital Asset Management LLC	Member of the Board of Directors	From 5 June 2020
RB Specialized Depository LLC	Member of the Board of Directors	11 May 2016 – 25 June 2020

## Yury Denisov

**Date of birth:**

31 May 1970

**Education:**

- 1993. Moscow State Institute of International Relations of the Ministry of Foreign Affairs of Russia.

**Positions held in the last 5 years, including membership in other organizations' management bodies:**

Organization	Position	Dates of appointment/election and resignation/removal
Public Joint-Stock Company "Moscow Exchange MICEX-RTS" (Moscow Exchange)	Chairman of the Executive Board and CEO	From 16 May 2019
Public Joint-Stock Company "Moscow Exchange MICEX-RTS" (Moscow Exchange)	Supervisory Board member	25 June 2013 – 28 April 2020
Central Counterparty National Clearing Centre	Supervisory Board member	From 29 May 2008
The Russian Union of Industrialists and Entrepreneurs	Executive Board member	From 9 October 2019



## Bella Zlatkis

### Date of birth:

5 July 1948

### Education:

- 1970. Moscow Finance Institute.
- 1978. All-Union Correspondence Financial Institute, post-graduate course.
- Ph.D. (Economics).

### Positions held in the last 5 years, including membership in other organizations' management bodies:

Organization	Position	Dates of appointment/election and resignation/removal
Sberbank	Deputy Chairperson of the Executive Board	From 28 May 2004
	Member of the Executive Board	From 8 July 2005
Public Joint-Stock Company "Moscow Exchange MICEX-RTS" (Moscow Exchange)	Supervisory Board member	From 16 September 2011
Sberbank	Supervisory Board member	30 June 2000 – 29 May 2015 and from 8 June 2018

## Oksana Loginova

### Independent director

**Date of birth:**

18 October 1970

**Education:**

- 1993. Lomonosov Moscow State University
- 2018. University of Oxford, UK, Diploma in Strategy & Innovation
- 2004. Swinburne University, Australia, MBA
- 2019. Institute of Directors-IoD, UK

**Positions held in the last 5 years, including membership in other organizations' management bodies:**

Organization	Position	Dates of appointment/election and resignation/removal
SBER LEGAL LLC	Member of the Board of Directors (Independent), Member of the Strategy Committee	From 25 April 2019
Sberbank	Managing director, Deputy Head of Corporate and Investment Business Department, Deputy Head of Financial Market Department	22 September 2008 – 29 December 2017

## Sergey Lykov

**Date of birth:**

12 December 1952

**Education:**

- 1975. Moscow Finance Institute.
- 1988. All-Union Distance Institute of Finance and Economics, post-graduate course, Ph.D. (Economics).

**Positions held in the last 5 years, including membership in other organizations' management bodies:**

Organization	Position	Dates of appointment/election and resignation/removal
State Development Corporation "VEB.RF"	Deputy Chairman of the Management Board, Member of the Management Board	From 28 June 2007
Central Counterparty National Clearing Centre	Chairman of the Supervisory Board, Deputy Chairman of the Supervisory Board	From 28 January 2009
	From 28 January 2009	20.05.2004 – 27.04.2016
Moscow Exchange	Supervisory Board member	20 May 2004 – 27 April 2016
Sviaz-Bank	Member of the Board of Directors	22 January 2009 – 6 February 2017
VEB-Leasing JSC	Member of the Board of Directors	29 June 2015 – 30 June 2016



## Paul James Ostling Independent director

### Date of birth:

22 September 1948

### Education:

- 1969. Fordham University (Mathematics, Philosophy).
- 1973. Fordham University School of Law.
- 1973. Academic degree: JD Cum Laude.
- 1983. Harvard University, advanced management program.

### Positions held in the last 5 years, including membership in other organizations' management bodies:

Organization	Position	Dates of appointment/election and resignation/removal
Uralkali, PJSC	Member of the Board of Directors	From 2011
Business Council for International Understanding (Non-profit organization)	Board member	From 2001
Boy Scouts of America Transatlantic Council (non-profit organization)	Member of the Board of Directors	From 2007
Microcredit company "SimpleFinance" Limited Liability Company	Member of the Board of Directors	From 2019
PSINOS Inc.	Chairman of the Board of Directors	From 2013
PSIN ADVISORS LIMITED	Chairman of the Board of Directors	2018 – 2019
Phoenix Neftegaz Services, LLC	Member of the Board of Directors	2009 – 2019
Brunswick Rail Limited	Chairman of the Board of Directors	2012 – 2015
	Member of the Board of Directors	2015 – 2016
	Chairman of the Board of Directors	From early 2016 to 15 November 2016
	General Director	From early 2016 to 15 November 2016

## Anton Ostrovskiy Independent director

### Date of birth:

14 February 1971

### Education:

- 1993. Moscow State Institute of International Relations of the Ministry of Foreign Affairs of Russia.

