

APPROVED BY: General Meeting of Shareholders of Public Joint-Stock Company Mobile TeleSystems _____, 202 (Minutes No. __)	Approved by Resolution of CASTANARANO LIMITED that is the sole participant of Oblachny Retail Plus Limited Liability Company  Resolution No. _____ dated _____, 202
---	--

## AGREEMENT ON INCORPORATION

### Oblachny Retail Plus LLC to MTS PJSC

By virtue of the Civil Code of the Russian Federation, Federal Law of the Russian Federation No. 208-FZ dd December 26, 1995 “On Joint-Stock Companies” and Federal Law No. 14-FZ dd February 08, 1998 “On Limited Liability Companies” (hereinafter referred to as the “Law “On Joint-Stock Companies” and the “Law “On Limited Liability Companies” accordingly),

**Public Joint-Stock Company Mobile TeleSystems** (place of business: Russian Federation, Moscow; address: Russian Federation, 109147, Moscow, Marksistskaya St., 4; OGRN (Primary State Registration Number): 1027700149124), hereinafter referred to as **the “Principal Entity”, MTS PJSC**, represented by its President Alexey Valerievich Kornya acting on the basis of the Charter,

**Oblachny Retail Plus Limited Liability Company** (place of business: Russian Federation, Ulyanovsk region, Ulyanovsk; address: Russian Federation, 432030, Ulyanovsk region, Ulyanovsk, Narimanov avenue, building 75, building 1, room 76, floor 2; OGRN (Primary State Registration Number): 1157325002669) hereinafter referred to as **“The Incorporated Entity”, Oblachny Retail Plus LLC**, represented by its General Director Isaev Maksim Sergeevich acting on the basis of the Charter,

(hereinafter Oblachny Retail Plus LLC jointly with MTS PJSC are referred to as “Parties”, and individually – “Party”),

*have entered into this Agreement on Incorporation (hereinafter the “Agreement”) as follows:*

### I. GENERAL PROVISIONS

Based on Articles 15 and 17 of the Law “On Joint-Stock Companies” and on Article 53 of the Law “On Limited Liability Companies”, in order to ensure the best business results:

1.1. The Incorporated Entity and the Principal Entity have agreed to proceed with reorganization via incorporation of Oblachny Retail Plus LLC to MTS PJSC with transfer of all respective rights and obligations from Oblachny Retail Plus LLC to MTS PJSC in the order of universal succession and with winding-up of Oblachny Retail Plus LLC. The Principal Entity shall be deemed reorganized at the time an entry is made into the Unified State Register of Legal Entities on winding-up of Oblachny Retail Plus LLC as defined in Clause 1.1 hereof.

1.2. The Incorporated Entity shall be deemed liquidated at the time an entry is made into the Unified State Register of Legal Entities on liquidation thereof.

1.3. Throughout the term of this Agreement, the Incorporated Entity shall take actions to ensure organizational support of reorganization via incorporation of the Incorporated Entity pursuant to the procedure established herein and by the applicable law.

1.4. Authorized management bodies of the Principal Entity and Incorporated Entity independently within the scope of their competence, established by law and the founding documents shall ensure the following:

1.4.1. making affirmative decisions on reorganization via incorporation of the Incorporated Entity into the Principal Entity;

1.4.2. giving notice to the creditors on reorganization in progress and taking measures to make settlements with the creditors claiming termination or early discharge of obligations through legal recourse in accordance with the applicable law of the Russian Federation;

1.4.3. giving notice to the regulation and registration state agencies on reorganization in progress;

1.4.4. implementing necessary measures to repurchase shares from the shareholders of the Principal Entity, entitled to claim such repurchase and exercising this right in the order established by the Law "On Joint-Stock Companies";

1.4.5. implementing other actions as may be required for reorganization purposes.

