



**THE FOUNDATION
FOR SECURE
MARKETS**

#52339

Date: April 28, 2023

Subject: Mobile TeleSystems Public Joint Stock Company – Anticipated ADR Termination/Anticipated Cash Settlement/Anticipated Settlement Update
Option Symbol: MBT
Date: ???

Mobile TeleSystems Public Joint Stock Company (MBT) announced its intention to terminate the Deposit Agreement for Mobile TeleSystems Public Joint Stock Company American Depositary Receipts (“ADRs”) as of July 13, 2022 (“Termination Date”), thereby terminating the MBT ADR program. As a result of the termination of the Deposit Agreement, on or after the Termination Date, holders of the MBT ADRs may exchange their ADRs for securities underlying the ADRs.

At any time after the expiration of six months from the Termination Date or January 13, 2023, depending on market conditions, applicable law, rules or regulations, JPMorgan Chase Bank, N.A., (the “Depositary”) will attempt to sell the then-remaining securities held under the Deposit Agreement. If the Depositary sells such shares, holders who present their ADSs to the Depositary for cancellation will receive pro-rata cash proceeds from the sale, less applicable fees and withholdings, if any.

Effective March 16, 2022, the National Securities Clearing Corporation (“NSCC”) no longer accepted MBT exercise and assignment activity for settlement. As a result, all exercise and assignment activity for MBT options beginning March 16, 2022, was subject to broker-to-broker settlement, as stated in OCC Information Memos #50191, #50207, and #50609. Settlement of MBT exercise and assignment activity has been subject to delayed settlement since June 17, 2022, as stated in OCC Information Memo #50735.

On July 22, 2022 the Office of Foreign Assets Control of the U.S. Department of Treasury published Russia-related General License 45, which permitted, through 12:01 a.m. Eastern Daylight Time on October 20, 2022, certain transactions that are ordinarily incident and necessary to the wind down of financial contracts or other agreements that were entered into on or before June 6, 2022, and involve or are linked to debt or equity securities issued by an entity in the Russian Federal. Russia-related General License 45 expired at 12:01 a.m. Eastern Daylight Time on October 20, 2022.

Due to the expiration of Russian-related General License 45 on October 20, 2022, all remaining MBT broker-to-broker activity that had not yet settled was subject to delayed settlement, as stated in OCC Information Memo #51198.

OCC discussed the implications of the expiration of General License 45 with OFAC. In connection with those discussions, **OFAC issued License No. RUSSIA-EO EO14024-2022-983909-4 (“License”) on April 27, 2023, which allows settlement of MBT options exercise and assignment activity in MBT shares.** The License authorizes (1) the purchase by U.S. persons of debt or equity issued by an entity in the Russian Federation where that purchase is ordinarily incident and necessary to the wind down of covered contracts; and (2) the facilitating, clearing, and settling of a purchase by U.S. persons of debt or equity issued by an entity in the Russian Federation, where that purchase is ordinarily incident and necessary to

the wind down of covered contracts, including the performance of delivery obligations from prior exercises and assignments covering securities with ticker symbol MBT.

As permitted by the License, settlement obligations resulting from exercise and assignment activity of MBT options prior to June 17, 2022, will settle on a broker-to-broker basis. OCC will provide a copy of the License to each Clearing Member with outstanding settlement obligations for MBT options.

Clearing Members that have MBT exercise and assignment obligations are reminded to mark such obligations as settled on OCC's broker-to-broker screen once such obligations have settled.

Contract Adjustment

The option symbol MBT will not change

Date: ???

**New Deliverable
Per Contract:** 100 x the cash proceeds received per MBT ADS, less applicable fees and withholdings, if any

Settlement: All exercise and assignment activity for MBT options from prior to June 17, 2022, is subject to broker-to-broker settlement. Effective with exercises of June 17, 2022, and thereafter, all MBT exercise and assignment activity has been subject to delayed settlement. MBT options will remain subject to delayed settlement, pending the determination of the cash proceeds paid per MBT ADR, less fees and withholdings, if any

Settlement in MBT options will take place through OCC's cash settlement system. Settlement will be accomplished by payment of the difference between the extended strike amount and the cash deliverable.

Acceleration of Expirations

Pursuant to OCC Rule 807, equity stock option contracts whose deliverables are adjusted to call for cash-only delivery will be subject to **an acceleration of the expiration dates for outstanding option series** (See OCC Information Memo 23988).

Disclaimer

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, please email the Investor Education team at options@theocc.com. Clearing Member Firms of OCC may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.