### Positions held in the last 5 years, including membership in other organizations' management bodies:

Organization	Position	Dates of appointment/election and resignation/removal
Fund "Institute of Contemporary Development"	Deputy Research Advisor – Director, Head of Research and Project Activities	From 1 November 2018
Endowment Fund "InSovR-Capital"	Director	20 May 2008 – 31 October 2018
	Board member	From 21 May 2008
All-Russian Insurance Association	Advisor to the President	1 September 2013 – 31 December 2016

## Andrey Popov

### Independent director

**Date of birth:**

21 January 1973

**Education:**

- 1995. Truman State University (Missouri, USA).
- 1996. Finance Academy under the Government of the Russian Federation.

**Positions held in the last 5 years, including membership in other organizations' management bodies:**

Organization	Position	Dates of appointment/election and resignation/removal
JSC Raiffeisenbank, Russia	Deputy Head (IT) of Banking Transactions and IT Directorate	20 June 2011 – 9 January 2013
	Chief Information Officer (CIO)	9 January 2013 – 24 December 2018
	Member of the Management Board	1 January 2013 – 24 December 2018
PJSC Bank ZENIT	Member of the Board of Directors	2 June 2020 – to date
Central Counterparty National Clearing Centre	Supervisory Board member	30 June 2020 – to date

## Nadezhda Ushakova Independent director<sup>1</sup>

**Date of birth:**

6 February 1967

**Education:**

- 1989. State Finance Academy.

**Positions held in the last 5 years, including membership in other organizations' management bodies:**

Organization	Position	Dates of appointment/election and resignation/removal
VTB Bank	Senior Vice President, Head of Depository, VTB Bank	21 September 2009 – 6 November 2020
VTB Capital (in parallel)	Team Leader, Department of Fixed Income Market Transactions	21 September 2009 – 28 February 2017
	Team Leader, Office of the General Director	1 March 2017 – 30 June 2020
JSC VTB Specialized Depository	Chairperson of the Board of Directors	From 29 June 2010

<sup>1</sup> From 9 November 2020.



## Ilya Yuzhanov Independent director

### Date of birth:

7 February 1960

### Education:

- 1982. Leningrad State University.
- 1989. Ph.D. (Economics).
- 2013. Institute of Directors, UK, IoD Chartered Director.

### Positions held in the last 5 years, including membership in other organizations' management bodies:

Organization	Position	Dates of appointment/election and resignation/removal
United Wagon Company	Member of the Board of Directors	March 2015 – March 2019
Independent Directors Association, Russia	Supervisory Board member	July 2011 – February 2019
ROSNANO	Member of the Board of Directors	From June 2015
Consumer Council for the Activities of Russian Railways OJSC and its Subsidiaries, established within the Government Transport Commission of the Russian Federation	Chairman of the Council	From January 2016
Polyus Gold International Limited	Chairman of the Board of Directors	October 2013 – March 2016

The members of the Supervisory Board do not own any shares in NSD.

## Information on the Executive Board Members

### Eddie Astanin<sup>1</sup>

**Date of birth:**

16 December 1961

**Education:**

- 1984. Mozhaisky Military Engineering Institute.
- 1996. Institute for Further Training and Qualification Upgrade in Finance and Banking at the Finance Academy under the Government of the Russian Federation.
- 1992. Ph.D. in Engineering Sciences.

**Positions held in the last 5 years, including membership in other organizations' management bodies:**

Organization	Position	Dates of appointment/election and resignation/removal
Central Counterparty National Clearing Centre	Chairman of the Management Board	From 18 June 2020
National Settlement Depository	Chairman of the Executive Board	11 November 2010 – 17 June 2020
S.W.I.F.T. SC	Member of the Board of Directors	From 11 June 2015
Settlement Depository Company (Joint Stock Company)	Member of the Board of Directors	From 29 March 2018
Stock Company Saint-Petersburg Currency Exchange	Member of the Board of Directors	31 May 2012 – 28 June 2018
Petersburg Settlement Center Limited	Member of the Board of Directors	19 May 2011 – 18 May 2017
Self-Regulatory Organization "National Finance Association" (NFA)	Board member	20 April 2011 – 13 April 2017

<sup>1</sup> Until 17 June 2020 (inclusive).

## Maria Krasnova

**Date of birth:**

13 February 1970

**Education:**

- 1992. Lomonosov Moscow State University.