1.5. The Principal Entity shall also implement the following actions:

1.5.1. assume a role of leader coordinating reorganization procedure;

1.5.2. ensure drafting of legal documents required for reorganization purposes;

1.5.3. render consulting and other assistance to the Incorporated Entity in preparation of all necessary documents;

1.5.4. at its sole discretion accept financial costs associated with reorganization procedure;

1.5.5. ensure registration of necessary amendments and additions to the Charter of the Principal Entity related to reorganization.

1.6. The Incorporated Entity shall also implement the following actions:

1.6.1. upon request of the competent authorities of the Principal Entity shall provide to the Principal Entity and its authorized representatives any documents and information as may be required for reorganization purposes;

1.6.2. determine its creditors and debtors, along with amounts of receivables and payables (including to federal and local budgets, extrabudgetary funds).

1.7. The Incorporated Entity and the Principal Entity shall exchange documents and information necessary for discharge of their obligations assumed hereunder and imposed by the applicable law.

1.8. Prior to the transfer of rights and obligations of the Incorporated Entity to its successor, MTS PJSC, – the Incorporated Entity and the Principal Entity shall independently bear expenses related to the arrangement and conduction of the General Shareholders Meetings, and other costs incurred for reorganization purposes.

1.9. As from the effective date of this Agreement and until completion of reorganization of the Incorporated Entity via its incorporation into the Principal Entity, the Incorporated Entity shall execute the following transactions and implement the following actions subject to approval by the Principal Entity:

1.9.1. refuse of licenses and permits or commit other actions or omission resulting in expiration or termination of licenses or permits required to conduct business in the ordinary course as conducted at the effective date of this Agreement;

1.9.2. dispose of, transfer to temporary ownership and use or utilize or encumber in any other way the assets required to conduct business in the ordinary course as conducted at the effective date of this Agreement;

1.9.3. transactions for funds procurement;

1.9.4. change the salary, bonus, remuneration, and other compensation schemes adopted by the Incorporated Entity pursuant to its internal regulations, leading to increased salary, bonus, remuneration, and other compensation payments to the employees of the Incorporated Entity, along with introduction and payment of new forms of remuneration and compensation.

## **II. PROCEDURE AND CONDITIONS OF INCORPORATION**

2.1. An application for state registration of Incorporated Entity winding-up due to incorporation thereof into the Principal Entity shall be submitted to the agency responsible for state registration of legal entities after repeated placement of announcement on reorganization implemented in accordance with Clause 1.1 hereof in mass media outlets publishing information on the state registration of legal entities.

2.2. In accordance with adopted resolutions on reorganization the Principal Entity in its name and in the name of Incorporated Entity shall within three (3) business days after adoption of resolution on reorganization by the last participant of the reorganization notify the agency responsible for the state registration of legal entities of the commencement of reorganization procedures. Once an entry has been made in the Unified State Register of Legal Entities on the commencement of reorganization procedures, the Principal Entity shall twice at an interval of once (1) a month place a reorganization announcement in the mass media outlets publishing information on the state registration of legal entities.

2.3. The creditors' claims shall be satisfied with the assets of the Principal Entity and the Incorporated Entity on standalone basis, and once an entry has been made in the Unified State Register of Legal Entities on winding-up of the Incorporated Entity – with the assets of the Principal Entity.

2.4. As concerns repurchase of shares of the Principal Entity:

2.4.1. Claims of the shareholders on repurchase of shares shall be accepted by the Principal Entity from the shareholders of the Principal Entity, entitled to claim such repurchase pursuant to provisions of the law, based on the data included in the List of persons entitled to participate in the corresponding General Meeting of Shareholders, where a decision on reorganization of the Principal Entity is to be made.