**Positions held in the last 5 years, including membership in other organizations' management bodies:**

Organization	Position	Dates of appointment/election and resignation/removal
National Settlement Depository	Acting Chairman of the Executive Board	From 18 June 2020
	Deputy Chairman of the Executive Board	From 1 July 2013
	Vice President, Director for Corporate Matters, Risks and Legal Support (in parallel)	6 April 2012 – 30 June 2013
	Deputy Chairman of the Executive Board	21 July 2011 – 5 April 2012

## Irina Antonova<sup>1</sup>

**Date of birth:**

13 April 1965

**Education:**

- 1988. Plekhanov Moscow Institute of National Economy

**Positions held in the last 5 years, including membership in other organizations' management bodies:**

Organization	Position	Dates of appointment/election and resignation/removal
National Settlement Depository	HR Director	21 November 2011 – to date

## Pavel Andrianov<sup>2</sup>

**Date of birth:**

20 June 1972

**Education:**

- 1995. Moscow State Aviation Institute (Technical University)

**Positions held in the last 5 years, including membership in other organizations' management bodies:**

Organization	Position	Dates of appointment/election and resignation/removal
National Settlement Depository	IT Director	30 July 2018 – to date
	Director of IT Development Department	13 January 2014 – 30 July 2018

<sup>1</sup> From 18 February 2020.

<sup>2</sup> From 6 February 2020.

## Irina Veremeenko

**Date of birth:**

24 May 1965

**Education:**

- 1987. Moscow Finance Institute.

**Positions held in the last 5 years, including membership in other organizations' management bodies:**

Organization	Position	Dates of appointment/election and resignation/removal
National Settlement Depository (NSD) (formerly known as MICEX Settlement House)	Chief Accountant, Director of Accounting and Reporting Department	From 25 September 2000

## Andrey Shlyappo

**Date of birth:**

12 September 1968

**Education:**

- 1998. Moscow State Institute of Steel and Alloys (Technological University).

**Positions held in the last 5 years, including membership in other organizations' management bodies:**

Organization	Position	Dates of appointment/election and resignation/removal
National Settlement Depository	Deputy Chairman of the Executive Board	From 1 April 2014
	Vice President, Director of Operations	1 February 2012 – 31 March 2014
	Director of Depository Transactions Department	11 November 2010 – 31 January 2012

The members of the Executive Board do not own any shares in NSD.

# Shareholders

On 21 November 2019, NSD's shareholders signed the amended and restated Shareholders Agreement with respect to NSD, and NSD became a party to the Shareholders Agreement. Moscow Exchange holds a 99.997% interest in NSD's share capital, while each of the other 33 shareholders (banks, brokerage firms, registrars, Republican Unitary Enterprise "Republican Central Securities Depository" (Republic of Belarus), and ICSDs (Euroclear Bank SA/NV и Clearstream Banking S.A.)) holds one share. The full list of NSD's shareholders is posted on NSD's web site at <https://www.nsd.ru/en/about/korporativnoe-upravlenie/aktsionery/>. Thanks to such shareholder structure, the Shareholders Agreement strikes a balance between shareholders' interests and interests of NSD's service users.

The Shareholders Agreement needed to be amended and restated to reflect certain changes in Russian laws and regulations applicable to the CSD. Besides, since the execution of the previous Shareholders Agreement in 2011, NSD, in addition to acting as CSD, has taken a number of other infrastructure roles, including those of a systemically important trade repository and a nationally important payment system, all of which required to update the Shareholders Agreement. The Shareholders Agreement demonstrates that the Moscow Exchange Group is willing to establish a corporate governance system that is transparent to securities market participants.

Because certain international central securities depositories became shareholders in 2014, NSD is now able to position itself as a Eurasian (regional) international central securities depository. This allows NSD to offer foreign investors CSD services for execution of transactions in securities of Russian or other CIS issuers, and also to offer investors from CIS countries services for execution of transactions in foreign securities through accounts held by international or CIS CSDs with NSD.

The presence of foreign infrastructure institutions among NSD's shareholders demonstrates that Russia's central securities depository is recognized in the global arena and that its corporate governance system is trusted.

## General Meeting of Shareholders

The proceedings of General Meetings of Shareholders are governed by the Rules of Procedure of NSD's General Meeting of Shareholders approved by the General Meeting.

On 2 June 2020, the annual General Meeting of Shareholders approved NSD's Annual Report for 2019 and appointed NSD's external auditor. In addition, the General Meeting addressed such matters as profit distribution and dividend payment for 2019, elected the new members of the Supervisory Board and Internal Audit Commission, took decisions on remuneration of the Supervisory Board members, and approved the amended and restated Regulations on NSD's Supervisory Board.

In 2020, two extraordinary General Meetings of Shareholders were held:

- the first one held on 22 January 2020 approved amendments to NSD's Articles of Association and approved the amended and restated Regulations on NSD's Supervisory Board;
- the second one held on 9 April 2020 resolved to distribute NSD's retained earnings of previous years as dividends.

## Registrar

The Registrar maintaining the share register of NSD is Registrar Society "STATUS" Joint-Stock Company.

# Report on the Payment of Declared (Accrued) Dividends on the Shares in NSD

In accordance with Federal Law No. 208-FZ dated 26 December 1995 “On Joint-Stock Companies”, a company may declare dividends on its issued and outstanding shares and is required to pay the dividends so declared.

The extraordinary General Meeting of Shareholders held on 9 April 2020 passed the following resolutions in relation to dividend payment to NSD’s shareholders:

1. Distribute NSD’s prior years’ retained earnings as follows: allocate RUB 1.85 billion for paying dividends to NSD’s shareholders.
2. Determine the dividend amount of RUB 1,566.9 per NSD’s registered ordinary share before dividend income tax under Article 284 (sub-paragraph 1, paragraph 3) of the Tax Code of the Russian Federation.

3. Approve the date of 20 April 2020 as the record date for the payment of dividends.
4. Pay the dividends within the time limits required by the Russian laws.

The dividends were paid in full and within the prescribed timeframe.

The annual General Meeting of Shareholders held on 2 June 2020 passed the following resolutions:

1. Not distribute NSD’s net profit for reporting year 2019 amounting to RUB 3,707,094 thousand, which shall be retained by NSD at its disposal.
2. Neither declare, nor pay dividends out of NSD’s net profit for reporting year 2019.

## Remuneration of NSD's Supervisory Board Members

In accordance with the Federal Law "On Joint-Stock Companies", the General Meeting of Shareholders may resolve to pay remuneration to Supervisory Board members during their term in office. The amount of such remuneration is to be approved by the General Meeting of Shareholders in accordance with NSD's Supervisory Board Members' Remuneration and Expenses Reimbursement Regulations.

In determining the amount of remuneration payable to Supervisory Board members, the following factors are taken into account:

- independent director status;
- the exercise of functions of Chairperson / Deputy Chairperson of the Supervisory Board;

- Supervisory Board Committee membership;
- the exercise of functions of Supervisory Board Committee Chairperson; and
- attendance at in-person Supervisory Board meetings and meetings of Supervisory Board Committees.

The total remuneration paid in 2020 to the Supervisory Board members amounted to RUB 80,197 thousand, including RUB 41,371 thousand paid to the independent directors.

## Remuneration of NSD's Executive Board Members

In accordance with NSD's Articles of Association, the amount of remuneration is approved by the Supervisory Board.

Remuneration payable to the Executive Board members comprises three components:

- Monthly remuneration (salary) payable for the performance of duties under the employment contract;

- Performance-based remuneration. Key performance indicators are set by the Supervisory Board in accordance with the recommendations made by the Nomination and Remuneration Committee of the Supervisory Board. Individual key performance indicators are set for each Executive Board member, and the amount of remuneration payable to that member depends on whether the KPIs are achieved; and
- Moscow Exchange Share-Based Long-Term Incentive Plan.

# NSD's Supervisory Board Committees and Other Committees

## Audit Committee

### Mission:

The Audit Committee's role is to ensure efficient work of NSD's Supervisory Board in organizing the internal control and external audit system, as well as risk management at NSD.

In 2020, NSD faced such global challenges as COVID and the need to transition most employees to remote work and to implement proper controls. Throughout the reporting year, the Audit Committee and NSD's business units, operating and control departments were actively involved in addressing these challenges. Despite the continuing volatility caused by the underlying factors, NSD continued to display stability in providing clients services. As part of the regular review process and tender procedures, the ad hoc commission established by the Moscow Exchange Group to select service providers took a decision to replace the external auditor for 2021. In 2020, NSD's control departments started using a standardized system designed for risk management and for addressing controversies within NSD to improve the effectiveness of those processes. To find an optimal solution, the Audit Committee took part in formulating principles of effective cooperation between the Moscow Exchange Group companies' departments in charge of risk management, internal audit, and internal control.

### Members (as of 31 December 2020):

Members (as of 31 December 2020):	
1	<b>Paul James Ostling</b> <b>Chairperson of the Committee</b> Independent member of NSD's Supervisory Board
2	<b>Oksana Loginova</b> Independent member of NSD's Supervisory Board
3	<b>Anton Ostrovskiy</b> Independent member of NSD's Supervisory Board
4	<b>Andrey Popov</b> Independent member of NSD's Supervisory Board
5	<b>Nadezhda Ushakova</b> Independent member of NSD's Supervisory Board

### Highlights of the year:

In 2020, the Audit Committee held 12 meetings and dealt with 66 issues.

At its meetings, the Audit Committee mainly reviewed regular reports of the Risk Management, Internal Audit, and Internal Control Departments and of the Information Security Division; matters relating to internal risk management, control, and audit processes; and external audit findings (encompassing audit of NSD's financial statements and operational audit).

### Key objectives in 2021:

Geopolitical and cybersecurity risks will remain key risks in 2021 along with risks relating to new areas of business, which normally require involvement of the Audit Committee in establishing whether proper risk management measures and controls are in place. The Audit Committee will also focus on ESG factors and related operational risks to ensure NSD's future sustainable development.

In 2021, the Audit Committee will continue coordinating the work of risk management, internal audit, and internal control functions within the Moscow Exchange Group to enable them to achieve synergy at the Group level, while maintaining proper independence and ensuring compliance with all applicable statutory requirements.