2.4.2. A claim on repurchase of shares of the Principal Entity shall be submitted by the shareholder to the Principal Entity no later than 45 (forty-five) days upon adoption by the Annual General Meeting of Shareholders of the resolution on reorganization of the Principal Entity. The shares of the Principal Entity shall be repurchased at the price established by the Board of Directors of the Principal Entity. The repurchase price of the shares of the Principal Entity may not be lower than their weighted average price determined by the results of the on-exchange trading six months before the date of making a decision on the General Meeting of Shareholders, the agenda of which includes a reorganization issue. The shares of the Principal Entity shall be repurchased within 30 (thirty) days upon lapse of time established for making a claim on repurchase of shares.

2.4.3. Pursuant to the Federal Law “On Joint-Stock Companies” the total amount of funds allocated for repurchase of shares of the Principal Entity may not exceed 10% (ten percent) of the value of the Principal Entity’s net assets as at the date of resolution on reorganization via incorporation. In the event that the total number of shares concerning which repurchase claims have been lodged exceeds the number of shares that can be redeemed in view of the aforementioned limit established by the Law “On Joint-Stock Companies”, the shares shall be repurchased from shareholders in proportion to the claims lodged thereby.

2.5. The Principal Entity and the Incorporated Entity basis may subject to an additional agreement executed in compliance with Section VIII hereof modify the procedure and duration of certain stages of reorganization process, and implement any other actions not stipulated herein as may be clearly needed in view of any prevailing or changed circumstances, including the requirements of law of the Russian Federation or competent state authorities. In such a case the approval of such agreements by the authorized bodies of the Principal Entity and the Incorporated Entity concerned is not required.

2.6. Upon completion of reorganization via incorporation, the Principal Entity shall become the successor of the Incorporated Entity with regard to all the rights and obligations of the Incorporated Entity, as defined by Section 4.1.1 hereof.

2.7. Reorganization shall be deemed completed at the time when an entry is made to the Unified State Register of Legal Entities on winding-up of the Incorporated Entity.

### **III. AUTHORIZED CAPITAL AND SHARES OF THE PRINCIPAL ENTITY AND STAKES OF THE INCORPORATED ENTITY**

3.1. The authorized capital of the Principal Entity at the time of this Agreement execution amounts to RUB 199,838,157.50 (one hundred ninety nine million eight hundred thirty eight thousand one hundred fifty seven rubles fifty kopecks) and consists of 1,998,381,575 (one billion nine hundred ninety eight million three hundred eighty one thousand five hundred seventy five) outstanding ordinary registered shares with a par value of RUB 0.1 (zero point one ruble) (or 10 (ten) kopecks) each.

3.2. The authorized capital of Oblachny Retail Plus LLC at the time of this Agreement execution amounts to RUB 10,000 (ten thousand rubles) and consists of one stake with a par value of RUB 10,000 (ten thousand rubles) owned by its sole participant CASTANARANO LIMITED.

### **IV. CONVERSION OF STAKES. STAKES REDEMPTION**

4.1. Due to the fact that MTS PJSC on the date the entry is made to the Unified State Register of Legal Entities on winding-up of Oblachny Retail Plus LLC due to incorporation to MTS PJSC will be a holder of one stake in the amount of 100% (one hundred percent) of the authorized capital of Oblachny Retail Plus LLC:

4.1.1. Upon reorganization via incorporation of Oblachny Retail Plus LLC to the Principal Entity, the conversion of one stake equal to 100% (one hundred percent) of the authorized capital of Oblachny Retail Plus LLC owned by the Principal Entity will not take place;

4.1.2. A stake in the amount of 100% (one hundred percent) in the authorized capital of Oblachny Retail Plus LLC owned by the Principal Entity and not subject to conversion will be liquidated at the time an entry is made in the Unified State Register of Legal Entities on the winding-up of Oblachny Retail Plus LLC;

4.1.3. The Principal Entity shall not adopt any resolutions on placing additional ordinary registered shares for conversion of a stake in the amount of 100% (one hundred percent) in the authorized capital of Oblachny Retail Plus LLC and shall not determine the conversion factor.

## **V. SUCCESSION**

5.1. Upon incorporation of the Incorporated Entity to the Principal Entity, all rights and obligations of the Incorporated Entity shall pass to the latter in the order of universal succession.