## Budget Committee

### Mission:

The Budget Committee's role is to improve the efficiency of NSD's Supervisory Board by ensuring proper control over the way funds are received and spent at NSD. The Committee thoroughly prepares materials to be considered at NSD's Supervisory Board meetings on matters relating to financial planning and financial resources management at NSD.

### Members (as of 31 December 2020):

1	<b>Maxim Lapin</b>	<b>Chairperson of the Committee</b> Chief Financial Officer, Moscow Exchange
2	<b>Mikhail Bratanov</b>	Regional Head of Societe Generale Securities Services (Russia and CIS), Head of Investor Services in Financial Markets
3	<b>Andrey Popov</b>	Independent member of NSD's Supervisory Board
4	<b>Nadezhda Ushakova</b>	Independent member of NSD's Supervisory Board

### Highlights of the year:

In 2020, the Committee held 9 meetings.

The priorities for the Committee were various matters relating to NSD's budgeting and budget implementation processes; approval of fees for NSD's services; and approval of the amount of NSD's economic capital and dividends payable to NSD's shareholders.

In addition to addressing usual matters, the Committee achieved the following two key objectives: first and foremost, transition from the standard annual budgeting process to flexible three-year business planning; and second and equally important, transition to a new strategic benchmark in determining the amount of economic capital, i.e., economic capital under stressed conditions instead of the target level of economic capital. Both achievements contribute to greater confidence in maintaining NSD's financial strength and provide enhanced tools for making management decisions in furtherance of the NSD Development Strategy 2024 approved by NSD's Supervisory Board.

In 2021, the Committee will focus on implementing and updating NSD's three-year business plan, monitoring and achievement of financial KPIs (both Group-wide KPIs and NSD's specific KPIs), the Free Cash Flow situation, and revision of fees for the 'Registrar of Financial Transactions' and 'Pension Operator of the Guaranteed Pension Plan' projects.

## Nomination and Remuneration Committee

### Mission:

In-depth analysis of matters relating to the recruitment, assessment and remuneration of NSD's senior managers, including Supervisory Board members, the Chairman of the Executive Board, Executive Board members, and other key employees and members of the Internal Audit Commission, and preparation of materials to be considered at Supervisory Board meetings.

### Members (as of 31 December 2020):

1	<b>Ilya Yuzhanov</b>	<b>Chairperson of the Committee</b> Independent director
2	<b>Mikhail Bratanov</b>	Regional Head of Societe Generale Securities Services (Russia and CIS), Head of Investor Services in Financial Markets
3	<b>Yury Denisov</b>	Chairman of the Executive Board and CEO, Moscow Exchange
4	<b>Bella Zlatkis</b>	Deputy Chairperson of the Executive Board, Sberbank

### Highlights of the year:

In 2020, the Committee held 8 meetings at which the Committee members made recommendations concerning the composition of NSD's Executive Board and remuneration payable to the Executive Board members, as well as recommendations as to:

- new nominees to the Supervisory Board to be elected at the annual General Meeting in 2020;
- NSD's Key Performance Indicators (KPI) for 2020 and assessment of the achievement of NSD's KPIs for 2019;
- remuneration of the Chairman of the Executive Board and Executive Board members for 2019, and remuneration of the heads of the business units in charge of internal control and risk management;
- resignation of the Chairman of NSD's Executive Board and appointment of the Acting Chairman of NSD's Executive Board;
- updating NSD's employee compensation plans in accordance with Bank of Russia's Instruction No. 154-I dated 17 June 2014; and
- NSD's corporate Key Performance Indicators for 2021.

The Committee Chairman coordinated efforts to assess the state of corporate governance at NSD based on the results of 2019.

## Technological Policy and Development Committee

### Mission:

Analysis of development of NSD's IT systems to ensure they meet the needs of financial markets participants, and making recommendations to the Supervisory Board and the Executive Board on matters relating to the technological policy concerning the creation, maintenance, operation, and development of such IT systems.

### Members (as of 31 December 2020):

1	<b>Vadim Kulik</b>	<b>Chairperson of the Committee</b> Deputy President and Chairman of VTB Bank (PJSC)
2	<b>Svetlana Balanova</b>	First Deputy General Director, JSC "Gazprom-Media Holding"
3	<b>Dmitry Ereemeev</b>	President, FIX Group
4	<b>Igor Kalganov</b>	General Director, LLC "Center of Practical Application of Blockchain Technology Orbita"
5	<b>Maxim Krasnykh</b>	Chief Operating Officer, Gett
6	<b>Vladimir Kurlyandchik</b>	Director for Development, ARQA Technologies
7	<b>Kirill Menshov</b>	Senior Vice President for IT, PJSC "Rostelecom"
8	<b>Andrey Popov</b>	Independent member of NSD's Supervisory Board
9	<b>Oskar Hartmann</b>	Member of the Board of Directors, AO "ALFA-BANK"
10	<b>Yuri Yartsev</b>	Deputy Head of the Project Office Department, Moscow Office of BCS Prime Brokerage Limited

### Highlights of the year:

In 2020, the Committee held two meetings to address IT architecture modernization of NSD's Alameda system used for depository and clearing recordkeeping purposes.

It is expected that throughout 2021, the Committee will focus on implementing and updating NSD's IT strategy and taking part in expert discussions of various other matters relating to technology development at NSD, including revision of NSD's Technological Policy, feasibility study of the initiative to establish a Group-wide center of expertise in artificial intelligence and machine learning, and approval of a solution to be selected for NSD's payment system.

## Strategy Committee

### Mission:

Making recommendations to NSD's Supervisory Board as to the worst-case, baseline, and best-case scenarios and the strategy of NSD's development for a new period.

Monitoring the progress in the implementation of NSD's current strategy, assessing the need to adjust NSD's current strategy, and making relevant proposals to the Supervisory Board.

### Members (as of 31 December 2020):

1	<b>Paul Anne F. Bodart</b>	<b>Chairperson of the Committee</b>
2	<b>Eddie Astanin</b>	Chairman of the Management Board, CCP NCC
3	<b>Mikhail Bratanov</b>	Head of Investor Services in Financial Markets, Regional Head of Societe Generale Securities Services (Russia and CIS)
4	<b>Anton Ostrovskiy</b>	Independent member of NSD's Supervisory Board
5	<b>Andrey Popov</b>	Independent member of NSD's Supervisory Board

### Highlights of the year:

In 2020, the Committee held five meetings.

At its meetings, the Committee regularly analyzed the impact of COVID on NSD's business and strategic initiatives and assessed the need to adjust the NSD Development Strategy.

In particular, the Committee addressed the following matters:

- The progress report on the Implementation of the NSD Development Strategy in 2019. The implementation of the NSD Development Strategy in 2019 was found to be satisfactory.
- The report on the Implementation of NSD's Risk Management Development Strategy. The Committee also approved the risk management priorities for 2020-2021.
- The findings of the internal audit of the NSD Development Strategy 2019-2024 by NSD's Internal Audit Department. The audit revealed no shortcomings that posed a high level of risk.
- The possible implications and impacts of external shocks on NSD's performance. Overall, the manifestation of external shocks did not significantly affect NSD's business in 2020. The need to adjust the NSD Development Strategy on an urgent basis was not identified.
- Ensuring the robustness and evolution of NSD's products and services amid the pandemic. The Committee approved the proposed approach to operate NSD's business in the context of the pandemic.

The status of the different strategic initiatives was monitored on a regular basis:

- The initiative to become the Operator of the Guaranteed Pension Plan (GPP);

- The initiative to become a central Registrar of Financial Transactions (RoFT);
- The Transit 2.0 Initiative to develop a financial messaging system's service bureau for communications between companies and their banks;
- The initiative to continue to develop and diversify NSD collateral management suite of services and systems;
- The initiative to develop links with foreign markets and foreign CSDs with a double objective: support Russian investors willing to invest in foreign assets; support foreign investors willing to invest in Russian assets;
- The initiative to strengthen NSD information security framework and systems.

The Committee also discussed and approved plans of actions for the following prospective initiatives:

- The initiative to become infrastructure for digital assets;
- The initiative to develop a Marketplace for OFZ-N (federal loan bonds for individuals);
- The initiative to support settlement of transactions in the commodity markets;
- Modernization of the core system infrastructure ("Alameda") of NSD.

In 2021, the Committee will continue to monitor the progress on all the initiatives included in the NSD Development Strategy 2019-2024 and the new prospective initiatives launched in 2020. The Committee will review the progress report on the implementation of the NSD Development Strategy in 2020.

The Committee will also assess possible new initiatives. A particular emphasis will be made on:

- The possible evolution of the operating model of the organization, leveraging the lessons learned from the pandemic crisis;
- The possible need to adjust the current Development Strategy to take into account changes observed in the Russian financial markets and possible external shocks;
- The possible need to adjust the existing Development Strategy to take into account the global evolution toward a more ESG compliant and climate-friendly world.

## Customer Committees of the Supervisory Board

### Central Securities Depository Customer Committee

#### Mission:

The Committee is responsible to review and approve internal regulations (amendments thereto) of NSD as central securities depository, including regulations that require approval by the Bank of Russia.

#### Chairperson:

Svetlana Kamasheva, Vice President, Head of Depository's New Product Development Department, VTB Bank (PJSC)<sup>1</sup>.

<sup>1</sup> Before 1 August 2019, the Committee was headed by Alexey Fedotov, Deputy Head of Depository, Russian Agricultural Bank.

### Highlights of the year:

In 2020, the Committee held three meetings at which the Committee elected its Chairperson and Deputy Chairperson, approved the fee schedule for CSD's services, and the amended and restated Terms and Conditions of Depository Operations of National Settlement Depository.