5.2. The succession shall be certified with a document issued by the state registration authority and containing data from the Unified State Register of Legal Entities on reorganization of the Principal Entity via incorporation of the Incorporated Entity and the documents of the Incorporated Entity detailing the rights and obligations, which became the subject of succession (contracts, certificates, etc.).

5.3. The assets of the Incorporated Entity shall be transferred at the residual value stated in the ledger of the Incorporated Entity as at the date of incorporation.

5.4. Rights and obligations of the Incorporated Entity shall pass to the successor, MTS PJSC, – at the time when an entry is made into the Unified State Register of Legal Entities on winding-up of the Incorporated Entity by reorganization via incorporation into the Principal Entity.

5.5. As a result of reorganization via incorporation, the Principal Entity shall incur the rights to all assets, including equipment and documentation, in the order of universal succession.

5.6. As a result of reorganization via incorporation, the licenses and other permits valid as at the effective date of this Agreement, issued for the Incorporated Entity and essential to do business in a regular manner as done at the moment of this Agreement taking effect, shall be re-registered to the Principal Entity pursuant to the procedure as provided for by the applicable law of the Russian Federation.

## **VI. AGREEMENT TERM**

6.1. This Agreement shall enter into force upon its signing by all Parties after its approval by the General Meeting of Shareholders of the Principal Entity and upon resolution of the sole member of the Incorporated Entity.

6.2. This Agreement shall be deemed terminated upon:

6.2.1. making an entry into the Unified State Register of Legal Entities on winding-up of the Incorporated Entity by reorganization via incorporation into the Principal Entity – in the event of reorganization process completion;

6.2.2. making an entry into the Unified State Register of Legal Entities on annulling the earlier decision on reorganization – in the event the Principal Entity makes a decision on canceling reorganization pursuant to the procedure established by law.

6.3. After due authorization of this Agreement, the Parties may not unilaterally refuse of reorganization of the Principal Entity and the Incorporated Entity via incorporation of Oblachny Retail Plus LLC to MTS PJSC, except for cases stipulated by law.

6.4. The Parties shall be liable for any failure to perform or improper performance hereunder in accordance with the law.

## VII. CONFIDENTIALITY

7.1. Each Party shall protect the confidentiality of any information received or disclosed in relation hereto, except when such disclosure is supported with the written instruction or consent of the other Party, or is required by applicable law or is enforced by court or any other state authority or regulator (including stock exchanges where the securities of any Party are traded), or is necessary for any court or arbitration proceeding, and except when such information becomes known to general public (not through violation of this Agreement).

## VIII. AMENDMENTS AND/OR ADDITIONS TO AGREEMENT

8.1. This Agreement may be amended and/or supplemented by the Parties during its term subject to mutual consent of all Parties and objective reasons behind such amendment and/or addition.

8.2. Should the Parties hereto fail to reach consensus regarding bringing this Agreement in compliance with the changed circumstances (i.e. amending or supplementing this Agreement), this Agreement may be changed and/or modified at the request of the Party interested therein based on the court judgment only subject to conditions as established by the law in effect.

8.3. Consequences caused by amendments and/or additions hereto shall be determined by mutual agreement of the Parties or by court at the request of one of the Parties hereto.

8.4. Any agreements of the Parties on amending and/or supplementing the terms hereof shall not be valid unless made in writing and signed by the Parties hereto.

## IX. SIGNATURES OF THE PARTIES

9.1. This Agreement is signed in Moscow on \_\_\_\_\_, 202\_.

9.2. Signatures of the Parties:

**Public Joint-Stock Company**

**Mobile TeleSystems**

**President A.V. Kornya**

\_\_\_\_\_  
stamp here

**Oblachny Retail Plus Limited Liability  
Company**

**General Director M.S. Isaev**

\_\_\_\_\_  
stamp here