## Customer Committee for Quality Control and Risk Management

### Mission:

The key role of the Customer Committee for Quality Control and Risk Management is to make recommendations to NSD's Supervisory Board and executive bodies on the following matters:

- NSD's customer policy, in particular a client onboarding process and servicing principles applicable to various client categories;
- NSD's marketing policy in promoting its services;
- improving customer services and ensuring control over their quality, including in the field of software, hardware and technological support of NSD's activities;
- improving products and services offered by NSD;
- reducing NSD's operational risks in delivering services;
- informing NSD's customers about new products and services, and supporting the promotion of such services in the financial services market; and
- approving internal regulations relating to NSD's clearing operations.

### Chairperson:

Vladimir Itunin, Head of Operations, Alfa-Bank.

### Highlights of the year:

In 2020, the Committee held one meeting at which the Committee elected its Deputy Chairperson. At the meeting, the Committee also reviewed and discussed NSD's report on Customer Satisfaction Index in 2019, information concerning the risk management system, and the steps taken to ensure NSD's business continuity in the pandemic environment.

## Customer Committee for Settlement and Depository Services and Tariffs

### Mission:

The key functions of the Customer Committee for Settlement and Depository Services and Tariffs are as follows:

- liaising with financial market participants for the purpose of studying customers' needs and analyzing new market trends; and
- making recommendations to NSD's Supervisory Board and executive bodies on the following matters:
  - development of depository and settlement services and products;
  - development and standardization of a pricing model;
  - marketing policy aimed at offering competitive services; and
  - other matters directly relating to NSD's Development Strategy.

### Chairperson:

Ksenia Vlasova, Head of Operations, Business Support Department, Aton LLC.

### Highlights of the year:

In 2020, the Committee held three meetings at which the Committee addressed transition from Luch software to the Web-client solution for interchanging untyped messages between NSD and its clients, the data standard for depository statements in the XML format, and a number of legislative initiatives proposed by NSD:

- The initiative to make amendments to laws to allow foreign nominee holders to open special bank accounts intended to hold cash funds of their customers, with such cash funds being protected against any restrictive and/or enforcement measures that can be taken against the account owner.
- The initiative to make amendments to the Federal Law “On Foreign Exchange Regulation and Foreign Exchange Control” to add transactions relating to the exercise of rights attached to non-Russian securities and the exercise/performance of related rights/obligations to the list of permissible foreign-currency transactions between Russian residents.
- The initiative to make amendments to laws to implement a single approach to the conduct of bonds-related corporate actions.

## Customer Committee for Registrar and Depository Relations

### Mission:

The key functions of the Customer Committee for Registrar and Depository Relations are as follows:

- making recommendations to improve NSD’s existing relations with registrars that maintain registers of registered securities holders, and with specialized depositories that maintain registers of UIT unit holders;
- making proposals to change NSD’s communication technologies being used to interact with registrars, including electronic data interchange technologies;
- making proposals to design new technologies to improve the quality of NSD’s relations with registrars and specialized depositories; and
- addressing any other matters relating to the Committee’s tasks and objectives.

### Chairperson:

Vadim Protasenko, First Deputy General Director, JSC Independent Registrar Company R.O.S.T.

### Highlights of the year:

In 2020, the Committee held two meetings at which the Committee discussed various issues arising in the course of interaction between NSD and its counterparties in the course of securities buy-backs in view of the amendments made to the Russian Tax Code, as well as the progress in changing the format of a list of holders of registered securities, and transition to a new format for electronic messages.

## Committees of the Executive Board

### Risk Management Committee

#### Mission:

The Risk Management Committee's role is to provide assistance to the Executive Board in the field of corporate risk management. The Committee focuses on improving and strengthening risk management at NSD and ensuring immediate response to critical risks.

#### Chairperson:

Maria Krasnova, Acting Chairman of the Executive Board, NSD.

#### Highlights of the year:

In 2020, the Committee held 12 meetings, at which the Committee members addressed a number of matters relating to operational reliability of NSD's services, operation and development of the risk management system, business continuity, and information security. In particular, the Committee focused on the following matters:

- steps aimed at enhancing the level of NSD's cyber security;

- information security testing;
- progress in the implementation of the business continuity and disaster recovery plans and plans for building resilient infrastructure;
- acceptance of risks in NSD's ongoing operations; and
- findings of investigations into the causes and circumstances of material incidents in NSD's operations, and steps taken to prevent their re-occurrence.

The outcomes of Committee meetings are regularly reported to the Executive Board.

### Risk Management Committee for Payment System

#### Mission:

The Committee makes recommendations in the field of risk management in the NSD Payment System, including recommendations as to the eligibility criteria for participation in the NSD Payment System, requirements to payment infrastructure service providers, and issues of information security in the NSD Payment System.

#### Chairperson:

Viktor Utkin, a representative of Alfa-Bank.

#### Highlights of the year:

In 2020, the Committee held one meeting at which the Committee reviewed and discussed the Report "Ensuring Business Continuity of NSD and NSD Payment System in the Novel Coronavirus Environment" presented by Andrey Lazutkin, Head of NSD's Business Continuity Service.

## Tender Committee

### Mission:

Securing the best terms for procuring goods, services, and works needed to support NSD's operations, and minimizing the risk of NSD's contractors failing to deliver.

### Chairperson:

Timofey Sklyarov, Head of NSD's Security Division<sup>1</sup>.

### Highlights of the year:

In 2020, the Committee held 33 meetings, addressing more than 100 matters and taking decisions on 79 procurement contracts. Most procurement contracts were applied for by the Administrative Affairs Division for the purposes of fitting out NSD's office building, and by IT units to purchase or extend software licences.

## Product and Project Committee

### Mission:

The Committee was set up to manage project activities at NSD, including the development of new products and services. The Committee's key role is to assist the Executive Board in deciding on the project and product management of the company and to ensure that the project implementation complies with management policies and regulations.

### Chairperson:

Irina Veremeenko, Chief Accountant, Director of Accounting and Reporting Department, Executive Board member.

### Highlights of the year:

In 2020, the Committee held 24 meetings, at which the Committee discussed the following projects: modernization of the joint-stock company reorganization process; building a resilient IT infrastructure; WEB-client for banking services; NSD's adaptation to the CSDR and SRD II; NSD's migration to the new platform SVED ECOS (Alfresco); transit service for financial notifications; etc.

The following matters were addressed by the Committee:

- 1) Launch of pre-project stages;
- 2) Requests to change pre-project parameters;
- 3) Requests to change project parameters;
- 4) Project completion;
- 5) Closure of pre-project stages (without proceeding to further implementation);
- 6) Formulating recommendations to NSD's Executive Board to start implementation of projects;

<sup>1</sup> Prior to 11 June 2020: Georgy Uryutov, Director of NSD's General Economic Department.

- 7) Suspension of pre-project stages;
- 8) Monthly project progress reports;
- 9) Project status reports;
- 10) Changes to project organizational structures;
- 11) Proposals to make changes to the Committee composition.

## Repository Services Customer Committee

### Mission:

The Committee's primary role is to review and pre-approve NSD's internal regulations relating to NSD's trade repository operations, as well as to consider proposals and formulate recommendations for development and improvement of trade repository operations. The Committee comprises two sub-committees: the Trade Repository Sub-committee and the RoFT Sub-committee.

### Chairperson:

Ekaterina Merk, Head of Regulatory Reporting, Investment Operations Support Directorate, AO "ALFA-BANK"<sup>1</sup>.

### Highlights of the year:

In 2020, the Committee held 4 meetings at which the Committee approved the amended and restated Rules for the Provision of Repository Services by NSD and the new Fee Schedule for repository services.

## Committee on the Development of Corporate Actions and Corporate Information Center

### Mission:

The Committee's primary role is to consider proposals and make recommendations to NSD's Executive Board for the development of the Corporate Actions and Corporate Information Center.

### Chairperson:

Natalia Shtalenkova, Head of Product Development Division, Depository Services Department, Commercial Bank "J.P. Morgan Bank International" (Limited Liability Company).

### Highlights of the year:

In 2020, the Committee did not meet.

## Securities Services Development Committee

### Mission:

Considering proposals and formulating recommendations on various issues associated with NSD's securities services.

### Chairperson of the Committee:

Viktor Volgarev, Director of Finance and Development, VEB.RF.

<sup>1</sup> Prior to 10 April 2020: Marina Presnyakova, Executive Director, COO, Commercial Bank "J.P. Morgan Bank International" (Limited Liability Company).

### Highlights of the year:

In 2020, the Committee did not meet.

## Committees of the Chairperson of the Executive Board

### Change Management Committee

#### Mission:

The Committee's key role is to mitigate the negative impact that software updates have on the quality of services provided to NSD's clients. The Committee's objectives are analysis of whether control measures used or planned in connection with software updates are adequate; and development of measures to mitigate the risk of the negative impact that the software updates have on the quality of services.

#### Chairperson:

Andrey Shlyappo, Deputy Chairman of the Executive Board, Executive Board member.

#### Highlights of the year:

In 2020, the Committee held 15 meetings to discuss matters relating to the installation of software releases, as well as to the assessment of non-project-related requests.

### Architectural Committee

#### Mission:

The Architectural Committee's key responsibilities are as follows:

- making proposals to ensure failure-free and reliable operation of electronic systems and IT infrastructure critical for NSD's business; and
- making proposals to ensure competitive advantages and leadership for NSD by developing and monitoring the implementation of the IT strategy, introducing and using advanced and promising settlement, depository, and clearing technologies to address tasks set before NSD.

#### Chairperson:

Pavel Andrianov

#### Highlights of the year:

In 2020, the Committee held 18 meetings, at which the Committee, in particular, addressed such matters as preparation and approval of the plan of development and IT architecture concept of Alameda system; results of pilot testing of NSD's SVED application solution on the Alfresco platform; integration between MOEX Treasury and Transit 2.0; and the concept of NSD's microservices platform.